

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
2009 Cash in Lieu of Credits - Section 1602 Funds
July 8, 2009
REVISED – 11-23-09

Project Number CA-2009-518

Project Name Magnolia Court
Site Address: 764 N. Main Street
Manteca, CA 95336 **County:** San Joaquin
Census Tract: 0051.00

Applicant Information

Applicant: Manteca Senior Housing, LLC
Sponsor: James Silverwood
Address: 13520 Evening Creek Drive North, #360
San Diego, CA 92128
Phone: (858) 679-2828 **Fax:** (858) 679-9076
Email: jim@affirmedhousing.com

General Partners(s) Type: For Profit
The general partner or principal owner is Affirmed Housing Group.

Information

Housing Type: Seniors
Geographic Area: Central – San Joaquin
Proposed Average Affordability: 48.81%

Project Information

Construction Type: New Construction
Total # of Units: 52
Total # Residential Buildings: 2

Davis-Bacon or NEPA Required: No

State Prevailing Wages Required: Yes

Applicant Requested 15% Augmentation of the Original Development Budget to Help Assist in Complying with Prevailing Wage and Other Federal Requirements.

Augmentation Calculation

15% Prevailing Wage Adjustment: **\$905,820** Site Work + Structures x 15% = Total Prevailing Wage Adjustment
(\$1,788,800 + \$4,250,000) X 15% = \$905,820

2008 TCAC Project Number: CA-2008-113

Original 2008 Federal Tax Credits Allocated: \$772,878

2008 Federal Tax Credits Exchanged/Returned: \$772,878

Applicable Fraction: X .85

Amount of Financing Requested: \$6,569,463 ((\$772,878 X .85) X 10)

Amount of Prevailing Wage Augmentation Requested: \$905,820

Revised ARRA Cash Request: \$7,475,283 (\$6,569,463 + \$905,820)

Cash Award Recommended: \$7,475,283

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)
1 SRO/Studio	30%	\$321
5 SRO/Studio	60%	\$643
4 One-Bedroom Units	30%	\$344
3 One-Bedroom Units	40%	\$459
20 One-Bedroom Units	50%	\$574
8 One-Bedroom Units	60%	\$689
1 Two-Bedroom Units	30%	\$414
3 Two-Bedroom Units	40%	\$552
6 Two-Bedroom Units	50%	\$690
1 Two-Bedroom Units	Manager's Unit	\$200

Project Financing

Estimated Total Project Cost: \$12,317,256 Per Unit Cost: \$236,870

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Union Bank of California	\$6,600,000	US Bank	\$303,293
Manteca RDA Loan	\$750,000	Manteca RDA Loan	\$750,000
Manteca RDA Grant	\$2,000,000	Manteca RDA Grant	\$2,000,000
HCD Infill Infrastructure Grant	\$1,788,800	HCD Infill Infrastructure Grant	\$1,788,680
TCAC ARRA Funds	\$1,250,930	TCAC ARRA Funds	\$7,475,283
		TOTAL	\$12,317,256

Income and Expense Statement for Year 1

Gross Residential Rents:	\$318,828
Miscellaneous Income:	\$3,800
Less Vacancy Rate: 5%	\$(16,131)
Total Effective Gross Income:	\$306,497
Less Total Expenses/Reserves:	\$259,000
Net Operation Income:	\$47,497
Debt Service:	\$38,597
Debt Service Ratio:	1.23 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.