

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
2009 Cash in Lieu of Credits – Section 1602 Funds
August 26, 2009
REVISED – 11-24-09

Project Number CA-2009-572

Project Name Shiloh Arms Apartments
Address: 4009 23rd Avenue
Sacramento, CA 95820

County: Sacramento

Applicant Information

Applicant: Shiloh Arms Partners, LP
Sponsor: Sara Fay
Address: 1700 7th Avenue, Suite 2075
Seattle, WA 98101
Phone: (206) 832-1309
Email: saf@housingadvisors.com

Fax: (206) 832-1309

General Partner Type: Joint Venture

The general partners or principal owners are Shiloh Arms Management, LLC and AOF/Pacific Affordable Housing Corporation.

Project Information

Construction Type: Rehabilitation and Acquisition
Federal Subsidy: Tax-Exempt/HUD Section 8
HCD MHP Funding: No
Total # of Units: 107
Total # Residential Buildings: 18

Information

Housing Type: At-Risk
Proposed Average Affordability: 40.00

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.

Augmentation Calculation

15% Prevailing Wage Adjustment: **\$365,623**

Site Work + Structures x 15% = Total Prevailing Wage Adjustment
(\$0 + \$1,438,212) X 15% = \$365,623

2008 TCAC Project Number: CA-2008-956

Federal/Annual

2008 Federal Tax Credits Reserved: \$424,983

2008 Federal Reserved Tax Credits Exchanged/Returned: \$424,983

Original Net Equity Factor: (Max .85 for 2008 & .80 for 2009) .815 Fed

Amount of Financing Requested: \$3,463,611 ((\$424,983 X .815) X 10)

Amount of Prevailing Wage Augmentation Requested: \$365,623

Revised ARRA Cash Request: \$3,829,234 (\$3,463,611 + \$365,623)

Total Cash Award Recommended: \$3,829,234

ARRA Scoring Criteria	Max. Possible Points	Points Awarded
<i>DDA Bonus Points</i>	25	25
<i>Housing Type Points (Maximum of 50 points)</i>		
<input checked="" type="checkbox"/> At-Risk Project	30	30
<i>Total Project Cost/Cash Request Points (Maximum of 100 points)</i>		
<input checked="" type="checkbox"/> Other Project		
Total Project Cost: \$12,487,621		
Cash Award Request: \$3,463,611		
Total Points Awarded: $100 - (\$3,463,611 / \$12,487,621 \times 100) = 72.2636$	100	72.2636
<i>Total Average Affordability Points (Maximum of 100 points)</i>		
Projects Original Proposed Average Affordability: 40%		
60% - Average Affordability X 5 Points = $(60\% - 40\%) \times 5 = 100$	100	100
Total Points	275	227.2636

Approved 2008 TCAC Proposed Rent and Income Levels

<u>Unit Type & Number</u>	<u>% of Area Median Income</u>	<u>Proposed Rent</u> (including utilities)
2 SRO/Studio	50%	\$577
8 SRO/Studio	60%	\$577
3 One-Bedroom	50%	\$665
15 One-Bedroom	60%	\$692
5 Two-Bedroom	50%	\$798
23 Two-Bedroom	60%	\$832
8 Three-Bedroom	50%	\$923
34 Three-Bedroom	60%	\$989
1 Four-Bedroom	50%	\$1,029
7 Four-Bedroom	60%	\$1,182
1 Two-Bedroom	Manager's Unit	\$0

Project Financing

Estimated Total Project Cost: \$12,487,621 Per Unit Cost: \$116,707

Wells Fargo - Tax Exempt Bonds	\$6,450,000	CCRC	\$6,450,000
SHRA	\$1,500,000	SHRA	\$1,500,000
Interest reduction payment (IRP)	\$200,000	Interest reduction payment (IRP)	\$200,000
TCAC ARRA Funds	\$1,385,444	Deferred Developer Fee	\$508,387
		TCAC ARRA Funds	\$3,829,234
		TOTAL	\$12,487,621

Income and Expense Statement for Year 1

Gross Residential Rents:	\$1,044,816
Miscellaneous Income:	\$0
Vacancy Rate: 5%	(\$52,241)
Total Effective Gross Income:	\$992,575
Less Total Expenses/Reserves:	\$473,728
Net Operation Income:	\$518,847
Debt Service:	\$441,327
Net Cash Flow	\$77,520
Debt Service Ratio:	1.17 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.