

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2010 First Round

June 9, 2010

Project Number CA-2010-095

Project Name Claremont Village Apartments
Site Address: 111 South College Avenue
Claremont, CA 91711 County: Los Angeles
Census Tract: 4020.000

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,592,333	\$0
Recommended:	\$1,592,333	\$0

Applicant Information

Applicant: Jamboree Housing Corporation
Contact: Laura Archuleta
Address: 17701 Cowan Avenue, Suite 200
Irvine, CA 92614
Phone: (949) 263-8676 Fax: (949) 263-0647
Email: larchuleta@jamboreehousing.com

General partner(s) or principal owner(s): Jamboree Housing Corporation
General Partner Type: Nonprofit
Developer: Jamboree Housing Corporation
Investor/Consultant: Boston Financial Investment Mgmt.
Management Agent: The John Stewart Company

Project Information

Construction Type: New Construction
Total # Residential Buildings: 3
Total # of Units: 76
No. & % of Tax Credit Units: 75 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: N/A
Affordability Breakdown by % (Lowest Income Points):
30% AMI: 20 %
45% AMI: 25 %
50% AMI: 30 %

Information

Set-Aside: N/A
Housing Type: Large Family
Geographic Area: Los Angeles County
TCAC Project Analyst: Jack Waegell

Unit Mix

40 1-Bedroom Units
 12 2-Bedroom Units
24 3-Bedroom Units
 76 Total Units

<u>Unit Type & Number</u>	2009 Rents Targeted	2009 Rents Actual	Proposed Rent
	% of Area Median Income	% of Area Median Income	(including utilities)
11 1 Bedroom	30%	30%	\$445
12 1 Bedroom	45%	45%	\$668
16 1 Bedroom	50%	50%	\$743
2 2 Bedrooms	30%	30%	\$535
4 2 Bedrooms	45%	45%	\$803
3 2 Bedrooms	50%	50%	\$892
3 2 Bedrooms	60%	60%	\$1,071
3 3 Bedrooms	30%	30%	\$618
3 3 Bedrooms	45%	45%	\$927
4 3 Bedrooms	50%	50%	\$1,030
14 3 Bedrooms	60%	60%	\$1,236
1 1 Bedroom	Manager's Unit	Manager's Unit	\$844

Project Financing

Estimated Total Project Cost: \$22,799,584 Construction Cost Per Square Foot: \$127
 Per Unit Cost: \$299,995

Construction Financing		Permanent Financing	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
US Bank	\$13,144,437	US Bank - Conventional Mortgage	\$1,713,890
Claremont Redevelopment Agency	\$4,609,363	US Bank: Claremont Subsidy Note	\$1,655,000
Deferred Costs	\$495,784	Claremont Redevelopment Agency	\$5,384,363
Deferred Developer Fee	\$1,050,000	HACOLA- City of Industry	\$1,975,000
Tax Credit Equity	\$3,500,000	Deferred Developer Fee	\$925,000
		Tax Credit Equity	\$11,146,331
		TOTAL	\$22,799,584

Determination of Credit Amount(s)

Requested Eligible Basis: \$13,609,694
 130% High Cost Adjustment: Yes
 Applicable Fraction: 100.00%
 Qualified Basis: \$17,692,602
 Applicable Rate: 9.00%
 Total Maximum Annual Federal Credit: \$1,592,333
 Approved Developer Fee in Project Cost \$2,000,000
 Approved Developer Fee in Eligible Basis: \$1,400,000
 Investor/Consultant: Boston Financial Investment Mgmt.
 Federal Tax Credit Factor: \$0.70000

Per Regulation Section 10322(i)(4)(A), The “as if vacant” land value and the existing improvement value established at application, as well as the eligible basis amount derived from those values, will be used during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits.

