

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2009 Cash in Lieu of Credits – Section 1602 Funds

August 26, 2009

REVISED

Project Number CA-2009-588

Project Name San Jacinto Senior Apartments

Address: 633 East Main Street

San Jacinto, CA 92583

County: Riverside

Applicant Information

Applicant: RC Investment Group, LP

Contact: Janae Smith

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General Partner Type: Joint Venture

The general partner(s) or principal owner(s) are RC – 2009, LLC and Quality Housing Development Corporation.

Project Information

Construction Type: Acquisition and Rehabilitation

Federal Subsidy: Tax-Exempt Bond/USDA - RHS

HCD MHP Funding: No

Total # of Units: 46

Total # Residential Buildings: 1

Information

Housing Type: At-Risk

Proposed Average Affordability: 40.9188

Davis-Bacon Required: No

NEPA Required: No

State Prevailing Wages Required: No

2009 TCAC Project Number: CA-2009-817

Federal/Annual

2009 Federal Tax Credits Reserved: \$125,887

2009 Federal Reserved Tax Credits Exchanged/Returned: \$125,887

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

Calculated Amount of Cash Requested: (\$125,887 X 10 X .80) = \$1,007,096

Total Cash Award Recommended: **\$1,007,096**

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: \$4,324,908		
Cash Award Request: \$1,007,096		
Total Points Awarded: $100 - (\$1,007,096 / \$4,324,908 \times 100) = 76.7140$	100	76.7140
<i>Total Average Affordability Points (Maximum of 100 points)</i>		
Projects Original Proposed Average Affordability: 40.9188%		
$60\% - \text{Average Affordability} \times 5 \text{ Points} = (60\% - 40.9188\%) \times 5 = 95.4060$	100	95.4060
Total Points	275	202.1200

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)
31 One-Bedroom	60%	\$574
14 One-Bedroom	50%	\$574
1 Two-Bedrooms	Manager's Unit	\$0

Project Financing

Estimated Total Project Cost: \$4,324,908 Per Unit Cost: \$94,020

Bonneville Multifamily – T.E. Bonds	\$1,830,000	Bonneville Multifamily – T.E. Bonds	\$850,000
USDA Rural Development	\$2,288,615	USDA Rural Development	\$2,288,615
TCAC ARRA Funds	\$220,712	Deferred Developer Fee	\$109,426
		RD Reserves	\$69,771
		TCAC ARRA Funds	\$1,007,096
		TOTAL	\$4,324,908

Income and Expense Statement for Year 1

Gross Residential Rents:	\$289,188
Rental Subsidy Income:	\$96,660
Miscellaneous Income:	\$3,842
Vacancy Rate: 5%	(\$27,009)
Total Effective Gross Income:	\$362,681
Less Total Expenses/Reserves:	\$217,846
Net Operation Income:	\$144,835
Debt Service:	\$124,726
Net Cash Flow	\$20,109
Debt Service Ratio:	1.16 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.