CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
2011 First Round
June 22, 2011

Project Number	CA-2011-030		
Project Name	Alta Vista Manor Apartments		
Site Address:	625 Marjorie Street		
	Mt. Shasta, CA 96067	County:	Siskiyou
Census Tract:	10.000		

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$314,519	$0
Recommended:	$314,519	$0

Applicant Information

Applicant:	Mt. Shasta Alta Vista Manor, LP		
Contact:	Michael L. Condry		
Address:	1370 Jensen, Suite B		
	Sanger, CA 93657		
Phone:	(559) 875-3330	Fax:	(559) 875-3365
Email:	mcondry@miconrealestate.com		

General partner(s) or principal owner(s):	Central Valley Coalition for Affordable Housing
	Mt. Shasta Alta Vista Manor, LLC
General Partner Type:	Joint Venture
Developer:	Micon Real Estate
Investor/Consultant:	PNC Real Estate
Management Agent:	MBS Property Management

Project Information

Construction Type: Acquisition & Rehabilitation
Total # Residential Buildings: 1
Total # of Units: 44
No. & % of Tax Credit Units: 43 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: USDA RHS 515 / USDA Rental Subsidy (93% / 41 Units)
Affordability Breakdown by % (Lowest Income Points):

30% AMI:	10 %
40% AMI:	10 %
45% AMI:	10 %
50% AMI:	35 %

Information

Set-Aside:	Rural
Housing Type:	Seniors
Geographic Area:	N/A
TCAC Project Analyst:	Jack Waegell

Unit Mix

43	1-Bedroom Units
1	2-Bedroom Unit
44	Total Units

Unit Type & Number		2010 Rents Targeted % of Area Median Income	2010 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
5	1 Bedroom	30%	30%	$317
5	1 Bedroom	40%	40%	$423
5	1 Bedroom	45%	45%	$475
16	1 Bedroom	50%	50%	$528
12	1 Bedroom	60%	50%	$528
1	2 Bedrooms	Manager's Unit	Manager's Unit	$0

Project Financing

Estimated Total Project Cost:	$5,333,830
Estimated Residential Project Cost:	$5,333,830

Residential

Construction Cost Per Square Foot:	$52
Per Unit Cost:	$121,223

Construction Financing

Source	Amount
PNC Real Estate	$2,499,407
USDA RHS 515 - Assumed Loan	$1,384,804
Seller Note	$150,000
Deferred Developer Fee	$450,417
Tax Credit Equity	$849,202

Permanent Financing

Source	Amount
Bonneville Mortgage - RHS 538	$900,000
USDA RHS 515 - Assumed Loan	$1,384,804
Seller Note	$150,000
Deferred Developer Fee	$68,355
Tax Credit Equity	$2,830,671
TOTAL	**$5,333,830**

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	$2,688,200
130% High Cost Adjustment:	Yes
Applicable Fraction:	100%
Qualified Basis (Rehabilitation):	$3,494,660
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	$314,519
Approved Developer Fee (in Project Cost & Eligible Basis):	$450,417
Investor/Consultant:	PNC Real Estate
Federal Tax Credit Factor:	$0.90000

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:	$2,688,200
Actual Eligible Basis:	$4,653,200
Unadjusted Threshold Basis Limit:	$6,977,606
Total Adjusted Threshold Basis Limit:	$7,675,367

Adjustments to Basis Limit:

95% of Upper Floor Units are Elevator-Serviced

Tie-Breaker Information

First:	**Seniors**
Second:	**48.685%**

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: The project qualified for acquisition-based credit for the value of the existing improvements, and a portion of the developer's fee is based on the acquisition eligible basis. However, for purposes of the requested eligible basis and calculation of acquisition-based tax credits, the applicant chose to voluntarily exclude all of the acquisition basis and not request any acquisition-based tax credits, only rehabilitation tax credits.

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 has not yet completed a site review of this project. Any negative comments in the LRA report will cause this staff report to be revised to reflect such comments.

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
$314,519	**$0**

Standard Conditions
The applicant must submit all documentation required for a Carryover Allocation, any Readiness 180-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 forms.

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: None.

Points System	Max. Possible Points	Requested Points	Points Awarded
Cost Efficiency / Credit Reduction / Public Funds	**20**	**20**	**20**
Public Funds	20	20	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 500 ft of regular bus stop (or dial-a-ride service for rural set-aside)	4	4	4
Within 1 mile of public park or community center open to general public	2	2	2
Within ½ mile of public library	3	3	3
Within ½ mile of a neighborhood market of at least 5,000 sf	4	4	4
Senior project within 1 mile of daily operated senior center/facility	2	2	2
Within 1 mile of medical clinic or hospital	3	3	3
Within ½ mile of a pharmacy	2	2	2
Service Amenities	**10**	**10**	**10**
SENIOR HOUSING TYPE			
Adult ed/health & wellness/skill bldg classes, minimum 84 hrs/yr instruction	7	7	7
Health & wellness services and programs, minimum 60 hrs per 100 bdrms	3	3	3
Sustainable Building Methods	**10**	**10**	**10**
REHABILITATION			
Rehabilitate to improve energy efficiency (change in HERS II rating): 25%	7	7	7
Additional rehab measures: Sustainable Building Mgmt Practices	3	3	3
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**
Miscellaneous Federal and State Policies	**2**	**2**	**2**
State Credit Substitution	2	2	2
Total Points	**148**	**148**	**148**

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.