

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**  
**Project Staff Report**  
**HCD Loan Guarantee**  
**August 26, 2009**

**Project Number** CA-2009-546

**Project Name** Tonner Hills Apartment Homes  
**Address:** South Side of Santa Fe Road (to be constructed), Approximately 1,300 Feet West of  
Valencia Avenue  
Brea, CA 92821 County: Orange

**Applicant Information**

**Applicant:** Jamboree Housing Corporation  
**Sponsor:** Marcy Torres  
**Address:** 17701 Cowan, Suite 200  
Irvine, CA 92614  
**Phone:** (949) 263-8676 Fax: (949) 263-0647  
**Email:** mtorres@jamboreehousing.com  
**Sponsors Type:** Nonprofit

**General Partner Type:** Nonprofit  
The general partner or principal owner is JHC-Acquisitions, LLC.

**Project Information**

**Construction Type:** New Construction  
**Federal Subsidy:** Tax-Exempt  
**HCD MHP Funding:** Yes  
**Total # of Units:** 94  
**Total # Residential Buildings:** 7

**Information**

**Housing Type:** Large Family  
**Proposed Average Affordability:** 44.60

**Davis-Bacon Required:** No

**NEPA Required:** Yes

**State Prevailing Wages Required:** Yes

**2008 TCAC Project Number:** CA-2008-951

**Federal/Annual**

**2008 Federal Tax Credits Reserved:** \$1,115,487

**2008 Federal Tax Credits Retained:** \$1,115,487

**HCD Loan Guarantee Requested:** \$7,741,681

**HCD Loan Guarantee Recommended:** \$7,741,681

<b>ARRA Scoring Criteria</b>	<b>Max. Possible Points</b>	<b>Points Awarded</b>
<b><i>DDA Bonus Points</i></b>	<b>25</b>	<b>0</b>
<b><i>Housing Type Points (Maximum of 50 points)</i></b>	<b>50</b>	
<input checked="" type="checkbox"/> Large Family/Senior Project	<b>10</b>	<b>10</b>
<b><i>Total Project Cost/Cash Request Points (Maximum of 100 points)</i></b>		
<input checked="" type="checkbox"/> PMIB – MHP, SHP, & Homeless Youth Projects	<b>100</b>	<b>100</b>
<input type="checkbox"/> Other Project		
Total Project Cost: \$		
Cash Award Request: \$		
Total Points Awarded: 100 - (Cash Award/Total Project Cost X 100)		
<b><i>Total Average Affordability Points (Maximum of 100 points)</i></b>	<b>100</b>	<b>77.00</b>
Projects Original Proposed Average Affordability: 44.60%		
60% - 44.60% = 15.40 X 5 Points =77.00		
<b>Total Points</b>	<b>275</b>	<b>187.00</b>

**Approved 2008 TCAC Proposed Rent and Income Levels**

<u>Unit Type &amp; Number</u>	<u>% of Area Median Income</u>	<u>Proposed Rent</u> (including utilities)
2 One-Bedroom	30%	\$523
7 One-Bedroom	35%	\$610
5 One-Bedroom	50%	\$789
7 One-Bedroom	60%	\$1,046
4 Two-Bedroom	30%	\$627
11 Two-Bedroom	35%	\$732
9 Two-Bedroom	50%	\$946
10 Two-Bedroom	60%	\$1,255
4 Three-Bedroom	30%	\$725
13 Three-Bedroom	35%	\$846
10 Three-Bedroom	50%	\$1,093
11 Three-Bedroom	60%	\$1,450
1 Three-Bedroom	Manager's Unit	\$0

**Project Financing**

Estimated Total Project Cost: \$26,714,315 Per Unit Cost: \$284,195

US Bank – Tax Exempt Bonds	\$21,000,000	US Bank – Tax Exempt Bonds	\$3,789,808
Shea Tonner Hills, LLC	\$2,000,000	Shea Tonner Hills, LLC	\$2,000,000
City of Brea	\$600,000	City of Brea	\$1,200,000
Deferred Developer Fee	\$196,180	County of Orange	\$4,000,000
Investor Equity	\$4,687,382	Deferred Developer Fee	\$261,826
		HCD – MHP ARRA Guarantee	\$7,741,681
		Investor Equity	\$7,721,000
		<b>TOTAL</b>	<b>\$26,714,315</b>

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

<b>Gross Residential Rents:</b>	\$1,004,412
<b>Miscellaneous Income:</b>	\$10,152
<b>Vacancy Rate: 5%</b>	(\$50,221)
<b>Total Effective Gross Income:</b>	\$964,343
<b>Less Total Expenses/Reserves/etc.:</b>	\$603,040
<b>Net Operation Income:</b>	\$361,303
<b>Debt Service:</b>	\$294,010
<b>Net Cash Flow</b>	\$67,293
<b>Debt Service Ratio:</b>	1.23 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.