

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2009 Cash in Lieu of Credits – Section 1602 Funds

August 26, 2009

REVISED

Project Number CA-2009-576

Project Name Moonlight Apartments
Address: 425 and 455 West Chestnut Street
Dixon, CA 95620

County: Solano

Applicant Information

Applicant: Moonlight Housing Partners, LP
Contact Stephen R. Whyte
Address: 1700 Seventh Avenue, Suite 2075
Seattle, WA 98101

Phone: (206) 621-7420

Fax: (206) 621-7420

Email: srw@housingadvisors.com

General Partner Type: Joint Venture

The general partners or principal owners are Moonlight Housing Management, LLC and Hearthstone Housing Foundation.

Project Information

Construction Type: Acquisition and Rehabilitation
Federal Subsidy: Tax-Exempt/USDA
HCD MHP Funding: No
Total # of Units: 56
Total # Residential Buildings: 6

Information

Housing Type: At-Risk
Proposed Average Affordability: 44.5133

Davis-Bacon Required: No

NEPA Required: No

State Prevailing Wages Required: No

2009 TCAC Project Number: CA-2009-810

Federal/Annual

2009 Federal Tax Credits Reserved: \$190,967

2009 Federal Reserved Tax Credits Exchanged/Returned: \$190,967

Original Net Equity Factor: (Max .85 for 2008 & .80 for 2009) .68 Fed

Calculated Amount of Cash Requested: (\$190,967 X 10 X .66720) = \$1,274,132

Total Cash Award Recommended: \$1,274,132

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"/> At-Risk Project	30	30
<i>Total Project Cost/Cash Request Points (Maximum of 100 points)</i>		
<input checked="" type="checkbox"/> Other Project		
Total Project Cost: \$6,938,088		
Cash Award Request: \$1,274,132		
Total Points Awarded: $100 - (\$1,274,132 / \$6,938,088 \times 100) = 81.6356$	100	81.6356
<i>Total Average Affordability Points (Maximum of 100 points)</i>		
Projects Original Proposed Average Affordability: 44.5133%		
60% - Average Affordability X 5 Points = $(60\% - 44.5133\%) \times 5 = 77.4335$	100	77.4335
Total Points	275	189.0691

Approved 2009 TCAC Proposed Rent and Income Levels

<u>Unit Type & Number</u>	<u>% of Area Median Income</u>	<u>Proposed Rent</u> (including utilities)
2 One-Bedroom	50%	\$706
8 One-Bedroom	60%	\$827
3 Two-Bedroom	50%	\$848
15 Two-Bedroom	60%	\$916
1 One-Bedroom	50%	\$706
1 One-Bedroom	60%	\$833
5 Two-Bedroom	50%	\$849
20 Two-Bedroom	60%	\$927
1 Two-Bedroom	Manager's Unit	\$0

Project Financing

Estimated Total Project Cost: \$6,921,968

Per Unit Cost: \$123,606

Bonneville Multifamily – T.E. Bonds	\$4,100,000	Bonneville Multifamily – T.E. Bonds	\$4,100,000
USDA Rural Development	\$1,358,919	USDA Rural Development	\$1,360,449
Deferred Developer Fee	\$951,866	Deferred Developer Fee	\$187,387
TCAC ARRA Funds	\$509,653	TCAC ARRA Funds	\$1,274,132
		TOTAL	\$6,921,968

Income and Expense Statement for Year 1

Gross Residential Rents:	\$557,724
Rental Subsidy Income:	\$69,156
Miscellaneous Income:	\$16,125
Vacancy Rate: 5%	(\$32,150)
Total Effective Gross Income:	\$610,855
Less Total Expenses/Reserves:	\$309,255
Net Operation Income:	\$301,600
Debt Service:	\$251,050
Net Cash Flow	\$50,550
Debt Service Ratio:	1.20 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.