

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

Project Number CA-2010-518

Project Name Toberman Village
Address: 201 – 218 North Palos Verdes Street
Los Angeles, CA 90731 County: Los Angeles

Applicant Information

Applicant: Vista Alegre, L.P.
Contact Maggie Cervantes
Address: 303 South Loma Drive
Los Angeles, CA 90017
Phone: (213) 483-2060 Fax: (213) 483-7848 Email: mcervantes@neworg.us

General Partner Type: Nonprofit
The general partner or principal owner is New Economics for Women.

Project Information

Housing Type: Large Family
Construction Type: New Construction
Rental/Operating Subsidy None
HCD MHP Funding: Yes
Total # of Units: 49
Total # Residential Buildings: 1
Federal Setaside Elected: 40%/60%
% & No. of Targeted Units: 100% – 48 units
Proposed Average Affordability: 39.5292%

Davis-Bacon Required: Yes

NEPA Required: Yes

State Prevailing Wages Required: N/A

15% Prevailing Wage Adjustment: N/A

2009 TCAC Project Number: CA-2009-846

2009 Annual Federal Tax Credits Reserved: \$641,003

2009 Federal Tax Credits Retained: \$641,003

Amount of Gap Financing Requested: \$256,375

Calculated Amount of Gap Financing (\$0.12 max): \$256,375 (\$641,003 X 10 X \$0.039997) = \$256,375

Current Net Equity Factor: \$0.67993 Fed
Original Net Equity Factor: \$0.719927 Fed
Amount of Gap Financing Recommended: \$256,375 ARRA 1602 Gap Funds

ARRA Scoring Criteria	Max. Possible Points	Points Awarded
Housing Type Points (Maximum of 50 points)		
<input checked="" type="checkbox"/> Large Family	10	10
Total Project Cost/Cash Request Points (Maximum of 100 points)		
<input checked="" type="checkbox"/> Other Project		
Total Project Cost: \$16,480,694 (original tax credit application figure)		
Cash Award Request: \$256,375		
Total Points Awarded: $100 - (\$256,375 / \$16,480,694 \times 100) = 77.5778$	100	98.4444
Total Average Affordability Points (Maximum of 100 points)		
Projects Original Proposed Average Affordability: 39.5292%		
60% - Average Affordability X 5 Points = $(60\% - 40.0000\%) \times 5 = 100$	100	100
Total 15-Year Project-Based Rental Assistance Points (Maximum of 25 points)		
<input type="checkbox"/> Project with Less than 100% 15-Year Project-Based Rental Assistance: 0%	25	0
Total Points	275	208.4444

Unit Type & Number	2009 % of Area Median Income Targeted	2009 Proposed Rent (including utilities)
1 One-bedroom Unit	30%	\$445
1 One-bedroom Unit	40%	\$594
1 One-bedroom Unit	50%	\$743
1 One-bedroom Unit	50%	\$743
7 Two-bedroom Units	30%	\$535
3 Two-bedroom Units	40%	\$714
3 Two-bedroom Units	50%	\$838
6 Two-bedroom Units	50%	\$838
9 Three-bedroom Units	30%	\$618
3 Three-bedroom Units	40%	\$824
4 Three-bedroom Units	50%	\$932
9 Three-bedroom Units	50%	\$932
1 Two-bedroom Unit	Manager's Unit	\$0

Income/Rent Targeting

55-Year Use/Affordability Restriction: Yes
 Number of Units @ or below 30% of area median income: 17
 Number of Units @ or below 40% of area median income: 7
 Number of Units @ or below 50% of area median income: 24

Project Financing

Estimated Total Project Cost: \$16,480,694 Per Unit Cost: \$336,341

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Nara Bank	\$10,000,000	Nara Bank	\$1,359,441
LAHD – HOME & RDA Setaside	\$4,875,640	LAHD – HOME & RDA Setaside	\$4,875,640
Deferred Developer Fee	\$564,820	HCD – MHP	\$3,950,856
Investor Equity	\$3,050,867	FHLB – AHP	\$480,000
		CRA/LA	\$1,200,000
		Investor Equity	\$4,358,382
		TCAC ARRA Award (1602 Gap)	\$256,375
		TOTAL	\$16,480,694

Income and Expense Statement for Year 1

Gross Residential Rents:	\$399,972
Total Rental Subsidy Income:	\$0
Miscellaneous Income:	\$0
Total Vacancy Rate Loss:	(\$19,999)
Total Effective Gross Income:	\$379,973
Less Total Expenses/Reserves:	\$235,203
Net Operation Income:	\$144,771
Debt Service:	\$123,408 *
Net Cash Flow	\$121,363
Debt Service Ratio:	1.17 to 1

* Includes conventional debt service and HCD MHP hard debt service component.

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.