

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**  
**Project Staff Report**  
**2009 Cash In Lieu of Credits – Section 1602 Funds**  
**January 27, 2010**

**Project Number** CA-2010-503

**Project Name** Placer West Apartments  
**Address:** 6055 Placer West Drive  
Rocklin, CA 95677 **County:** Placer

**Applicant Information**

**Applicant:** Placer West Housing Partners, LP  
**Contact** Stephen R. Whyte  
**Address:** 1700 Seventh Avenue, Suite 2075  
Seattle, WA 98101  
**Phone:** (206) 621-7420 **Fax:** (206) 621-7420 **Email:** srw@housingadvisors.com

**General Partner Type:** Joint Venture

The general partners or principal owners are Placer West Housing Management, LLC and Hearthstone Housing Foundation.

**Project Information**

**Housing Type:** At-Risk  
**Construction Type:** Acquisition and Rehabilitation  
**Rental/Operating Subsidy:** 100% (43 units - USDA RHS 521)  
**HCD MHP Funding:** No  
**Total # of Units:** 44  
**Total # Residential Buildings:** 6  
**Federal Setaside Elected:** 40%/60%  
**% & No. of Targeted Units:** 100% - 43 units  
**Proposed Average Affordability:** 53.9698% (without incorporating rental subsidy)

**Davis-Bacon Required:** No

**NEPA Required:** No

**State Prevailing Wages Required:** Yes (based on ARRA 1602 funds)

**15% Prevailing Wage Adjustment:** \$99,000 ((\$0 Site Work + \$660,000 Structures) X 15%)

**2009 TCAC Project Number:** CA-2009-857

**2009 Annual Federal Tax Credits Reserved:** \$150,210

**2009 Federal Reserved Tax Credits Exchanged/Returned:** \$150,210

**Original Net Equity Factor: (maximum \$0.80 for 2009)** \$0.758867 Fed

**Calculated/Requested Amount of ARRA Funds:** (\$150,210 X 10 X 0.758867) = \$1,139,895

**Total Cash Award Recommended: \$1,238,895** (\$1,139,895 ARRA 1602 Funds + \$99,000 Prevailing Wage Adjustment)

<b>ARRA Scoring Criteria</b>	<b>Max. Possible Points</b>	<b>Points Awarded</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: \$5,083,777 (original tax credit application figure)		
Cash Award Request: \$1,139,895		
Total Points Awarded: $100 - (\$1,139,895 / \$5,083,777 \times 100) = 77.5778$	<b>100</b>	<b>77.5778</b>
<b><i>Total Average Affordability Points (Maximum of 100 points)</i></b>		
<b>Project's Average Affordability – Including Rental Subsidy: 40.0000%</b>		
60% - Average Affordability X 5 Points = $(60\% - 40.0000\%) \times 5 = 100$	<b>100</b>	<b>100</b>
<b><i>Total 15-Year Project-Based Rental Assistance Points (Maximum of 25 points)</i></b>		
<input checked="" type="checkbox"/> Project with 100% 15-Year Project-Based Rental Assistance = 25 points	<b>25</b>	<b>25</b>
<b>Total Points</b>	<b>275</b>	<b>232.5778</b>

**Income/Rent Targeting**

55-Year Use/Affordability Restriction: Yes  
 Number of Units @ or below 50% of area median income: 43

<b>Unit Type &amp; Number</b>	<b>2009 Rents Targeted % of Area Median Income</b>	<b>Proposed Rent (including utilities)</b>
25 One-bedroom Unit	50%	\$682
3 One-bedroom Unit	50%	\$682
10 Two-bedroom Units	50%	\$818
1 Two-bedroom Units	50%	\$818
3 Three-bedroom Units	50%	\$946
1 Three-bedroom Units	50%	\$946
1 Two-bedroom Unit	Manager's Unit	\$0

**Project Financing**

Estimated Total Project Cost: \$5,049,119 Per Unit Cost: \$114,753

<b>Construction Financing</b>		<b>Permanent Financing</b>	
Source	Amount	Source	Amount
Bonneville Multifamily	\$2,600,000	Bonneville Multifamily	\$2,600,000
USDA RD 515 Loan	\$826,652	USDA RD 515 Loan	\$826,652
City of Rocklin	\$250,000	City of Rocklin	\$250,000
Deferred Developer Fee	\$355,866	Deferred Developer Fee	\$133,572
TCAC ARRA Award (40%)	\$495,558	TCAC ARRA Award (1602 Funds)	\$1,238,895
		<b>TOTAL</b>	<b>\$5,049,119</b>

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

<b>Gross Residential Rents:</b>	\$389,004
<b>Total Rental Subsidy Income:</b>	\$37,956
<b>Miscellaneous Income:</b>	\$4,620
<b>Total Vacancy Rate Loss:</b>	(\$21,348)
<b>Total Effective Gross Income:</b>	\$410,232
<b>Less Total Expenses/Reserves:</b>	\$171,975
<b>Net Operation Income:</b>	\$238,257
<b>Debt Service:</b>	\$199,693
<b>Net Cash Flow</b>	\$38,564
<b>Debt Service Ratio:</b>	1.19 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.