

**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.*

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**Applicant:** Housing Authority of the City of San Diego

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**Allocation Amount Requested:** Tax-exempt \$6,050,000

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**Project Name:** Redwood Villa Apartments  
**Project Address:** 3060 53<sup>rd</sup> Street  
**Project City, County, Zip Code:** San Diego, San Diego 92105

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**Project Sponsor Information:**  
**Name:** San Diego Interfaith Housing Foundation  
**Principals:** Matthew Jumper

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**Project Financing Information:**  
**Bond Counsel:** Stradling Yocca Carlson & Rauth  
**Underwriter:** Red Capital Markets, Inc.  
**Credit Enhancement Provider:** Red Mortgage Capital, Inc.  
**Private Placement Purchaser:** Not applicable  
**TEFRA Hearing:** March 6, 2007

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**Description of Proposed Project:**  
**State Ceiling Pool:** General  
**Total Number of Units:** 90, plus 2 manager units  
**Type:** Acquisition and Rehabilitation  
**Type of Units:** Senior

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**Description of Public Benefits:**  
**Percent of Restricted Rental Units in the Project: 100%**  
38% (34 units) restricted to 50% or less of area median income households; and  
62% (56 units) restricted to 60% or less of area median income households.  
**Unit Mix:** 1- and 2-bedrooms

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**Term of Restrictions:** 55 years

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<b>Estimated Total Development Cost:</b>	\$11,733,140
<b>Estimated Hard Costs per Unit:</b>	\$ 17,464 (\$1,571,728/90 units)
<b>Estimated per Unit Cost:</b>	\$ 130,813 (\$11,733,140/90 units)
<b>Allocation per Unit:</b>	\$ 67,222 (\$6,050,000/90 units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 67,222 (\$6,050,000/90 restricted units)

<b>Sources of Funds:</b>	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 6,050,000	\$ 2,445,000
Developer Equity	\$ 0	\$ 72,000
Deferred Developer Fee	\$ 0	\$ 551,706
LIH Tax Credit Equity	\$ 212,727	\$ 4,254,541
Sellers Note	\$ 4,521,893	\$ 4,449,893
Direct & Indirect Public Funds	\$ 0	\$ 0
<b>Total Sources</b>	<b>\$10,784,620</b>	<b>\$11,773,140</b>

<b>Uses of Funds:</b>	
Acquisition Cost	\$ 8,000,000
On-Site & Off-Site Costs	\$ 150,000
Hard Construction Costs	\$ 1,421,728
Architect & Engineering Fees	\$ 20,000
Contractor Overhead & Profit	\$ 184,508
Developer Fee	\$ 1,120,000
Cost of Issuance	\$ 378,990
Capitalized Interest	\$ 87,858
Other Soft Costs	\$ 410,056
<b>Total Uses</b>	<b>\$11,773,140</b>

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**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.

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**Total Points:** 64.1 out of 128  
 [See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approve \$6,050,000 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	35
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]	9.1
Large Family Units	5	5	0
Leveraging	10	10	0
Community Revitalization Area	15	15	0
Site Amenities	10	10	5
Service Amenities	10	10	10
Sustainable Building Methods	8	8	0
New Construction	10	10	0
Negative Points	NA	NA	NA
<b>Total Points</b>	<b>128</b>	<b>108</b>	<b>64.1</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.