

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE  
September 22, 2010  
Staff Report  
*REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A  
QUALIFIED RESIDENTIAL RENTAL PROJECT*

Prepared by: Richard Fischer

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**Applicant:** San Francisco Redevelopment Agency

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**Allocation Amount Requested:**  
**Tax-exempt:** \$41,000,000

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**Project Information:**  
**Name:** Hunters View Apartments Phase 1  
**Project Address:** 227-229 West Point Road  
**Project City, County, Zip Code:** San Francisco, San Francisco, 94124

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**Project Sponsor Information:**  
**Name:** HV Partners 1, L.P. (Hunters Point Affordable Housing, Inc.;  
The John Stewart Company and Devine and Gong, Inc.)  
**Principals:** Larry Hollingsworth, Ethel "Corley, Chestene Mason and Edgar  
Brown for Hunters Point Affordable Housing Inc.; John K.  
Stewart, Jack D. Gardner, Saniel Levine, Mike Smith-Heimer,  
Mari Tustin for The John Stewart Company; Richard Devine for  
Devine and Gong, Inc.

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**Project Financing Information:**  
**Bond Counsel:** Orrick, Herrington & Sutcliffe LLP  
**Underwriter:** Not Applicable  
**Credit Enhancement Provider:** Not Applicable  
**Private Placement Purchaser:** Citibank, N.A.  
**TEFRA Hearing Date:** August 10, 2010

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**Description of Proposed Project:**  
**State Ceiling Pool:** General  
**Total Number of Units:** 106, plus 1 manager unit  
**Type:** New Construction  
**Type of Units:** Family

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**Description of Public Benefits:**  
**Percent of Restricted Rental Units in the Project:** 100%  
99% (105 units) restricted to 50% or less of area median income households.  
1% (1 units) restricted to 60% or less of area median income households.  
**Unit Mix:** 1, 2, 3, 4 & 5 bedrooms

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

**Details of Project Financing:**

<b>Estimated Total Development Cost:</b>	\$ 76,251,954	
<b>Estimated Hard Costs per Unit:</b>	\$ 380,668	(\$40,350,788 /106 units)
<b>Estimated per Unit Cost:</b>	\$ 719,358	(\$76,251,954 /106 units)
<b>Allocation per Unit:</b>	\$ 386,792	(\$41,000,000 /106 units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 386,792	(\$41,000,000 /106 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 demolition of existing housing replaced with new housing and infrastructure.

<b>Sources of Funds:</b>	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 41,000,000	\$ 0
Developer Capital	\$ 100	\$ 100
LIH Tax Credit Equity	\$ 4,541,503	\$ 22,699,022
Direct & Indirect Public Funds	\$ 30,710,351	\$ 53,552,832
Total Sources	\$ 76,251,954	\$ 76,251,954

<b>Uses of Funds:</b>	
Acquisition	\$ 641,658
New Construction Costs	\$ 59,387,829
Relocation	\$ 352,800
Architectural	\$ 3,937,500
Survey & Engineering	\$ 247,771
Contingency Costs	\$ 2,493,355
Construction Period Expenses	\$ 3,986,334
Legal Fees	\$ 444,000
Capitalized Reserves	\$ 1,370,233
Reports & Studies	\$ 29,785
Other (Marketing, etc)	\$ 2,160,689
Developer Costs	\$ 1,200,000
Total Uses	\$ 76,251,954

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

**Recommendation:**

Staff recommends that the Committee approve \$41,000,000 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	0
Exceeding Minimum Income Restrictions:	35	15	35
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	5
Large Family Units	5	5	5
Leveraging	10	10	10
Community Revitalization Area	15	15	10
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>92.5</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.