

Project Description: This project is a conversion of a run-down SRO Hotel to a luxury hotel. The applicant states that the project will create 348 full-time jobs with 45 jobs being generated for Renewal Community residents.

Project Financing

Estimated Total Project Cost: \$66,366,490 Construction Cost Per Sq. Ft.: \$578

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Owner Equity	\$22,878,607	Owner Equity	\$66,366,490
Fortress Credit	\$45,487,883		
		TOTAL	\$66,366,490

Determination of Credit Amount(s)

Requested Eligible Basis:	\$48,906,726
Applicable Fraction:	100%
Adjusted Eligible Basis:	\$45,906,726
Maximum Annual Federal Tax Deduction (10 years):	\$0
Maximum Allowable 50% Tax Deduction:	\$10,000,000

Applicant requests and staff recommends a one-time 50% Renewal Community tax deduction of \$10,000,000 based upon an adjusted eligible basis of \$45,906,726.

Special Issues/Other Significant Information: None

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

\$0 Annual

\$10,000,000 50%

Standard Conditions

TCAC makes the 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 will be permitted without the express approval of TCAC.

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

As project costs are anticipated to be the final project costs, staff recommends that a reservation be made in the amount and manner of federal tax deductions shown above on condition that the final placed-in-service project costs be supported by itemized lender approved costs and a certification of costs by a certified public accountant as required by the qualified allocation plan of the buildings at completion.

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 tax deductions when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in the qualified allocation plan through the final placed-in-service analysis performed by TCAC.

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

Project Number: CRP-07-003

December 5, 2007

Additional Information: None

Page 3

Project Analyst: Gene Boyd