

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

Project Number CA-2009-610

Project Name Jackson Hills Apartments
Address: 300 New York Ranch Road
Jackson, CA 95642 County: Amador

Applicant Information

Applicant: Jackson Hills Preservation Limited Partnership
Contact William E. Szymczak
Address: 904 Manhattan Avenue, Suite 7
Manhattan Beach, CA 90266
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General Partner Type: Joint Venture
The general partners or principal owners are Jackson Preservation Partners, LLC and LINC Housing Corporation.

Project Information

Housing Type: At-Risk
Construction Type: Acquisition and Rehabilitation
Rental/Operating Subsidy: 100% (86 Units - HUD Section 8 Project-based Contract)
HCD Funding: No
Total # of Units: 86
Total # Residential Buildings: 10
Federal Set-Aside Elected: 40%/60%
% & No. of Tax Credit Units: 94% - 80 units

Davis-Bacon Required: Yes

NEPA Required: Yes

State Prevailing Wages Required: No

2009 TCAC Project Number: CA-2009-191

2009 Annual Federal Tax Credits Reserved: \$1,018,510

2009 Federal Reserved Tax Credits Exchanged/Returned: \$1,018,410

2009 Federal Tax Credits Retained: \$100

Original Net Equity Factor (maximum \$0.80 for 2009): \$0.70 Fed

Calculated/Requested Amount of ARRA Funds: $(\$1,018,410 \times 10 \times 0.70) = \$7,128,870$

Calculated/Awarded ARRA Gap Funds: $(\$1,018,410 \times 10 \times 0.10) = \$1,018,410$

Total Cash Award Recommended: \$8,147,280 $(\$7,128,870 \text{ ARRA Funds} + \$1,018,410 \text{ ARRA Gap Funds})$

Income/Rent Targeting

55-Year Use/Affordability Restriction: Yes
 Number of Units @ or below 30% of area median income: 9
 Number of Units @ or below 35% of area median income: 9
 Number of Units @ or below 55% of area median income: 41

<u>Unit Type & Number</u>	<u>2009 Rents % of Area Median Income (rounded)</u>	<u>Proposed Rent (including utilities)</u>
6 One-bedroom Units	30%	\$382
9 One-bedroom Units	35%	\$446
41 One-bedroom Units	55%	\$701
1 One-bedroom Unit	60%	\$765
3 Two-bedroom Units	30%	\$459
20 Two-bedroom Units	60%	\$918
5 One-bedroom Units	Market-Rate	\$815
1 Two-bedroom Unit	Manager's Unit	\$915

Project Financing

Estimated Total Project Cost: \$15,383,386

Per Unit Cost: \$178,877

Construction Financing		Permanent Financing	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Union Bank of California	\$5,000,000	Union Bank of California	\$5,000,000
City of Jackson HOME	\$2,000,000	City of Jackson - HOME	\$2,000,000
Deferred Developer Fee	\$1,400,000	Deferred Developer Fee	\$235,306
TCAC ARRA Award	\$3,258,912	Investor Equity-\$100 annual Federal credit	\$800
		TCAC ARRA Award	\$8,147,280
		TOTAL	\$15,383,386

Income and Expense Statement for Year 1

Gross Residential Rents:	\$614,664
Total Rental Subsidy Income:	\$255,216
Miscellaneous Income:	\$25,200
Total Vacancy Rate Loss:	(\$44,754)
Total Effective Gross Income:	\$850,326
Less Total Expenses/Reserves:	\$389,486
Net Operation Income:	\$460,840
Debt Service:	\$399,181
Net Cash Flow	\$61,659
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) , 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.