

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE  
March 24, 2010  
Staff Report  
*REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A  
QUALIFIED RESIDENTIAL RENTAL PROJECT*

Prepared by: Crystal Alvarez

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**Applicant:** Housing Authority of the City of Chula Vista

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**Allocation Amount Requested:**  
**Tax-exempt:** \$38,500,000

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**Project Information:**  
**Name:** Landings Phase 2 Apartments  
**Project Address:** Burdock Way  
**Project City, County, Zip Code:** Chula Vista, San Diego, 91915

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**Project Sponsor Information:**  
**Name:** Landings 2 L.P. (Pacific Southwest Community Development Corporation and Chelsea Investment Corporation Landings 2,  
**Principals:** Robert W. Lang, Tony Reyes, James J. Schmid and Lynn Harrington Schmid

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**Project Financing Information:**  
**Bond Counsel:** Stradling, Yocca, Carlson & Rauth  
**Underwriter:** Not Applicable  
**Credit Enhancement Provider:** Not Applicable  
**Private Placement Purchaser:** Winding Walk Residential, LLC and U.S. Bank National Association  
**TEFRA Hearing Date:** June 9, 2009

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**Description of Proposed Project:**  
**State Ceiling Pool:** General  
**Total Number of Units:** 141, plus 2 manager units  
**Type:** New Construction  
**Type of Units:** Family

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**Description of Public Benefits:**  
**Percent of Restricted Rental Units in the Project:** 100%  
20% (28 units) restricted to 50% or less of area median income households.  
80% (113 units) restricted to 60% or less of area median income households.  
**Unit Mix:** 3 bedrooms

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**Term of Restrictions:**  
**Income and Rent Restrictions:** 55 years

**Details of Project Financing:**

<b>Estimated Total Development Cost:</b>	\$ 48,153,798	
<b>Estimated Hard Costs per Unit:</b>	\$ 196,171	(\$27,660,062 /141 units)
<b>Estimated per Unit Cost:</b>	\$ 341,516	(\$48,153,798 /141 units)
<b>Allocation per Unit:</b>	\$ 273,050	(\$38,500,000 /141 units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 273,050	(\$38,500,000 /141 restricted units)

<b>Sources of Funds:</b>	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 26,960,025	\$ 15,654,000
Residual Receipt Note	\$ 11,458,725	\$ 11,458,725
Deferred Developer Fee	\$ 0	\$ 1,357,073
LIH Tax Credit Equity	\$ 3,056,800	\$ 15,284,000
Direct & Indirect Public Funds	\$ 4,400,000	\$ 4,400,000
<b>Total Sources</b>	<b>\$ 45,875,550</b>	<b>\$ 48,153,798</b>

<b>Uses of Funds:</b>	
Acquisition Costs	\$ 280,000
New Construction Costs	\$ 31,532,471
Architectural	\$ 1,040,000
Survey & Engineering	\$ 260,000
Contingency Costs	\$ 1,115,974
Construction Period Expenses	\$ 2,440,812
Permanent Financing Expenses	\$ 446,940
Legal Fees	\$ 90,000
Capitalized Reserves	\$ 424,208
Reports & Studies	\$ 40,000
Other (Marketing, etc)	\$ 7,983,393
Developer Costs	\$ 2,500,000
<b>Total Uses</b>	<b>\$ 48,153,798</b>

**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:** 72.1 out of 118  
 [See Attachment A]

**Recommendation:**

Staff recommends that the Committee approve \$38,500,000 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:	35	15	30
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	10
Gross Rents	5	5	0
Large Family Units	5	5	5
Leveraging	10	10	9.6
Community Revitalization Area	15	15	0
Site Amenities	10	10	7.5
Service Amenities	10	10	0
New Construction	10	10	10
Sustainable Building Methods	8	8	0
Negative Points	-10	-10	0
<b>Total Points</b>	<b>118</b>	<b>98</b>	<b>72.10</b>

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.