

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
2011 Second Round
September 28, 2011

Project Number CA-2011-173

Project Name Plumas Family Apartments
 Site Address: 1247 Live Oak Boulevard
 Yuba City, CA 95991 County: Sutter
 Census Tract: 501.020

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$376,786	\$0
Recommended:	\$352,595	\$0

Applicant Information

Applicant: YC Housing Investors. L.P.
 Contact: Andrew Hanna
 Address: 2010 Main St., Suite 1250
 Irvine, CA 92614
 Phone: (949) 222-9119 Fax: (949) 266-8821
 Email: Andrew@globalpremierdevelopment.com

General partner(s) or principal owner(s): Global Premier Development, Inc.
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General Partner Type: Joint Venture
 Developer: Global Premier Development, Inc..
 Investor/Consultant: Boston Capital
 Management Agent: Buckingham Property Management

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 1
 Total # of Units: 15
 No. & % of Tax Credit Units: 15 100%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: N/A
 Affordability Breakdown by Units and % (Lowest Income Points):

30% AMI:	2	10 %
40% AMI:	2	10 %
45% AMI:	2	10 %
50% AMI:	6	40 %

Information:

Set-Aside: N/A
 Housing Type: Large Family
 Geographic Area: Capital and Northern Region
 TCAC Project Analyst: Jack Waegell

Unit Mix

8 2-Bedroom Units
 7 3-Bedroom Units

 15 Total Units

Unit Type & Number	2011 Rents Targeted % of Area Median Income	2011 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
1 2 Bedrooms	30%	30%	\$396
1 2 Bedrooms	40%	40%	\$528
1 2 Bedrooms	45%	45%	\$594
5 2 Bedrooms	50%	50%	\$660
1 3 Bedrooms	30%	30%	\$457
1 3 Bedrooms	40%	40%	\$609
1 3 Bedrooms	45%	45%	\$685
1 3 Bedrooms	50%	50%	\$761
3 3 Bedrooms	60%	60%	\$914

Project Financing

Estimated Total Project Cost: \$3,559,053
 Estimated Residential Project Cost: \$3,559,053

Residential

 Construction Cost Per Square Foot: \$101
 Per Unit Cost: \$237,270

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Boston Capital Construction Loan	\$2,470,998	Boston Capital Perm Loan	\$209,399
Deferred Developer Fees	\$193,189	Tax Credit Equity	\$3,349,654
Tax Credit Equity	\$894,866	TOTAL	\$3,559,053

Determination of Credit Amount(s)

Requested Eligible Basis: \$3,220,392
 130% High Cost Adjustment: Yes
 Applicable Fraction: 100%
 Qualified Basis: \$4,186,510
 Applicable Rate: 9.00%
 Total Maximum Annual Federal Credit: \$352,595
 Approved Developer Fee (in Project Cost & Eligible Basis): \$423,000
 Investor/Consultant: Boston Capital
 Federal Tax Credit Factor: \$0.95000

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:	\$3,220,392
Actual Eligible Basis:	\$3,253,901
Unadjusted Threshold Basis Limit:	\$3,147,776
Total Adjusted Threshold Basis Limit:	\$4,074,966

Adjustments to Basis Limit:

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

- New construction: project buildings are at least 45% more energy efficient than current CA Code Energy Efficiency Standards as indicated in TCAC Regulations.
- Irrigated with reclaimed water, greywater, or rainwater (excluding community gardens)
- Community gardens of at least 60 square feet per unit
- Install bamboo, cork, salvaged or FSC-Certified wood, natural linoleum, natural rubber, or ceramic tile in all kitchens, living rooms, and bathrooms where no VOC adhesives or backing is used
- Install bamboo, stained concrete, cork, salvaged or FSC-Certified wood, ceramic tile, or natural linoleum in all common areas

Environmental Mitigation

Local Development Impact Fees

Tie-Breaker Information

First:	Large Family
Second:	3.172%

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 meet 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 project's site is 1.0 acre of a larger 2.12 acre site purchased by the applicant. The applicant included the entire purchase price for the larger parcel in the development budget. Staff adjusted the project cost accordingly which resulted in a reduction to the funding gap and to the recommended credits.

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
\$352,595	\$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
Cost Efficiency	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 ¼ mile of transit stop, service every 30 minutes in rush hours	6	6	6
Within ½ mile of public park or community center open to general public	2	2	2
Within ½ mile of a neighborhood market of at least 5,000 sf	3	3	3
Large Family proj. w/i ¼ mile of public school project children may attend	3	3	3
Within ½ mile of medical clinic or hospital	3	3	3
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 1,000 bedrooms	3	3	3
Adult ed/health & wellness/skill bldg classes, minimum 84 hrs/yr instruction	7	7	7
Sustainable Building Methods	10	10	10
NEW CONSTRUCTION			
Develop project in accordance w/ requirements of: LEED	5	5	5
Energy efficiency beyond CA Building Code Title 24 requirements: 25%	5	5	0
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	143

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.