

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
2009 Cash in Lieu of Credits – TCAP Funds & HCD Loan Guarantee
August 26, 2009

Project Number CA-2009-545

Project Name Rochdale Grange Community
Address: Southwest Corner of Heritage Parkway and Parkland Avenue
Woodland, CA 95776 County: Yolo

Applicant Information

Applicant: Neighborhood Partners, LLC and New Hope Community Development Corporation
Contact Luke Watkins @ Neighborhood Partners, LLC
Address: 2745 Portage Bay East
Davis, CA 95616
Phone: (530) 756-1899 **Fax:** (530) 757-2233

General Partner Type: Joint Venture
The general partners or principal owners are Neighborhood Partners, LLC and New Hope Community Development Corporation.

Project Information

Construction Type: New Construction
Federal Subsidy: Tax-Exempt / HOME
HCD MHP Funding: Yes
Total # of Units: 44
Total # Residential Buildings: 8

Information

Housing Type: Large Family
Proposed Average Affordability: 43.5481

Davis-Bacon Required: Yes

NEPA Required: Yes

State Prevailing Wages Required: No

2008 TCAC Project Number: CA-2008-910

Federal/Annual

2008 Federal Tax Credits Reserved: \$490,103

2008 Federal Tax Credits Retained: \$100

2008 Federal Reserved Tax Credits Exchanged/Returned: \$490,003

Net Equity Factor: (Max .85 for 2008 & .80 for 2009) .67063

Calculated Amount of Cash Requested: (\$490,003 X 10 X .67063) = \$3,286,114

Total Cash Award Recommended: **\$3,286,114**

HCD Loan Guarantee Requested: \$2,950,627

HCD Loan Guarantee Recommended: **\$2,950,627**

ARRA Scoring Criteria	Max. Possible Points	Points Awarded
<i>DDA Bonus Points</i>	25	0
<i>Housing Type Points (Maximum of 50 points)</i>		
<input checked="" type="checkbox"/> Large Family/Senior Project	10	10
<i>Total Project Cost/Cash Request Points (Maximum of 100 points)</i>		
<input checked="" type="checkbox"/> Other Project		
Total Project Cost: \$15,519,781		
Cash Award Request: \$3,286,114		
Total Points Awarded: $100 - (\$3,286,114 / \$15,519,781 \times 100) = 78.8262$	100	78.8262
<i>Total Average Affordability Points (Maximum of 100 points)</i>		
Projects Original Proposed Average Affordability: 43.5481%		
60% - Average Affordability X 5 Points = $(60\% - 43.5481\%) \times 5 = 82.2595$	100	82.2595
Total Points	275	171.0857

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)
14 One-Bedroom	30%	\$399
2 Two-Bedroom	30%	\$479
8 Two-Bedroom	50%	\$799
4 Three-Bedroom	50%	\$888
15 Three-Bedroom	50%	\$923
1 Two-Bedroom	Manager's Unit	\$1,000

Project Financing

Estimated Total Project Cost: \$12,463,741 Per Unit Cost: \$283,267

HCD – HOME	\$4,000,000	HCD – HOME	\$4,000,000
HCD – MHP ARRA Guarantee	\$2,950,627	HCD – MHP ARRA Guarantee	\$2,950,627
FHLB/First Northern Bank – AHP	\$616,000	General Partner Equity – Land	\$1,220,000
General Partner Equity – Land	\$1,220,000	Deferred Developer Fee	\$390,150
Deferred Developer Fee	\$2,362,668	AHP	\$616,000
TCAC ARRA Funds	\$1,314,446	Investor Equity	\$850
		TCAC ARRA Funds	\$3,286,114
		TOTAL	\$12,463,741

Income and Expense Statement for Year 1

Gross Residential Rents:	\$334,092
Miscellaneous Income:	\$1,456
Vacancy Rate: 5%	(\$16,777)
Total Effective Gross Income:	\$318,771
Less Total Expenses/Reserves:	\$285,356
Net Operation Income:	\$33,415
Debt Service:	\$12,393
Net Cash Flow	\$21,022
Debt Service Ratio:	2.70 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.