



***Mosaic Apartments
56 Units of Workforce Housing
Case Study***

***Presentation to
National Housing & Rehabilitation Association
July 21, 2010***

Presentation Outline

- Introduction to AMCAL
- Mosaic Apartments Case Study
 - Soft Funding Challenges
 - Tax Issues
- Questions



Company information

- **Founded in 1978, Since 1996, focus on affordable housing**
- **29 residential developments in California**
 - **Value: \$500+ million**
 - **Value of tax credits: \$333,000,000**
 - **2,800+ units developed**
- **Expertise in new construction and large-scale Developments (36-300 units), up to 20 acres**
- **We are: Developer / General Contractor / Owner**
- **Public-private partnerships**
 - **Funding from: Los Angeles, Los Angeles County, San Diego, Fresno, Palmdale, Maywood, Orange Cove, Long Beach, Westminster, Victorville, Santa Barbara, Bakersfield, State of California.**



Mosaic Apartments

Los Angeles



- 56 units
- 100% workforce/ intergenerational
- 30-60% AMI
- Cost: \$21,760,000
- Financing: 9% LIHTC
- Construction completion: 2011
- Non-profit: Foundation for Affordable Housing V, Inc.
- Architect: Killefer Flammang
- 2 buildings: 3 levels residential, 1 level subterranean parking
- 2 street level retail spaces

Mosaic Apartments

Finance Structure

CONSTRUCTION PERIOD

• Conventional loan	\$7,500,711
• CRA Soft Loan	\$5,325,227
• City of Los Angeles, ARRA	\$546,480
• Prop 1C Infill	\$2,732,400
• TCAC 1602 Cash Award	\$1,095,984
• Tax Credit Equity	\$3,256,626
• Deferred Developer Fee	<u>\$1,302,878</u>
	\$21,760,306

Mosaic Apartments

Finance Structure

PERMANENT PERIOD

• Conventional loan	\$1,242,375
• CRA Soft Loan	\$5,325,227
• City of Los Angeles, ARRA	\$546,480
• Prop 1C Infill	\$2,732,400
• TCAC 1602 Cash Award	\$1,095,984
• Tax Credit Equity	\$9,794,363
• Deferred Developer Fee	<u>\$1,023,477</u>
	\$21,760,306

Soft Funding Challenges

- **CRA Loan**

- Comprehensive outreach results in intergenerational design
- 2 part loan structure
- Commitment crucial to 9% success
- Sacramento decision

- **City of Los Angeles ARRA funds**

- CDBG-R uses, acquisition costs restriction
- Los Angeles CDBO non-profit requirement
- Mirror loan docs, City -> nonprofit, nonprofit -> partnership

- **Prop 1C IIG Grant**

- CTCAC's acceptance of HCD commitment
- HCD Disbursement Agreement, amendment requiring administrative & Managing GPs joint control of management duties

- **TCAC 1602 Exchange Program**

- Limit of 2 disbursements per tranche percentage specified in Grant Agreement

- **Tax Credits**

- Filling the gap
- 2yrs from acquisition to closing makes for treacherous ground

Tax Issues

- Grants must be excluded from basis or included in taxable income.
- Complex loan structures
- Recent benefits
 - Market rate loans from public sources no longer disqualifies a project from 9% credits
 - Bonds only funding source that commit project to 4% credits