

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**  
**Project Staff Report**  
**2009 Cash in Lieu of Credits – Section 1602 Funds**  
**August 26, 2009**  
**REVISED**

**Project Number** CA-2009-572

**Project Name** Shiloh Arms Apartments  
**Address:** 4009 23<sup>rd</sup> Avenue  
Sacramento, CA 95820

County: Sacramento

**Applicant Information**

**Applicant:** Shiloh Arms Partners, LP  
**Sponsor:** Sara Fay  
**Address:** 1700 7<sup>th</sup> Avenue, Suite 2075  
Seattle, WA 98101  
**Phone:** (206) 832-1309  
**Email:** saf@housingadvisors.com

Fax: (206) 832-1309

General Partner Type: Joint Venture

The general partners or principal owners are Shiloh Arms Management, LLC and AOF/Pacific Affordable Housing Corporation.

**Project Information**

**Construction Type:** Rehabilitation and Acquisition  
**Federal Subsidy:** Tax-Exempt/HUD Section 8  
**HCD MHP Funding:** No  
**Total # of Units:** 107  
**Total # Residential Buildings:** 18

**Information**

**Housing Type:** At-Risk  
**Proposed Average Affordability:** 40.00

**Davis-Bacon Required:** No

**NEPA Required:** No

**State Prevailing Wages Required:** No

**2008 TCAC Project Number:** CA-2008-956

**Federal/Annual**

**2008 Federal Tax Credits Reserved:** \$424,983

**2008 Federal Reserved Tax Credits Exchanged/Returned:** \$424,983

**Original Net Equity Factor: (Max .85 for 2008 & .80 for 2009)** .815 Fed

**Calculated Amount of Cash Requested:** (\$424,983 X 10 X .815) = \$3,463,611

**Total Cash Award Recommended:** **\$3,463,611**

<b>ARRA Scoring Criteria</b>	<b>Max. Possible Points</b>	<b>Points Awarded</b>
<b><i>DDA Bonus Points</i></b>	<b>25</b>	<b>25</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: \$12,487,621		
Cash Award Request: \$3,463,611		
Total Points Awarded: $100 - (\$3,463,611 / \$12,487,621 \times 100) = 72.2636$	<b>100</b>	<b>72.2636</b>
<b><i>Total Average Affordability Points (Maximum of 100 points)</i></b>		
Projects Original Proposed Average Affordability: 40%		
60% - Average Affordability X 5 Points = $(60\% - 40\%) \times 5 = 100$	<b>100</b>	<b>100</b>
<b>Total Points</b>	<b>275</b>	<b>227.2636</b>

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

<b><u>Unit Type &amp; Number</u></b>	<b><u>% of Area Median Income</u></b>	<b><u>Proposed Rent</u></b> (including utilities)
2 SRO/Studio	50%	\$577
8 SRO/Studio	60%	\$577
3 One-Bedroom	50%	\$665
15 One-Bedroom	60%	\$692
5 Two-Bedroom	50%	\$798
23 Two-Bedroom	60%	\$832
8 Three-Bedroom	50%	\$923
34 Three-Bedroom	60%	\$989
1 Four-Bedroom	50%	\$1,029
7 Four-Bedroom	60%	\$1,182
1 Two-Bedroom	Manager's Unit	\$0

**Project Financing**

Estimated Total Project Cost: \$12,487,621 Per Unit Cost: \$116,707

Wells Fargo - Tax Exempt Bonds	\$6,450,000	CCRC	\$6,450,000
SHRA	\$1,500,000	SHRA	\$1,500,000
Interest reduction payment (IRP)	\$200,000	Interest reduction payment (IRP)	\$200,000
TCAC ARRA Funds	\$1,385,444	Deferred Developer Fee	\$874,010
		TCAC ARRA Funds	\$3,463,611
		<b>TOTAL</b>	<b>\$12,487,621</b>

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

<b>Gross Residential Rents:</b>	\$1,044,816
<b>Miscellaneous Income:</b>	\$0
<b>Vacancy Rate: 5%</b>	(\$52,241)
<b>Total Effective Gross Income:</b>	\$992,575
<b>Less Total Expenses/Reserves:</b>	\$473,728
<b>Net Operation Income:</b>	\$518,847
<b>Debt Service:</b>	\$441,327
<b>Net Cash Flow</b>	\$77,520
<b>Debt Service Ratio:</b>	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), 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.