

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
January 23, 2008
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by Richard C. Fischer .

Applicant: City and County of San Francisco

Allocation Amount Requested: Tax-exempt \$15,275,000

Project Name: Mason Street Housing Apartments
Project Address: 149Mason 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 Housing Associates, L.P.
(Tenderloin Neighborhood Development Corporation
and Glide Economic Development Corporation)
Principals: Donald S. Falk, Chris Gouig, Eileen Gallagher,
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: Silicon Valley Bank
TEFRA Hearing: November 13, 2007

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 55 plus 1 manager unit
Type: New Construction
Type of Units: Family, Special Needs

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
100% (55 units) restricted to 50% or less of area median income households.
Unit Mix: Studio

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$29,462,049
Estimated Hard Costs per Unit:	\$ 360,382 (\$19,821,021/55 units)
Estimated per Unit Cost:	\$ 535,674 (\$29,462,049/55 units)
Allocation per Unit:	\$ 277,727 (\$15,275,000/55 units)
Allocation per Restricted Rental Unit:	\$ 277,727 (\$15,275,000/55 restricted units)

The Project has total project costs that appear high for the geographic area in which it is located. According to the Project Sponsor, the high cost is due to characteristics of the 6,332 square foot parcel creating higher superstructure and concrete per unit costs.

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$15,275,000	\$ 0
Developer Equity	\$ 0	\$ 775
Deferred Developer Fee	\$ 0	\$ 349,000
LIH Tax Credit Equity	\$ 50,000	\$ 7,750,000
Direct & Indirect Public Funds	<u>\$12,507,274</u>	<u>\$21,362,274</u>
Total Sources	\$27,832,274	\$29,462,049

Uses of Funds:	
Land Purchase	\$ 57,604
On-Site & Off-Site Costs	\$ 374,622
Hard Construction Costs	\$19,446,399
Architect & Engineering Fees	\$ 1,869,715
Contractor Overhead & Profit	\$ 899,473
Developer Fee	\$ 1,200,000
Cost of Issuance	\$ 335,388
Capitalized Interest	\$ 1,137,988
Other Soft Costs (Marketing, etc.)	<u>\$ 4,140,860</u>
Total Uses	\$29,462,049

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: 88 out of 128

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$15,275,000 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	0
Exceeding Minimum Income Restrictions: Non-Mixed Income Project Mixed Income Project	35	15	35
Gross Rents	5	5	0
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	10
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	10
Service Amenities	10	10	5
Sustainable Building Methods	8	8	8
New Construction	10	10	10
Negative Points	NA	NA	0
Total Points	128	108	88

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.