

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**  
**Project Staff Report**  
**2009 Gap Financing – Section 1602 Funds**  
**January 27, 2010**

**Project Number** CA-2010-521

**Project Name** Rodeo Drive Meadows  
**Address:** West Side of Rodeo Drive, North of Pebble Beach Drive  
Victorville, CA 92395 County: San Bernardino

**Applicant Information**

**Applicant:** Victorville Pacific Associates, a California Limited Partnership  
**Contact** Caleb Roope  
**Address:** 430 East State Street, Suite 100  
Eagle, ID 83616  
**Phone:** (208) 461-0022 **Fax:** (208) 461-3267 **Email:** calebr@tpchousing.com

**General Partners Type:** Joint Venture  
The general partners or principal owners are Roope, LLC and Central Valley Coalition for Affordable Housing.

**Project Information**

**Housing Type:** Large Family  
**Construction Type:** New Construction  
**Rental/Operating Subsidy:** None  
**HCD MHP Funding:** No  
**Total # of Units:** 48  
**Total # Residential Buildings:** 6  
**Federal Setaside Elected:** 40%/60%  
**% & No. of Targeted Units:** 100% – 47 units  
**Proposed Average Affordability:** 52.9439%

**Davis-Bacon Required:** No

**NEPA Required:** No

**State Prevailing Wages Required:** Yes (based on ARRA 1602 funds)

**15% Prevailing Wage Adjustment:** \$744,369 ((\$768,000 Site Work + \$4,194,462 Structures) X 15%)

**2009 TCAC Project Number:** CA-2009-853

**2009 Annual Federal Tax Credits Reserved:** \$403,524

**2009 Federal Tax Credits Retained:** \$403,524

**Amount of Gap Financing Requested:** \$484,229

**Calculated Amount of Gap Financing (\$0.12 max.):** \$484,229 (\$403,524 X 10 X \$0.12) = \$484,229

**Current Net Equity Factor:** \$0.73 Fed

**Original Net Equity Factor:** \$0.8249 Fed

**Amount of Gap Financing Recommended:** \$1,228,598 (\$484,229 ARRA Funds + \$744,369 Prevailing Wage Adjustment)

<b>ARRA Scoring Criteria</b>	<b>Max. Possible Points</b>	<b>Points Awarded</b>
<b>Housing Type Points (Maximum of 50 points)</b>		
<input checked="" type="checkbox"/> Large Family	<b>10</b>	<b>10</b>
<b>Total Project Cost/Cash Request Points (Maximum of 100 points)</b>		
<input checked="" type="checkbox"/> Other Project		
Total Project Cost: \$10,771,789		
Cash Award Request: \$484,229		
Total Points Awarded: $100 - (\$484,229 / \$10,771,789 \times 100) = 95.4795$	<b>100</b>	<b>95.4795</b>
<b>Total Average Affordability Points (Maximum of 100 points)</b>		
<b>Projects Original Proposed Average Affordability: 52.9439%</b>		
$60\% - \text{Average Affordability} \times 5 \text{ Points} = (60\% - 52.9439\%) \times 5 = 100$	<b>100</b>	<b>35.2805</b>
<b>Total 15-Year Project-Based Rental Assistance Points (Maximum of 25 points)</b>		
<input type="checkbox"/> Project with Less than 100% 15-Year Project-Based Rental Assistance: 0%	<b>25</b>	<b>0</b>
<b>Total Points</b>	<b>275</b>	<b>140.7600</b>

**Income/Rent Targeting**

55-Year Use/Affordability Restriction: Yes  
 Number of Units @ or below 50% of area median income: 5  
 Number of Units @ or below 55% of area median income: 35  
 Number of Units @ or below 60% of area median income: 7

<b>Unit Type &amp; Number</b>	<b>2009 Rents</b>		<b>Proposed Rent</b> (including utilities)
	<b>% of Area Median Income Actual</b>	<b>Targeting</b>	
2 Two-bedroom Units	50%	50%	\$748
14 Two-bedroom Units	55%	55%	\$812
2 Three-bedroom Units	50%	50%	\$865
21 Three-bedroom Units	52%	55%	\$887
1 Four-bedroom Unit	50%	50%	\$966
7 Four-bedroom Units	58%	60%	\$1,105
1 Three-bedroom Unit	Manager's Unit		\$0

**Project Financing**

Estimated Total Project Cost: \$11,456,158 Per Unit Cost: \$238,670

<b>Construction Financing</b>		<b>Permanent Financing</b>	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Citibank – Tax Exempt Bonds	\$8,000,000	Citibank – Tax Exempt Bonds	\$2,900,000
City of Victorville RDA	\$377,873	City of Victorville RDA	\$3,893,000
Deferred Fees & Cost	\$1,403,792	Deferred Developer Fee	\$489,129
Investor Equity	\$736,433	Investor Equity	\$2,945,431
TCAC ARRA Award	\$193,692	TCAC ARRA Award (1602 Gap)	\$1,228,598
		<b>TOTAL</b>	<b>\$11,456,158</b>

**Income and Expense Statement for Year 1**

<b>Gross Residential Rents:</b>	\$455,052
<b>Total Rental Subsidy Income:</b>	\$0
<b>Miscellaneous Income:</b>	\$7,200
<b>Total Vacancy Rate Loss:</b>	(\$32,358)
<b>Total Effective Gross Income:</b>	\$429,894
<b>Less Total Expenses/Reserves:</b>	\$192,000
<b>Net Operation Income:</b>	\$237,894
<b>Debt Service:</b>	\$198,426
<b>Net Cash Flow</b>	\$39,468
<b>Debt Service Ratio:</b>	1.20 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.

Numbers contained in the proposed financing are subject to update and will be refined within 30 days of loan execution agreement.