

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2009 - TCAP Funds

August 5, 2009

Gap Financing

Project Number CA-2009-531

Project Name Riverbank Family Apartments
Site Address: Southwest Corner of Patterson Road and Claus Road
Riverbank, CA 95367 County: Stanislaus
Census Tract: 4.02

Applicant Information

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

General Partner Type: Joint Venture

The general partners or principal owners are Central Valley Coalition for Affordable Housing and Roope, LLC.

Information

Housing Type: Large Family
Proposed Average Affordability: 51.64%

Project Information

Construction Type: New Construction
Federal Subsidy: None
Total # of Units: 65
Total # Residential Buildings: 8

Davis-Bacon Required: Yes

NEPA Required: Yes

State Prevailing Wages Required: No

2008 TCAC Project Number: CA-2008-176

Original 2008 Federal & State Tax Credits Allocated: \$1,219,847 \$4,574,423

2008 Federal Tax Credits Retained: \$1,219,847

2008 State Tax Credits Retained: \$4,574,423

Amount of Gap Financing Requested: \$1,097,862

Current Net Equity Factor: .76

Amount of Net Equity Factor Requested: .09 (Fed. gap only) (\$1,219,847 X 10 X .09)

Amount of Gap Financing Recommended: \$1,097,862

Approved 2008 TCAC Proposed Rent and Income Levels

<u>Unit Type & Number</u>	<u>% of Area Median Income</u>	<u>Proposed Rent</u> (including utilities)
2 Two-bedroom Units	30%	\$381
6 Two-bedroom Units	50%	\$636
12 Two-bedroom Units	55%	\$699
4 Two-bedroom Units	60%	\$763
4 Three-bedroom Units	30%	\$440
8 Three-bedroom Units	50%	\$734
16 Three-bedroom Units	55%	\$807
4 Three-bedroom Units	60%	\$881
1 Four-bedroom Unit	30%	\$490
2 Four-bedroom Units	50%	\$818
4 Four-bedroom Units	55%	\$899
1 Four-bedroom Unit	60%	\$982
1 Three-bedroom Unit	Manager's Unit	\$0

Project Financing

Estimated Total Project Cost: \$19,696,678 Per Unit Cost: \$303,026

Revised Permanent Financing

<u>Source</u>	<u>Amount</u>
U S Bank	\$2,700,000
City of Riverbank RDA	\$3,200,000
TCAC ARRA Funds	\$1,097,862
Investor Equity	\$12,448,816
TOTAL	\$19,696,678

Income and Expense Statement for Year 1

Gross Residential Rents:	\$550,632
Miscellaneous Income:	\$9,750
Less Vacancy Rate: 5%	(\$28,019)
Total Effective Gross Income:	\$532,363
Less Total Expenses/Reserves:	\$273,000
Net Operation Income:	\$259,363
Debt Service:	\$221,025
Debt Service Ratio:	1.17 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), 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.