

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**July 25, 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:** City and County of San Francisco

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**Allocation Amount Requested:** Tax-exempt \$18,942,006

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**Project Name:** 275 10<sup>th</sup> Street Supportive Housing Apartments  
**Project Address:** 275 10<sup>th</sup> Street  
**Project City, County, Zip Code:** San Francisco, San Francisco, 94103

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**Project Sponsor Information:**  
**Name:** 275 10th Street Associates LP (Episcopal Community Services of San Francisco, 275 10th Street, LLC (ECS), and 275 10th Street, LP)  
**Principals:** Kenneth J. Reggio, Kelly Wilkinson, Melanie D. Johnson (ECS is the sole member of the 275 10th Street LLC, the Managing General Partner (MGP) for the Borrower Entity--275 10th Street Associates LP)

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**Project Financing Information:**  
**Bond Counsel:** Quint & Thimmig, LLP  
**Underwriter:** Not applicable  
**Private Placement Purchaser:** Union Bank of California  
**TEFRA Hearing:** May 15, 2007

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**Description of Proposed Project:**  
**State Ceiling Pool:** General  
**Total Number of Units:** 134, plus 1 manager unit  
**Type:** New Construction  
**Type of Units:** Family, Special Needs

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**Description of Public Benefits:**  
**Percent of Restricted Rental Units in the Project: 100%**  
100% (134 units) restricted to 50% or less of area median income.  
**Unit Mix:** Studio

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**Term of Restrictions:** 55 years

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|---|--|
| <b>Estimated Total Development Cost:</b>      | \$33,182,505                                   |
| <b>Estimated Hard Costs per Unit:</b>         | \$ 176,571 (\$23,660,566/134 units)            |
| <b>Estimated per Unit Cost:</b>               | \$ 247,631 (\$33,182,505/134 units)            |
| <b>Allocation per Unit:</b>                   | \$ 141,359 (\$18,942,066/134 units)            |
| <b>Allocation per Restricted Rental Unit:</b> | \$ 141,359 (\$18,942,066/134 restricted units) |

| <b>Sources of Funds:</b>       | <u>Construction</u> | <u>Permanent</u>    |
|--------------------------------|---------------------|---------------------|
| Tax-Exempt Bond Proceeds       | \$18,942,066        | \$ 0                |
| Developer Equity               | \$ 105,000          | \$ 105,000          |
| LIH Tax Credit Equity          | \$ 50,000           | \$13,078,820        |
| Direct & Indirect Public Funds | <u>\$12,998,685</u> | <u>\$19,998,685</u> |
| Total Sources                  | \$32,095,751        | \$33,182,505        |

| <b>Uses of Funds:</b>              |                     |
|------------------------------------|---------------------|
| Land Purchase                      | \$ 42,500           |
| On-Site & Off-Site Costs           | \$ 1,893,027        |
| Hard Construction Costs            | \$21,767,539        |
| Architect & Engineering Fees       | \$ 2,104,476        |
| Contractor Overhead & Profit       | \$ 961,532          |
| Developer Fee                      | \$ 1,250,000        |
| Cost of Issuance                   | \$ 492,147          |
| Capitalized Interest               | \$ 1,233,602        |
| Other Soft Costs (Marketing, etc.) | <u>\$ 3,437,682</u> |
| Total Uses                         | \$33,182,505        |

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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:** 98 out of 128  
[See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approve \$18,942,066 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:<br>Non-Mixed Income Project<br>Mixed Income Project  | 35   | 15   | 35            |
| Gross Rents   | 5  | 5  | 5             |
| Exceeding Minimum Rent Restrictions<br>[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   | 10            |
| Sustainable Building Methods  | 8  | 8  | 8             |
| New Construction  | 10   | 10   | 10            |
| Negative Points   | NA   | NA   | NA            |
| <b>Total Points</b>   | <b>128</b>   | <b>108</b>                                       | <b>98</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.