Per Regulation Section 10327(c)(2)(C), Once established at the initial funded application, the developer fee cannot be increased, but may be decreased, in the event of a modification in basis.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	\$13,609,694
Actual Eligible Basis:	\$17,233,224
Unadjusted Threshold Basis Limit:	\$15,904,432
Total Adjusted Threshold Basis Limit:	\$17,497,609

Adjustments to Basis Limit:

3 or More Energy Efficiency/Resource Conservation/Indoor Air Quality Features:

- Projects exceeding Title 24 by at least 15%
- Projects using CRI Green Label Plus Carpet or no carpet in all bedrooms
- Projects using vent kitchen range hoods to the exterior of the building in at least 80% of the units

Local Development Impact Fees

Tie-Breaker Information

First:	Large Family
Second:	80.108%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC’s underwriting guidelines and TCAC limitations. 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 has calculated federal tax credits based on 9.00% of the qualified basis, or, in the case of acquisition credit or credit combined with federal subsidies, 3.40%. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Special Issues/Other Significant Information: This is a large family project that includes intergenerational senior-restricted units in a separate building from the family buildings. The family portion of the project consists of two garden-style, walk-up buildings with a total of 12 two-bedroom units and 24 three-bedroom units. The senior-restricted building is 3 stories with an elevator and has 40 one-bedroom units. See the Additional Conditions section of this report below.

Legal Status: Staff has reviewed the Applicant's responses to the questions contained in the Legal Status portion of the Application. No information was disclosed that raised any question regarding the financial viability or legal integrity of the applicant.

Local Reviewing Agency:

The Local Reviewing Agency, the city of Claremont, has completed a site review of this project and strongly supports this project.

Recommendation: Staff recommends that the Committee make a preliminary reservation of tax credits in the following amount(s) contingent upon standard conditions and any additional conditions imposed by the Committee:

Federal Tax Credits/Annual	State Tax Credits/Total
\$1,592,333	\$0

Standard Conditions

The applicant must submit all documentation required for a Carryover Allocation, any Readiness 150-Day Requirements elected, and a Final Reservation. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

TCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of TCAC.

The applicant must pay TCAC a performance deposit and allocation fee calculated in accordance with regulation. Additionally, TCAC requires the project owner to pay a monitoring fee before issuance of tax

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by TCAC in its final feasibility analysis.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of ten years and at no cost to the tenants. Applicants that received points for sustainable building methods (energy efficiency) must submit the certification required by Section 10325(c)(6) at project completion. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

Additional Conditions: The applicant is required to provide TCAC with an attorney's opinion that the project as proposed meets all federal and state fair housing laws as they relate to the combining of family units/buildings and senior-restricted units/buildings on the same site as a single project. This opinion must be provided to TCAC no later than June 29, 2010 or the reservation of tax credits shall be rescinded.

Points System	Max. Possible Points	Requested Points	Points Awarded
Cost Efficiency / Credit Reduction / Public Funds	20	20	20
Public Funds	20	39	20
Owner / Management Characteristics	9	9	9
General Partner Experience	6	6	6
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within ¼ mile of transit stop, service every 30 minutes in rush hours	6	6	6
Within ¼ mile of public park or community center open to general public	3	3	3
Within ¼ mile of public library	3	3	3
Within ½ mile of a weekly farmers' market operating at least 5 months/year	1	1	1
Large Family proj. w/i ¼ mile of public school project children may attend	3	3	0
Within ¼ mile of a pharmacy	2	2	2
In-unit high speed internet service	2	2	2
Service Amenities	10	10	10
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
After school program for school age children, minimum of 10 hours/week	5	5	5
Sustainable Building Methods	8	8	8
New construction/adaptive reuse energy efficiency 10% above Title 24	4	4	4
Flow restrictors for kitchen & bath faucets or water-saving fixtures	1	1	1
Formaldehyde-free insulation	1	1	1
Construction Indoor Air Quality Management plan	2	2	2
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of units @ 30% AMI or less	2	2	2
Readiness to Proceed	20	20	20
State Credit Substitution	2	2	2
Total Points	146	146	146

Please Note: If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.