

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
2009 TCAP Funds & HCD Loan Guarantee
July 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, April 28, 2010 and May 26, 2010:	\$20,610,709
Additional HCD Loan Guarantee Requested:	\$420,099
Total HCD Loan Guarantee Recommended:	\$420,099
Grand Total HCD Loan Guarantee:	\$21,030,808

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

<u>Unit Type & Number</u>	<u>% of Area Median Income</u>	<u>Proposed Rent</u> (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	\$21,030,808
AHP	\$1,500,000	HCD - TOD	\$5,969,192
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

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.