#### CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

# Project Staff Report 2009 TCAP Funds & HCD Loan Guarantee April 28, 2010

Project Number CA-2010-511

**Project Name** 220 Golden Gate Avenue Address: 220 Golden Gate Avenue

San Francisco, CA 94102 County: San Francisco

**Applicant Information** 

Applicant: 220 Golden Gate Associates, L.P.

Contact Don Falk

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San Francisco, CA 94102

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General Partner Type: Nonprofit

The general partner or principal owner is 220 Golden Gate GP LLC.

**Project Information** 

Construction Type: Acquisition and Rehabilitation Federal Subsidy: Tax-Exempt/HOME/CDBG

HCD MHP Funding: Yes
Total # of Units: 174
Total # Residential Buildings: 1

Federal Setaside Elected: 40%/60%

% & No. of Targeted Units: 100% - 172 units

**Davis-Bacon Required:** Yes

**NEPA Required:** Yes

**State Prevailing Wages Required:** No

**2009 TCAC Project Number:** CA-2009-849

**2010 9% Federal Tax Credits Retained:** \$100

Total TCAP Cash Award Awarded on January 27, 2010: \$23,905,902

Total HCD Loan Guarantee Awarded on January 27, 2010 & February 17, 2010: \$17,162,978

**Additional HCD Loan Guarantee Requested:** \$641,702

**Total HCD Loan Guarantee Recommended:** \$641,702

**Grand Total HCD Loan Guarantee:** \$17,804,680

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ARRA Scoring Criteria	Max. Possible	Points Awarded
	Points	
Housing Type Points (Maximum of 50 points)		
Single Room Occupancy (SRO) Project	50	50.000
Total Project Cost/Cash Request Points (Maximum of 100 points)		
Other Project		
Total Project Cost: \$86,914,550		
Cash Award Request: \$23,905,902		
Total Points Awarded: 100 - (\$23,905,902/\$86,914,550 X 100) = 72.4949	100	72.4949
Total Average Affordability Points (Maximum of 100 points)		
Projects Original Proposed Average Affordability: 40.0000%		
60% - Average Affordability X 5 Points = (60% - : 40.0000%) X 5 = 100	100	100.0000
Total 15-Year Project-Based Rental Assistance Points (Maximum of 25 points)		
Project with 100% 15-Year Project-Based Rental Assistance = 25 points	25	25.0000
Total Points	275	247.4949

## **Income/Rent Targeting**

55-Year Use/Affordability Restriction: Yes

Number of Units @ or below 40% of area median income: 174

### **Approved 2009 TCAC Proposed Rent and Income Levels**

Unit Type & Number		% of Area Median Income	<b>Proposed Rent</b>	
			(including utilities)	
17	SRO Units	9%	\$171	
155	SRO Units	15%	\$286	
2	SRO Units	Manager's Unit	\$800	

## **Project Financing**

Estimated Residential Project Cost: \$86,914,550 Per Unit Cost: \$499,509

Estimated Commercial Project Cost: \$1,965,720 Estimated Total Project Cost: \$88,880,270

Construction Financing	Permanent Financing		
Citibank Community Capital	\$50,806,521	City and County of San Francisco	\$22,095,369
San Francisco Mayor's Office of Hsy.	\$22,098,466	HCD – ARRA Loan Guarantee	\$17,804,680
AHP	\$1,500,000	HCD - TOD	\$9,195,320
TCAC ARRA Funds	\$9,562,360	CalHFA -MHSA	\$1,700,000
		AHP	\$1,500,000
		GP Equity	\$143,069
		Historic Tax Credit Equity	\$12,535,130
		Investor Equity	\$800
		TCAC ARRA Funds	\$23,905,902
		TOTAL	\$88,880,270

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### **Income and Expense Statement for Year 1**

Gross Residential Rents: \$576,444
Rental Subsidy Income: \$1,619,054
Miscellaneous Income: \$5,000
Vacancy Rate: 10% (\$57,644)

**Total Effective Gross Income:** \$2,142,854

**Less Total Expenses/Reserves:** \$1,995,471

**Net Operation Income:** \$147,383

**Debt Service:** \$127,680

Net Cash Flow \$13,163

**Debt Service Ratio:** 1.15 to 1

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), Tax Credit Assistance Program (TCAP) funds for the project sponsor. This Conditional Reservation would not constitute a commitment of funds or site approval, and that such commitment of funds or approval may occur only upon satisfactory completion of environmental review and receipt by the California Tax Credit Allocation Committee of a release of funds from the U.S. Department of Housing and Urban Development under 24 CFR Part §58. The provision of any funds to the project is conditioned on TCAC's determination to proceed with, modify or cancel the project based on the results of a subsequent environmental review and further underwriting.

The project sponsor is prohibited from undertaking or committing any funds to physical or choice-limiting actions, including property acquisition, demolition, movement, rehabilitation, conversion, repair or construction prior to the environmental clearance. A violation of this provision may result in the denial of any funds.

In addition, each project ultimately awarded ARRA TCAP funds will have to comply with all federal requirements, such as Section 504, Davis-Bacon federal labor standards laws, anti-lobbying requirements, lead-based paint rules, and other federal laws.

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