

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**  
**Project Staff Report**  
**2009 Cash In Lieu of Credits – TCAP Funds**  
**December 16, 2009**

**Project Number** CA-2009-601

**Project Name** Almondwood Apartments  
**Site Address:** 801 Dutton Street  
Winters, CA 95694 County: Yolo Census Tract: 0113.00

**Applicant Information**

**Applicant:** Winters Almondwood, L.P.  
**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 Type:** Joint Venture  
The general partners or principal owners are Central Valley Coalition for Affordable Housing and Winters Almondwood, LLC.

**Project Information**

**Housing Type:** At-Risk  
**Construction Type:** Acquisition and Rehabilitation  
**Rental/Operating Subsidy:** 89% (22 Units USDA and 12 Units RHCP)  
**HCD Funding:** No  
**Total # of Units:** 39  
**Total # Residential Buildings:** 12  
**Federal Set-Aside Elected:** 40%/60%  
**% & No. of Tax Credit Units:** 100% - 38 units

**Davis-Bacon Required:** Yes

**NEPA Required:** Yes

**State Prevailing Wages Required:** No

**15% Prevailing Wage Adjustment:** N/A

**2009 TCAC Project Number:** CA-2009-058

**2009 Annual Federal Tax Credits Reserved:** \$464,914

**2009 Federal Reserved Tax Credits Exchanged/Returned:** \$464,814

**2009 Federal Tax Credits Retained:** \$100

**Original Net Equity Factor: (maximum \$0.80 for 2009)** \$0.70 Fed

**Calculated/Requested Amount of ARRA Funds:**  $(\$464,814 \times 10 \times 0.70) = \$3,253,698$

**Calculated/Awarded ARRA Gap Funds:**  $(\$464,814 \times 10 \times 0.10) = \$464,814$

**Total Cash Award Recommended: \$3,718,512**  $(\$3,253,698 \text{ ARRA Funds} + \$464,814 \text{ ARRA Gap Funds})$

**Income/Rent Targeting**

55-Year Use/Affordability Restriction: Yes  
 Number of Units @ or below 30% of area median income: 4  
 Number of Units @ or below 40% of area median income: 4  
 Number of Units @ or below 50% of area median income: 20  
 Number of Units @ or below 55% of area median income: 10

<b>Unit Type &amp; Number</b>	<b>2009 Rents Targeted % of Area Median Income</b>	<b>2009 Rents Actual % of Area Median Income</b>	<b>Proposed Rent (including utilities)</b>
3 Two-bedroom Units	30%	30%	\$489
3 Two-bedroom Units	40%	40%	\$653
16 Two-bedroom Units	50%	50%	\$816
10 Two-bedroom Units	55%	55%	\$897
1 Three-bedroom Unit	30%	30%	\$566
1 Three-bedroom Unit	40%	40%	\$755
3 Three-bedroom Units	50%	50%	\$943
1 Three-bedroom Unit	50%	50%	\$943
1 Two-bedroom Units	Manager's Unit	Manager's Unit	\$0

**Project Financing**

Estimated Total Project Cost: \$6,522,295

Per Unit Cost: \$167,238

<b>Construction Financing</b>		<b>Permanent Financing</b>	
<b>Source</b>	<b>Amount</b>	<b>Source</b>	<b>Amount</b>
Chase Bank	\$3,150,903	Bonneville Mortgage	\$1,410,000
USDA Loan Assumption	\$700,000	USDA Loan Assumption	\$700,000
City of Winters Grant	\$238,649	City of Winters Grant	\$238,649
City of Winters Loan	\$361,351	City of Winters Loan	\$361,351
Deferred Developer Fee	\$536,720	Deferred Developer Fee	\$92,983
TCAC ARRA Award (40%)	\$1,487,405	Investor Equity-\$100 annual Federal credit	\$800
		TCAC ARRA Award (TCAP)	\$3,718,512
		<b>TOTAL</b>	<b>\$6,522,295</b>

### **Income and Expense Statement for Year 1**

<b>Gross Residential Rents:</b>	\$328,596
<b>Total Rental Subsidy Income:</b>	\$56,000
<b>Miscellaneous Income:</b>	\$3,917
<b>Total Vacancy Rate Loss:</b>	(\$19,426)
<b>Total Effective Gross Income:</b>	\$369,088
<b>Less Total Expenses/Reserves:</b>	\$218,372
<b>Net Operation Income:</b>	\$150,716
<b>Debt Service:</b>	\$135,279
<b>Net Cash Flow</b>	\$15,437
<b>Debt Service Ratio:</b>	1.11 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), Tax Credit Assistance Program (TCAP) funds for the project sponsor. This Conditional Reservation would not constitute a commitment of funds or site approval, and that such commitment of funds or approval may occur only upon satisfactory completion of environmental review and receipt by the California Tax Credit Allocation Committee of a release of funds from the U.S. Department of Housing and Urban Development under 24 CFR Part §58. The provision of any funds to the project is conditioned on TCAC's determination to proceed with, modify or cancel the project based on the results of a subsequent environmental review and further underwriting.

The project sponsor is prohibited from undertaking or committing any funds to physical or choice-limiting actions, including property acquisition, demolition, movement, rehabilitation, conversion, repair or construction prior to the environmental clearance. A violation of this provision may result in the denial of any funds.

In addition, each project ultimately awarded ARRA TCAP funds will have to comply with all federal requirements, such as Section 504, Davis-Bacon federal labor standards laws, anti-lobbying requirements, lead-based paint rules, and other federal laws.

All ARRA funded projects will be required to track and report on all jobs created or retained as a result of the funds.