

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2009 Cash in Lieu of Credits – Section 1602 Funds**

**August 26, 2009**

**REVISED**

**Project Number** CA-2009-586

**Project Name** Creekside Apartments

Address: 28955 Pujol Street

Temecula, CA 92590

County: Riverside

**Applicant Information**

Applicant: RC Investment Group, L.P.

Contact: Janae Smith

Address: 3940-7 Broad Street, #353  
San Luis Obispo, CA 93401

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General Partner Type: Joint Venture

The general partner(s) or principal owner(s) are RC – 2009, LLC and Quality Housing Development Corporation.

**Project Information**

Construction Type: Acquisition and Rehabilitation

Federal Subsidy: Tax-Exempt/USDA

HCD MHP Funding: No

Total # of Units: 49

Total # Residential Buildings: 12

**Information**

Housing Type: At-Risk

Proposed Average Affordability: 41.0941

**Davis-Bacon Required:** No

**NEPA Required:** No

**State Prevailing Wages Required:** No

**2009 TCAC Project Number:** CA-2009-819

**Federal/Annual**

**2009 Federal Tax Credits Reserved:** \$102,421

**2009 Federal Reserved Tax Credits Exchanged/Returned:** \$102,421

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

**Calculated Amount of Cash Requested:** (\$102,421 X 10 X .79406) = \$813,286

**Total Cash Award Recommended:** **\$813,286**

<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>		
<input checked="" type="checkbox"/> At-Risk Project	<b>30</b>	<b>30</b>
<b><i>Total Project Cost/Cash Request Points (Maximum of 100 points)</i></b>		
<input checked="" type="checkbox"/> Other Project		
Total Project Cost: \$3,511,449		
Cash Award Request: \$813,286		
Total Points Awarded: $100 - (\$813,286 / \$3,511,449 \times 100) = 76.8390$	<b>100</b>	<b>76.8390</b>
<b><i>Total Average Affordability Points (Maximum of 100 points)</i></b>		
Projects Original Proposed Average Affordability: 41.0941%		
60% - Average Affordability X 5 Points = $(60\% - 41.0941\%) \times 5 = 94.5295$	<b>100</b>	<b>94.5295</b>
<b>Total Points</b>	<b>275</b>	<b>201.3685</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)
15 One-Bedroom	50%	\$632
33 One-Bedroom	60%	\$647
1 Two-Bedroom	Mangers Unit	\$0

**Project Financing**

Estimated Total Project Cost: \$3,511,449      Per Unit Cost: \$71,662

Bonneville Multifamily – Tax-Exempt	\$1,546,000	Bonneville Multifamily – Tax-Exempt	\$1,470,000
USDA RD Loan	\$1,075,350	USDA RD Loan	\$1,075,350
Deferred Developer Fee	\$392,005	Deferred Developer Fee	\$18,662
RD Reserve	\$134,151	RD Reserve	\$134,151
TCAC ARRA Funds	\$325,314	TCAC ARRA Funds	\$813,286
		<b>TOTAL</b>	<b>\$3,511,449</b>

**Income and Expense Statement for Year 1**

<b>Gross Residential Rents:</b>	\$337,140
<b>Rental Subsidy Income:</b>	\$65,484
<b>Miscellaneous Income:</b>	\$12,535
<b>Vacancy Rate: 5%</b>	(\$20,131)
<b>Total Effective Gross Income:</b>	\$395,028

<b>Less Total Expenses/Reserves:</b>	\$240,091
<b>Net Operation Income:</b>	\$154,937
<b>Debt Service:</b>	\$129,427
<b>Net Cash Flow</b>	\$25,510
<b>Debt Service Ratio:</b>	1.20 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.