CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report Community Renewal Program December 5, 2007

Project Number CRP-2007-003

Project Name Ivy Hotel Address: 600 "F" Street

San Diego, CA 92101

County: San Diego Census Tract: 46.00

Applicant Information

Applicant: 630 "F" Street, LLC

Contact: Greg Bowen

Address: 225 Broadway, 18th Floor

San Diego, CA 92101

Phone: (619) 687-5000 Fax:(619) 687-5010 email: gbowen@kellycapital.com

Sponsor Type: For Profit

Renewal Community Information

Applicant: City of San Diego

Contact: Ples Felix

Address: 1200 Third Avenue, 14th Floor

San Diego, CA 92101-4110 MS 56-D

Phone: (619) 236-6301 Fax: (619) 236-6703 email: pfelix@sandiego.gov

Eligible Basis

Actual: \$45,906,726 Requested: \$48,872,247 Maximum Permitted: \$45,906,726

Tax Deduction Elected 10-year \square 50% \boxtimes

 Tax Deduction Amount
 Total 10-year
 50%

 Requested:
 \$0
 \$10,000,000

 Recommended:
 \$0
 \$10,000,000

Project Information

Construction Type: Acquisition/ Rehabilitation

Federal Subsidy: None

Employment Targeting

Renewal Community Jobs: 348 Renewal Community Residents: 45

The project developer is 630 "F" Street, LLC.

The non-profit/ charitable organizations involved in this project is/ are: none

The Local Renewal Community Agency, the San Diego Renewal community, supports this project.

Project Number: CRP-07-003

December 5, 2007

Project Description: This project is a conversion of a run-down SRO Hotel to a luxury hotel. The applicant states that the project will create 348 full-time jobs with 45 jobs being generated for Renewal Community residents.

Project Financing

Estimated Total Project Cost: \$66,366,490 Construction Cost Per Sq. Ft.: \$578

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Owner Equity	\$22,878,607	Owner Equity	\$66,366,490
Fortress Credit	\$45,487,883	• •	
		TOTAL	\$66,366,490

Determination of Credit Amount(s)

\$48,906,726
100%
\$45,906,726
\$0
\$10,000,000

Applicant requests and staff recommends a one-time 50% Renewal Community tax deduction of \$10,000,000 based upon an adjusted eligible basis of \$45,906,726.

Special Issues/Other Significant Information: None

Recommendation: Staff recommends that the Committee make a reservation of tax deductions in the following amount(s) contingent upon standard conditions and any additional conditions imposed by the Committee:

\$0 Annual \$10,000,000 50%

Standard Conditions

TCAC makes the reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project will be permitted without the express approval of TCAC.

The applicant must pay TCAC an allocation fee calculated in accordance with regulation. Additionally, TCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are anticipated to be the final project costs, staff recommends that a reservation be made in the amount and manner of federal tax deductions shown above on condition that the final placed-in-service project costs be supported by itemized lender approved costs and a certification of costs by a certified public accountant as required by the qualified allocation plan of the buildings at completion.

All fees charged to the project must be within TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of tax deductions when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in the qualified allocation plan through the final placed-in-service analysis performed by TCAC.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified eligible basis and tax deduction amount determined by TCAC in its final placed-in-service analysis.

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Project Analyst: Gene Boyd