

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2009 Cash in Lieu of Credits – Section 1602 Funds

August 26, 2009

REVISED – 11-24-09

Project Number CA-2009-575

Project Name Jose's Place Apartments
Address: 154 North Arroyo Seco
Ione, CA 95640

County: Amador

Applicant Information

Applicant: Ione Jose's Place, LP
Contact Michael Condry
Address: 1370 Jensen, Suite B
Sanger, CA 93657
Phone: (559) 875-3330

Fax: (559) 875-3365

General Partner Type: Joint Venture

The general partner(s) or principal owner(s) are Ione Jose's Place, LLC and Central Valley Coalition for Affordable Housing.

Project Information

Construction Type: Acquisition and Rehabilitation
Federal Subsidy: Tax-Exempt/
HCD MHP Funding: Yes
Total # of Units: 44
Total # Residential Buildings: 1

Information

Housing Type: At-Risk
Proposed Average Affordability: 40.00

Davis-Bacon Required: No

NEPA Required: No

State Prevailing Wages Required: Yes

Applicant Requested 15% Augmentation of the Original Development Budget to Help Assist in Complying with Prevailing Wage and Other Federal Requirements.

Augmentation Calculation

15% Prevailing Wage Adjustment: **\$205,481** Site Work + Structures x 15% = Total Prevailing Wage Adjustment
(\$0 + \$1,369,872) X 15% = \$205,481

2008 TCAC Project Number: CA-2008-942

Federal/Annual

2008 Federal Tax Credits Reserved: \$220,143

2008 Federal Reserved Tax Credits Exchanged/Returned: \$220,143

Original Net Equity Factor: (Max .85 for 2008 & .80 for 2009) .83790

Amount of Financing Requested: \$1,618,139 ((\$220,143 X .83790) X 10)

Amount of Prevailing Wage Augmentation Requested: \$205,481

Revised ARRA Cash Request: \$1,823,620 (\$1,618,139 + \$205,481)

Total Cash Award Recommended: \$1,823,620

ARRA Scoring Criteria	Max. Possible Points	Points Awarded
<i>DDA Bonus Points</i>	25	0
<i>Housing Type Points (Maximum of 50 points)</i>		
<input checked="" type="checkbox"/> At-Risk Project	30	30
<i>Total Project Cost/Cash Request Points (Maximum of 100 points)</i>		
<input checked="" type="checkbox"/> Other Project		
Total Project Cost: \$6,365,273		
Cash Award Request: \$1,618,139		
Total Points Awarded: $100 - (\$1,618,139 / \$6,365,273 \times 100) = 74.5786$	100	74.5786
<i>Total Average Affordability Points (Maximum of 100 points)</i>		
Projects Original Proposed Average Affordability: 40%		
60% - Average Affordability X 5 Points = $(60\% - 40\%) \times 5 = 100.00$	100	100.00
Total Points	275	204.5786

Approved 2008 TCAC Proposed Rent and Income Levels

<u>Unit Type & Number</u>	<u>% of Area Median Income</u>	<u>Proposed Rent</u> (including utilities)
9 One-Bedroom	50%	\$625
34 One-Bedroom	60%	\$750
1 Two-Bedroom	Manager's Unit	\$0

Project Financing

Estimated Total Project Cost: \$5,953,620 Per Unit Cost: \$135,310

Washington Mutual – Tax Exempt Bonds	\$3,766,281	Bonneville Mortgage	\$2,500,000
USDA	\$1,435,000	USDA Rural Development	\$1,429,150
Deferred Developer Fee	\$516,736	Replacement Reserve	\$200,850
TCAC ARRA Funds	\$647,256	TCAC ARRA Funds	\$1,823,620
		TOTAL	\$5,953,620

Income and Expense Statement for Year 1

Gross Residential Rents:	\$350,988
Miscellaneous Income:	\$60,400
Vacancy Rate: 5%	(\$20,569)

Total Effective Gross Income:	\$390,819
Less Total Expenses/Reserves:	\$187,000
Net Operation Income:	\$203,819
Debt Service:	\$174,130
Net Cash Flow	\$24,098
Debt Service Ratio:	1.17 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), 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.