

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
2009 Gap Financing – Section 1602 Funds
January 27, 2010

Project Number CA-2010-522

Project Name Tule Vista
Address: Bordered by Alpine, “D”, “E”, and Elm Avenue
Tulare, CA 93274 County: Tulare

Applicant Information

Applicant: Tule Vista Associates, a California Limited Partnership
Contact Caleb Roope
Address: 430 E. State Street, Suite 100
Eagle, ID 83616
Phone: (208) 461-0022 **Fax:** (208) 461-3267 **Email:** calebr@tpchousing.com

General Partners Type: Joint Venture

Project Information

Housing Type: Large Family (Non-targeted for ARRA competition)
Construction Type: New Construction
Rental/Operating Subsidy: 50% (28 units – Tulare County Housing Authority - Section 8 Vouchers)
HCD MHP Funding: No
Total # of Units: 57
Total # Residential Buildings: 57
Federal Setaside Elected: 40%/60%
% & No. of Targeted Units: 100% - 56 units
Proposed Average Affordability: 44.6962% (rental subsidy units factored in at 30% AMI)

Davis-Bacon Required: No

NEPA Required: No

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

15% Prevailing Wage Adjustment: \$1,477,267 ((\$1,026,000 Site Work + \$8,822,446 Structures) X 15%)

2009 TCAC Project Number: CA-2009-854

2009 Annual Federal Tax Credits Reserved: \$563,743

2009 Federal Tax Credits Retained: \$563,743

Amount of Gap Financing Requested: \$676,559

Calculated Amount of Gap Financing (\$0.12 max.): \$676,492 (\$563,743 X 10 X \$0.12) = \$676,492

Current Net Equity Factor: \$0.74 Fed

Original Net Equity Factor: \$0.75 Fed

Amount of Gap Financing Recommended: \$2,153,759 (\$676,492 ARRA Gap Funds + \$1,477,267 Prevailing Wage Adjustment)

ARRA Scoring Criteria	Max. Possible Points	Points Awarded
Housing Type Points (Maximum of 50 points)		
<input type="checkbox"/> Large Family	10	0
Total Project Cost/Cash Request Points (Maximum of 100 points)		
<input checked="" type="checkbox"/> Other Project		
Total Project Cost: \$16,918,070		
Cash Award Request: \$676,559		
Total Points Awarded: $100 - (\$676,559 / \$16,918,070 \times 100) = 95.5268$	100	96.0010
Total Average Affordability Points (Maximum of 100 points)		
Projects Original Proposed Average Affordability: 44.6962%		
$60\% - \text{Average Affordability} \times 5 \text{ Points} = (60\% - 44.6962\%) \times 5 = 100$	100	76.5190
Total 15-Year Project-Based Rental Assistance Points (Maximum of 25 points)		
<input checked="" type="checkbox"/> Project with Less than 100% 15-Year Project-Based Rental Assistance: 50 25 Points – ((100% minus 50%) divided by 2), then result rounded down)	25	0
Total Points	275	172.5200

Income/Rent Targeting

55-Year Use/Affordability Restriction: Yes

Number of Units @ or below 50% of area median income: 28

Number of Units @ or below 60% of area median income: 28

<u>Unit Type & Number</u>	<u>2009 Rents % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
6 Two-Bedroom	60%	\$753
19 Three-Bedroom	60%	\$870
3 Four-Bedroom	60%	\$970
6 Two-Bedroom	50%	\$627
20 Three-Bedroom	50%	\$725
2 Four-Bedroom	50%	\$808
1 Three-Bedroom	Manager's unit	\$0

Project Financing

Estimated Total Project Cost: \$18,395,337 Per Unit Cost: \$322,725

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Citibank	\$10,000,000	Citibank	\$3,000,000
City of Tulare RDA	\$2,835,000	City of Tulare RDA	\$2,835,000
Tulare County H.A. Loan	\$385,000	Tulare County H.A. Loan	\$3,900,000
City of Tulare RDA Land Loan	\$374,952	City of Tulare RDA Land Loan	\$385,000
Deferred Developer Fee	\$2,101,114	Deferred Developer Fee	\$1,949,883
Tule Vista Associates, LLC	\$116,962	Investor Equity	\$4,171,695
Investor Equity	\$834,418	TCAC ARRA Award (1602 Gap)	\$2,153,759
TCAC ARRA Award (40%)	\$861,504	TOTAL	\$18,395,337

Income and Expense Statement for Year 1

Gross Residential Rents:	\$489,204
Total Rental Subsidy Income:	\$45,186
Miscellaneous Income:	\$1,425
Total Vacancy Rate Loss:	(\$26,791)
Total Effective Gross Income:	\$509,024
Less Total Expenses/Reserves:	\$256,500
Net Operation Income:	\$252,524
Debt Service:	\$211,347
Net Cash Flow	\$41,177
Debt Service Ratio:	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.