

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

Project Number CA-2009-604

Project Name Hidden Creek Village

Address: 80 S. River Road
Paso Robles, CA 93446

County: San Luis Obispo

Applicant Information

Applicant: South River Road Associates, LP

Contact: Stephen Nelson

Address: P.O. Box 13657
San Luis Obispo, CA 93406

Phone: (805) 543-4478

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General Partner Type: Nonprofit

The general partner or principal owner is SLO Nonprofit Housing Corporation.

Project Information

Housing Type: Large Family

Construction Type: New Construction

Rental/Operating Subsidy: None

HCD Funding: No

Total # of Units: 81

Total # Residential Buildings: 10

Federal Set-Aside Elected: 40%/60%

% & No. of Tax Credit Units: 100% - 80 units

Davis-Bacon Required: No

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.

15% Prevailing Wage Calculation: Augmentation Calculation: (Site Work + Structures) X 15%)
\$1,230,424 (((\$1,202,830 + \$7,000,000) X 15%)

2009 TCAC Project Number: CA-2009-069

2009 Annual Federal Tax Credits Reserved: \$1,789,587

2009 Federal Reserved Tax Credits Exchanged/Returned: \$1,789,587

Original Net Equity Factor (maximum \$0.80 for 2009): \$0.72 Fed

Calculated/Requested Amount of ARRA Funds: (\$1,789,587 X 10 X 0.72) = \$12,885,026

Total Cash Award Recommended: \$14,115,450 (\$12,885,026 ARRA Funds + \$1,230,424 P.W. Boost)

Income/Rent Targeting

55-Year Use/Affordability Restriction: Yes

Number of Units @ or below 30% of area median income: 8
 Number of Units @ or below 50% of area median income: 20
 Number of Units @ or below 55% of area median income: 40
 Number of Units @ or below 60% of area median income: 12

<u>Unit Type & Number</u>	<u>% of Area Median Income</u>	<u>Proposed Rent</u> (including utilities)
2 One-bedroom Units	30%	\$398
5 One-bedroom Units	50%	\$663
11 One-bedroom Units	55%	\$730
4 One-bedroom Units	60%	\$796
3 Two-bedroom Units	30%	\$477
8 Two-bedroom Units	50%	\$796
15 Two-bedroom Units	55%	\$875
4 Two-bedroom Units	60%	\$955
3 Three-bedroom Units	30%	\$552
7 Three-bedroom Units	50%	\$920
14 Three-bedroom Units	55%	\$1,012
4 Three-bedroom Units	60%	\$1,104
1 Two-bedroom Unit	Manager's Unit	\$0

Project Financing

Estimated Total Project Cost: \$20,912,148

Per Unit Cost: \$258,175

<u>Construction Financing</u>		<u>Permanent Financing</u>	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Chase Bank	\$10,141,609	Bonneville Mortgage	\$4,843,842
City Deferred Fees	\$1,000,000	City Deferred Fees	\$1,000,000
Deferred Developer Fee	\$2,000,000	Deferred Developer Fee	\$952,856
TCAC ARRA Award	\$5,646,180	TCAC ARRA Award	\$14,115,450
		TOTAL	\$20,912,148

Income and Expense Statement for Year 1

Gross Residential Rents:	\$741,732
Total Rental Subsidy Income:	\$0
Miscellaneous Income:	\$18,468
Total Vacancy Rate Loss:	(\$38,010)
Total Effective Gross Income:	\$722,190
Less Total Expenses/Reserves:	\$330,830

Net Operation Income:	\$391,360
Debt Service:	\$340,313
Net Cash Flow	\$51,047
Debt Service Ratio:	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.