

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 23, 2007
Executive Summary
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by Richard Fischer.

Applicant: City and County of San Francisco

Allocation Amount Requested: Tax-exempt \$28,000,000

Project Name: 125 Mason Street Apartments
Project Address: 125 Mason Street
Project City, County, Zip Code: San Francisco, San Francisco, 94102

Located in the Tenderloin Neighborhood and San Francisco Renewal Community

Project Sponsor Information:

Name: Mason Street Affordable Housing Development, LLC
(MP Mason Street LLC and Glide Economic
Development Corporation)
Principals: Christopher Jeffries, Edward Wierzel, Steven Hoffman,
Reverend Cecil Williams, Mel Carriere and David
Richmond

Project Financing Information:

Bond Counsel: Squire, Sanders and Dempsey, LLP
Credit Enhancement Provider: Not applicable
Private Placement Purchaser: Wells Fargo Bank
TEFRA Hearing: December 5, 2006

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 81, with no manager unit
Type: New Construction
Type of Units: Family

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
27% (22 units) restricted to 50% or less of area median income households; and
73% (59 units) restricted to 60% or less of area median income households.
Unit Mix: 1-, 2-, 3-, and 4-bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$46,244,760
Estimated Hard Costs per Unit:	\$ 373,448 (\$30,249,297/81 units)
Estimated per Unit Cost:	\$ 570,923 (\$46,244,760/81 units)
Allocation per Unit:	\$ 345,679 (\$28,000,000/81 units)
Allocation per Restricted Rental Unit:	\$ 345,679 (\$28,000,000/81 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$28,000,000	\$ 8,078,000
Developer Equity	\$ 8,520,000	\$ 8,520,000
Deferred Developer Fee	\$ 0	\$ 1,244,594
Deferred Developer Loan & Int.	\$ 6,840,760	\$13,270,654
LIH Tax Credit Equity	<u>\$ 50,000</u>	<u>\$15,131,512</u>
Total Sources	\$43,410,760	\$46,244,760

Uses of Funds:	
Land Lease	\$ 450,000
On-Site & Off-Site Costs	\$ 1,181,760
Hard Construction Costs	\$29,067,537
Architect & Engineering Fees	\$ 2,337,874
Contractor Overhead & Profit	\$ 4,069,455
Developer Fee	\$ 2,500,000
Cost of Issuance	\$ 533,293
Capitalized Interest	\$ 1,749,695
Other Soft Costs	<u>\$ 4,355,146</u>
Total Uses	\$46,244,760

Legal Questionnaire:

The Staff has reviewed the Applicant's responses to the questions contained in the Legal Status portion of the application. No information was disclosed to question the financial viability or legal integrity of the Applicant.

Total Points: 84 out of 128
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$28,000,000 in tax-exempt bond allocation.

ATTACHMENT A

EVALUATION SCORING:

Point Criteria	Maximum Points Allowed for Non-Mixed Income Projects	Maximum Points Allowed for Mixed Income Projects	Points Scored
Federally Assisted At-Risk Project or HOPE VI Project	20	20	NA
Exceeding Minimum Income Restrictions: Non-Mixed Income Project Mixed Income Project	35	15	34
Gross Rents	5	5	5
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	0
Large Family Units	5	5	5
Leveraging	10	10	0
Community Revitalization Area	15	15	10
Site Amenities	10	10	10
Service Amenities	10	10	10
Sustainable Building Methods	8	8	0
New Construction	10	10	10
Negative Points	NA	NA	NA
Total Points	128	108	84

The criteria for which points are awarded will also be incorporated into the Resolution transferring Allocation to the Applicant as well as the appropriate bond documents and loan and finance agreements.