

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-2009-580

Project Name Lillie Mae Jones Plaza
Address: 214 MacDonald Avenue and 249 2nd Street
Richmond, CA 94801 County: Contra Costa

Applicant Information

Applicant: Community Housing Development Corporation of N Richmond/EBALDC
Sponsor: Joanna Griffith
Address: 1535 A Third Street
Richmond, CA 94801
Phone: (510) 412-9290 **Fax:** (510) 215-9276
Email: jgriffith@chdcnr.com

General Partner Type: Nonprofit

The general partners or principal owners are Community Housing Development Corporation of N Richmond/EBALDC.

Project Information

Construction Type: New Construction
Federal Subsidy: Tax-Exempt/HOME
HCD MHP Funding: Yes
Total # of Units: 26
Total # Residential Buildings: 1

Information

Housing Type: Special Needs
Proposed Average Affordability: 29.7447

Davis-Bacon Required: Yes

NEPA Required: Yes

State Prevailing Wages Required: No

2009 TCAC Project Number: CA-2009-826

Federal/Annual

2009 Federal Tax Credits Reserved: \$495,332

2009 Federal Tax Credits Retained: \$100

2009 Federal Reserved Tax Credits Exchanged/Returned: \$495,232

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

Calculated Amount of Cash Requested: (\$495,232 X 10 X .80) = \$3,962,656

Total Cash Award Recommended: **\$3,962,656**

HCD Loan Guarantee Requested: \$2,583,332

HCD Loan Guarantee Recommended: \$2,583,332

ARRA Scoring Criteria	Max. Possible Points	Points Awarded
DDA Bonus Points	25	0
Housing Type Points (Maximum of 50 points)		
<input checked="" type="checkbox"/> Special Needs, SRO, Homeless Project	50	50
Total Project Cost/Cash Request Points (Maximum of 100 points)		
<input checked="" type="checkbox"/> Other Project		
Total Project Cost: \$12,740,029		
Cash Award Request: \$3,962,656		
Total Points Awarded: $100 - (\$3,962,656 / \$12,740,029 \times 100) = 68.8960$	100	68.8960
Total Average Affordability Points (Maximum of 100 points)		
Projects Original Proposed Average Affordability: 29.7447%		
$60\% - \text{Average Affordability} \times 5 \text{ Points} = (60\% - 29.7447\%) \times 5 = 151.276$	100	100
Total Points	275	218.8960

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)
3 One-Bedroom	20%	\$250
2 One-Bedroom	20%	\$334
4 One-Bedroom	20%	\$334
2 Two-Bedroom	20%	\$301
2 Two-Bedroom	30%	\$603
1 Two-Bedroom	40%	\$804
3 Two-Bedroom	40%	\$804
4 Two-Bedroom	45%	\$904
2 Three-Bedroom	30%	\$696
1 Three-Bedroom	40%	\$928
1 Four-Bedroom	30%	\$777
1 Two-Bedroom	Manager's Unit	\$0

Project Financing

Estimated Total Project Cost: \$12,740,029 Per Unit Cost: \$490,001

Wells Fargo Bank	\$4,406,981	City of Richmond	\$3,958,074
City of Richmond	\$3,958,074	City of Richmond – Accrued Interest	\$48,192
City of Richmond – Accrued Interest	\$48,192	Richmond RDA	\$166,000
Richmond RDA	\$166,000	HCD – MHP ARRA Guarantee	\$2,583,332
City of Richmond – Accrued Interest	\$2,077	City of Richmond – Accrued Interest	\$2,077
Cal Re-Use Funds	\$289,589	FHLB - AHP	\$500,000
Contra Costa County – HOPWA	\$300,000	Contra Costa County - MHSA	\$293,884
TCAC ARRA Funds	\$1,585,062	State - MHSA	\$600,000
		Cal Re-Use Funds	\$289,589
		Contra Costa County – HOPWA	\$300,000
		GP Equity	\$35,375
		Investor Equity	\$850
		TCAC ARRA Funds	\$3,962,656
		TOTAL	\$12,740,029

Income and Expense Statement for Year 1

Gross Residential Rents:	\$146,556
Rent Subsidy:	\$169,086
Miscellaneous Income:	\$1,950
Vacancy Rate: 10%	(\$7,328)
Total Effective Gross Income:	\$310,246
Less Total Expenses/Reserves:	\$265,864
Net Operation Income:	\$44,382
Debt Service:	\$13,370
Net Cash Flow	\$31,012
Debt Service Ratio:	3.32 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.