

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**  
**Project Staff Report**  
**2009 Gap Financing – Section 1602 Funds**  
**January 27, 2010**

**Project Number** CA-2010-516

**Project Name** Azahar Place  
**Address:** Citrus Drive and Peach Avenue  
Ventura, CA 93004 County: Ventura

**Applicant Information**

**Applicant:** Cabrillo Economic Development Corporation  
**Contact** Karen Flock  
**Address:** 702 County Square Drive  
Ventura, CA 93003  
**Phone:** (805) 672-2576 Fax: (805) 659-3195 Email: kflock@cabrilloedc.org

**General Partner Type:** Nonprofit  
The general partner or principal owner is Cabrillo Economic Development Corporation.

**Project Information**

**Housing Type:** Large Family  
**Construction Type:** New Construction  
**Rental/Operating Subsidy:** None  
**HCD MHP Funding:** Yes  
**Total # of Units:** 60  
**Total # Residential Buildings:** 18  
**Federal Setaside Elected:** 40%/60%  
**% & No. of Targeted Units:** 100% - 59 units  
**Proposed Average Affordability:** 47.3315%

<b>Davis-Bacon Required:</b>	No
<b>NEPA Required:</b>	Yes
<b>State Prevailing Wages Required:</b>	Yes
<b>15% Prevailing Wage Adjustment:</b>	N/A
<b>2009 TCAC Project Number:</b>	CA-2009-841
<b>2009 Annual Federal Tax Credits Reserved:</b>	\$1,109,629
<b>2009 Federal Tax Credits Retained:</b>	\$1,109,629
<b>Amount of Gap Financing Requested:</b>	\$1,331,121
<b>Calculated Amount of Gap Financing (\$0.12 max.):</b>	\$1,331,121 (\$1,109,629 X 10 X \$0.11996) = \$1,331,121
<b>Current Net Equity Factor:</b>	\$0.75182 Fed (\$0.889857 including Gap funds)

indicated in ARRA application)

**Original Net Equity Factor:** \$0.77539 Fed (\$0.889857 including Gap Funds indicated in tax credit application)

**Amount of Gap Financing Recommended:** \$1,331,121 ARRA 1602 Gap Funds

ARRA Scoring Criteria	Max. Possible Points	Points Awarded
<b>Housing Type Points (Maximum of 50 points)</b>		
<input checked="" type="checkbox"/> Large Family	10	10
<b>Total Project Cost/Cash Request Points (Maximum of 100 points)</b>		
<input checked="" type="checkbox"/> Other Project		
Total Project Cost: \$28,834,469		
Cash Award Request: \$1,331,121		
Total Points Awarded: $100 - (\$1,331,121 / \$28,834,469 \times 100) = 95.3836$	100	95.3836
<b>Total Average Affordability Points (Maximum of 100 points)</b>		
<b>Projects Original Proposed Average Affordability: 47.3315%</b>		
$60\% - \text{Average Affordability} \times 5 \text{ Points} = (60\% - 47.3315\%) \times 5 = 100$	100	63.3425
<b>Total 15-Year Project-Based Rental Assistance Points (Maximum of 25 points)</b>		
<input type="checkbox"/> Project with Less than 100% 15-Year Project-Based Rental Assistance: 0%	25	0
<b>Total Points</b>	<b>275</b>	<b>168.7261</b>

**Income/Rent Targeting**

55-Year Use/Affordability Restriction: Yes  
 Number of Units @ or below 30% of area median income: 18  
 Number of Units @ or below 35% of area median income: 5  
 Number of Units @ or below 60% of area median income: 36

Unit Type & Number	2009 Rents Targeted % of Area Median Income	2009 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
1 One-bedroom Unit	30%	29%	\$472
1 One-bedroom Unit	35%	34%	\$554
3 One-bedroom Units	60%	59%	\$964
5 Two-bedroom Units	30%	29%	\$571
2 Two-bedroom Units	35%	34%	\$670
7 Two-bedroom Units	60%	59%	\$1,162
10 Three-bedroom Units	30%	30%	\$682
2 Three-bedroom Units	35%	35%	\$796
23 Three-bedroom Units	60%	58%	\$1,312
2 Four-bedroom Units	30%	30%	\$761
3 Four-bedroom Units	60%	56%	\$1,417
1 Three-bedroom Unit		Manager's Unit	\$0

**Project Financing**

Estimated Total Project Cost: \$28,834,469 Per Unit Cost: \$480,574

<b>Construction Financing</b>		<b>Permanent Financing</b>	
Source	Amount	Source	Amount
Wells Fargo Bank	\$14,894,436	CCRC	\$1,089,000
City of Ventura	\$2,500,000	USDA RD Section 514	\$3,000,000
Joe Serna Farmworker Housing Pro.	\$3,369,000	HCD MHP	\$4,600,000
GP Loan	\$300,000	City of Ventura	\$3,000,000
AHP	\$600,000	Joe Serna Farmworker Housing	\$3,369,000
Costs deferred until completion	\$653,828	GP Loan	\$300,000
Deferred local impact fee loan	\$1,330,503	AHP	\$600,000
GP Capital	\$100	Deferred local impact fees	\$1,330,503
LP Capital	\$1,983,172	GP Capital	\$100
Deferred Developer Fee	\$1,872,309	Deferred Developer Fee	\$1,872,309
TCAC ARRA Award	\$1,331,121	Investor Equity	\$8,342,436
		TCAC ARRA Award (1602 Gap)	\$1,331,121
		<b>TOTAL</b>	<b>\$28,773,469</b>

**Income and Expense Statement for Year 1**

<b>Gross Residential Rents:</b>	\$651,648
<b>Total Rental Subsidy Income:</b>	\$0
<b>Miscellaneous Income:</b>	\$0
<b>Total Vacancy Rate Loss:</b>	(\$32,582)
<b>Total Effective Gross Income:</b>	\$619,066
<b>Less Total Expenses/Reserves:</b>	\$354,335
<b>Net Operation Income:</b>	\$264,731
<b>Debt Service:</b>	\$219,449 *
<b>Net Cash Flow</b>	\$45,282
<b>Debt Service Ratio:</b>	1.21 to 1

\* Includes conventional debt service, USDA & HCD-MHP debt service, and annual issuer fee.

Annual operating expenses exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations.

**Standard Conditions**

The Committee may make a Conditional Reservation of American Recovery and Reinvestment Act of 2009 (ARRA), Section 1602 funds for the project. This Conditional Reservation would not constitute a commitment. The provision of any funds is conditioned on TCAC's determination to proceed with, modify or cancel the project based on further underwriting and review.

All ARRA funded projects will be required to track and report on all jobs created or retained as a result of the funds.

Numbers contained in the proposed financing are subject to update and will be refined within 30 days of loan execution agreement.