

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**  
**Project Staff Report**  
**2009 Cash in Lieu of Credits - TCAP Funds**  
**August 5, 2009**

**Project Number** CA-2009-535

**Project Name** Paigewood Village  
**Site Address:** Paigewood Drive South of Hwy. 32  
Orland, CA 95963 County: Glenn

**Applicant Information**

**Applicant:** Orland Pacific Associates, a CA LP  
**Sponsor:** Caleb Roope  
**Address:** 430 E. State Street, Suite 100  
Eagle, ID 83616  
**Phone:** (208) 461-0022 **Fax:** (208) 461-3267

**General Partner Type:** Joint Venture  
The general partners or principal owners are Better Opportunities Builder, Inc., Roope, LLC & W R Spann, LLC.

**Information**

**Housing Type:** Large Family  
**Proposed Average Affordability:** 49.65%

**Project Information**

**Construction Type:** New Construction  
**Federal Subsidy:** HOME/CDBG/USDA Rural Development – Section 515  
**Total # of Units:** 73  
**Total # Residential Buildings:** 9

**Davis-Bacon Required:** Yes

**NEPA Required:** Yes

**State Prevailing Wages Required:** No

**2008 TCAC Project Number:** CA-2008-174

**Original 2008 Federal & State Tax Credits Allocated:** \$1,271,936 \$4,769,759

**2008 Federal Tax Credits Retained:** \$10,000

**2008 State Tax Credits Retained:** \$0

**2008 Federal & State Tax Credits Exchanged/Returned:** \$1,261,936 \$4,769,759

**Current Net Equity Factor:** .85 Fed .60 State

**Amount of Net Equity Factor Requested:** (\$1,261,936 X 10 X .85) (\$4,769,759 X .60)

**Federal & State Totals** \$10,726,456 \$2,861,855

**Total Cash Award Recommended:** \$13,588,311

**Approved 2008 TCAC Proposed Rent and Income Levels**

<u>Unit Type &amp; Number</u>	<u>% of Area Median Income</u>	<u>Proposed Rent</u> (including utilities)
3 Two-bedroom Units	30%	\$363
9 Two-bedroom Units	50%	\$605
12 Two-bedroom Units	55%	\$643
4 Three-bedroom Units	30%	\$419
10 Three-bedroom Units	50%	\$699
26 Three-bedroom Units	55%	\$742
1 Four-bedroom Unit	30%	\$468
2 Four-bedroom Units	50%	\$780
5 Four-bedroom Units	55%	\$829
1 Three-bedroom Unit	Manager's Unit	\$0

**Project Financing**

Estimated Total Project Cost: \$19,618,311 Per Unit Cost: \$268,744

**Permanent Financing**

<u>Source</u>	<u>Amount</u>
Permanent Loan	\$1,500,000
USDA 515	\$1,000,000
City of Orland - HOME	\$1,900,000
City of Orland - CDBG	\$995,000
Deferred Developer Fee	\$550,000
Investor Equity	\$85,000
TCAC ARRA Funds	\$13,588,311
<b>TOTAL</b>	<b>\$19,618,311</b>

**Income and Expense Statement for Year 1**

<b>Gross Residential Rents:</b>	\$511,104
<b>Miscellaneous Income:</b>	\$7,300
<b>Less Vacancy Rate: 5%</b>	(\$25,920)
<b>Total Effective Gross Income:</b>	\$492,484
<b>Less Total Expenses/Reserves:</b>	\$324,850
<b>Net Operation Income:</b>	\$167,634
<b>Debt Service:</b>	\$140,564
<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), 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.