

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**  
**Project Staff Report**  
**2009 Cash in Lieu of Credits – Section 1602 Funds**  
**December 16, 2009**

**Project Number** CA-2009-594  
**Project Name** El Patio Hotel  
**Site Address:** 167 South Palm Street  
Ventura, CA 93001 County: Ventura Census Tract: 24.00

**Applicant Information**

**Applicant:** Peoples' Self-Help Housing Corporation  
**Contact:** Brad Stevenson  
**Address:** 3533 Empleo Street  
San Luis Obispo, CA 93401  
**Phone:** (805) 783-4447 **Fax:** (805) 544-1901  
**Email:** brads@pshhc.org

**General Partner Type:** Nonprofit  
The general partner or principal owner is Peoples' Self-Help Housing Corporation.

**Project Information**

**Housing Type:** SRO  
**Construction Type:** Acquisition and Rehabilitation  
**Rental/Operating Subsidy:** 53% (22 Units - HUD Section 8 Project-based Vouchers)  
**HCD Funding:** Yes  
**Total # of Units:** 42  
**Total # Residential Buildings:** 1  
**Federal Set-Aside Elected:** 40%/60%  
**% & No. of Tax Credit Units:** 100% - 41 units

**Davis-Bacon Required:** No

**NEPA Required:** Yes

**State Prevailing Wages Required:** Yes

**15% Prevailing Wage Adjustment:** N/A

**2009 TCAC Project Number:** CA-2009-030

**2009 Annual Federal Tax Credits Reserved:** \$362,246

**2009 Federal Reserved Tax Credits Exchanged/Returned:** \$362,246

**Original Net Equity Factor (maximum \$0.80 for 2009):** \$0.72447 Fed

**Calculated/Requested Amount of ARRA Funds:**  $(\$362,246 \times 10 \times 0.72447) = \$2,624,348$

**Calculated/Awarded ARRA Gap Funds:**  $(\$362,246 \times 10 \times 0.06115) = \$221,517$

**Total Cash Award Recommended:** **\$2,845,865** ( $\$2,624,348$  ARRA Funds +  $\$221,517$  ARRA Gap Funds)

**Income/Rent Targeting**

55-Year Use/Affordability Restriction: Yes

Number of Units @ or below 30% of area median income: 16

Number of Units @ or below 40% of area median income: 25

<b>Unit Type &amp; Number</b>	<b>2009 Rents % of Area Median Income</b>	<b>Proposed Rent (including utilities)</b>
16 Studio Units	30%	\$450
6 Studio Units	40%	\$600
19 Studio Units	40%	\$600
1 One-bedroom Unit	Manager's Unit	\$0

**Project Financing**

Estimated Total Project Cost: \$6,956,459 Per Unit Cost: \$165,630

<b>Construction Financing</b>		<b>Permanent Financing</b>	
Source	Amount	Source	Amount
Santa Barbara Bank & Trust	\$3,850,000	Santa Barbara Bank & Trust	\$652,582
City of Ventura	\$800,000	HCD - MHP	\$2,142,136
Accrued Deferred Interest	\$11,456	City of Ventura	\$800,000
County of Ventura	\$150,000	Accrued Deferred Interest	\$11,456
Accrued Deferred Interest	\$2,148	County of Ventura	\$150,000
AHP	\$352,000	Accrued Deferred Interest	\$2,148
Sponsor Loan - PSHHC	\$103,638	AHP	\$352,000
TCAC ARRA Award (40%)	\$1,138,346	GP Equity	\$272
		TCAC ARRA Award	\$2,845,865
		<b>TOTAL</b>	<b>\$6,956,459</b>

**Income and Expense Statement for Year 1**

<b>Gross Residential Rents:</b>	\$266,400
<b>Total Rental Subsidy Income:</b>	\$108,000
<b>Miscellaneous Income:</b>	\$2,460
<b>Total Vacancy Rate Loss:</b>	(\$37,440)
<b>Total Effective Gross Income:</b>	\$339,174
<b>Less Total Expenses/Reserves:</b>	\$222,274
<b>Net Operation Income:</b>	\$116,900
<b>Debt Service:</b>	\$101,952
<b>Net Cash Flow</b>	\$14,948
<b>Debt Service Ratio:</b>	1.15 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.