

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**  
**Project Staff Report**  
**2009 Cash in Lieu of Credits - Gap Financing/ TCAP Funds**  
**August 26, 2009**

**Project Number** CA-2009-549

**Project Name** Valley Vista Senior Housing  
**Address:** 20503 & 20709 San Ramon Valley Boulevard  
San Ramon, CA 94583 County: Contra Costa

**Applicant Information**

**Applicant:** Valley Vista Senior Housing, L.P.  
**Sponsor:** Ancel Romero  
**Address:** 6120 Stoneridge Mall Road, 3<sup>rd</sup> Floor  
Pleasanton, CA 94588  
**Phone:** (925) 924-7197 **Fax:** (925) 924-7233  
**Email:** [aromero@abhow.com](mailto:aromero@abhow.com)

**General Partner Type:** Nonprofit  
The general partner or principal owner is Carmel Senior Housing, Inc.

**Project Information**

**Construction Type:** New Construction  
**Federal Subsidy:** Tax-Exempt/HUD 202 PRAC  
**HCD MHP Funding:** No  
**Total # of Units:** 105  
**Total # Residential Buildings:** 2

**Information**

**Housing Type:** Senior  
**Proposed Average Affordability:** 22.5750

**Davis-Bacon Required:** Yes

**NEPA Required:** Yes

**State Prevailing Wages Required:** No

**2009 TCAC Project Number:** CA-2009-822

**Original 2009 Federal Tax Credits Reserved:** **Federal Credit**  
\$1,190,802

**2009 Federal Tax Credits Retained:** \$1,190,802

**Amount of Gap Financing Requested:** **Federal Credit**  
6.0883 Cents

**Current Net Equity Factor:** .81465

**Amount of Net Equity Factor Requested:** **Federal Calculation**  
(\$1,190,802 X 10 X .060883) = \$725,000

**Amount of Gap Financing Recommended:** **\$725,000**

<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>25</b>
<b><i>Housing Type Points (Maximum of 50 points)</i></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"/> Other Project		
Total Project Cost: \$33,742,488		
Cash Award Request: \$725,000		
Total Points Awarded: $100 - (\$725,000 / \$33,742,488 \times 100) = 97.8513$	<b>100</b>	<b>97.8513</b>
<b><i>Total Average Affordability Points (Maximum of 100 points)</i></b>		
Projects Original Proposed Average Affordability: 22.5750%		
60% - Average Affordability X 5 Points = $(60\% - 22.5750\%) \times 5 = 187.125$	<b>100</b>	<b>100.00</b>
<b>Total Points</b>	<b>275</b>	<b>232.8513</b>

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

<b><u>Unit Type &amp; Number</u></b>	<b><u>% of Area Median Income</u></b>	<b><u>Proposed Rent</u></b> (including utilities)
89 One-Bedroom	20%	\$309
1 One-Bedroom	30%	\$484
6 Two-Bedroom	30%	\$565
8 Two-Bedroom	50%	\$942
1 Two-Bedroom	Manager's Unit	\$0

**Project Financing**

Estimated Total Project Cost: \$33,742,488 Per Unit Cost: \$321,357

Wells Fargo – Tax Exempt Bonds	\$18,915,708	HUD Section 202	\$12,282,400
City of San Ramon RDA	\$5,500,000	City of San Ramon RDA	\$5,500,000
City of San Ramon RDA	\$262,251	City of San Ramon RDA	\$262,251
Contra Costa County	\$2,000,000	Contra Costa County	\$2,000,000
Contra Costa County	\$500,000	Contra Costa County	\$500,000
AHP	\$945,000	AHP	\$945,000
Deferred Interest on soft loans	\$113,248	Deferred Interest on soft loans	\$113,248
HCD - Infill Infrastructure Grant	\$1,310,000	HCD - Infill Infrastructure Grant	\$1,310,000
GP Equity	\$100	General Partner Equity	\$375,990
TCAC ARRA Funds	\$290,000	TCAC ARRA Funds	\$725,000
Investor Equity	\$712,552	Investor Equity	\$9,728,599
		<b>TOTAL</b>	<b>33,742,488</b>

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

<b>Gross Residential Rents:</b>	\$415,740
<b>Subsidy Income:</b>	\$288,665
<b>Miscellaneous Income:</b>	\$6,300
<b>Vacancy Rate: 5%</b>	(\$21,102)
<b>Total Effective Gross Income:</b>	\$689,603
<b>Less Total Expenses/Reserves:</b>	\$661,129
<b>Net Operation Income:</b>	\$28,474
<b>Debt Service:</b>	\$0
<b>Net Cash Flow</b>	\$28,474

**Debt Service Ratio:** All Residual/Deferred Payment Loans

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.

Numbers contained in the proposed financing are subject to update and will be refined within 30 days of loan execution agreement.