

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.

Applicant: Housing Authority of the City of San Diego

Allocation Amount Requested: Tax-exempt \$37,500,000

Project Name: Villa Nueva Apartments
Project Address: 3604 Beyer Blvd
Project City, County, Zip Code: San Ysidro, San Diego, 92173

Located in San Ysidro Redevelopment Project Area

Project Sponsor Information:
Name: Steadfast Villa Nueva, LP (Casa Familiar, Inc. and Steadfast VNA, LLC)
Principals: Andrea P. Skorepa, Luz Camacho Espinoza for Casa Familiar, Inc.; Rodney F. Emery, Dinesh Davar and Ana Marie del Rio for Steadfast VNA, LLC.

Project Financing Information:
Bond Counsel: Quint & Thimmig LLP
Underwriter: TBD
Credit Enhancement Provider: Centerline Capital Group (Freddie Mac)
Private Placement Purchaser: N/A
TEFRA Hearing: April 17, 2007

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 395, plus 3 manager units
Type: Acquisition and Rehabilitation
Type of Units: Family, Federally Assisted At-Risk

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
10 % (41 units) restricted to 50% or less of area median income households; and
90 % (354 units) restricted to 60% or less of area median income households.
Unit Mix: 2-, 3-, and 4-bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$76,473,609
Estimated Hard Costs per Unit:	\$ 55,376 (\$21,873,400/395 units)
Estimated per Unit Cost:	\$ 193,604 (\$76,473,609/395 units)
Allocation per Unit:	\$ 94,937 (\$37,500,000/395 units)
Allocation per Restricted Rental Unit:	\$ 94,937 (\$37,500,000/395 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$37,500,000	\$37,500,000
Deferred Developer Fee	\$ 0	\$ 353,804
LIH Tax Credit Equity	\$22,309,593	\$25,667,305
Direct & Indirect Public Funds	\$ 9,210,000	\$ 9,210,000
Const Period NOI	<u>\$ 3,742,500</u>	<u>\$ 3,742,500</u>
Total Sources	\$72,762,093	\$76,473,609

Uses of Funds:	
Acquisition Cost	\$41,150,000
Hard Construction Costs	\$21,873,400
Architect & Engineering Fees	\$ 312,480
Contractor Overhead & Profit	\$ 2,748,000
Developer Fee	\$ 2,350,000
Relocation	\$ 1,000,000
Cost of Issuance	\$ 305,225
Capitalized Interest	\$ 3,742,500
Reserves	\$ 1,114,272
Other Soft Costs	<u>\$ 1,877,732</u>
Total Uses	\$76,473,609

The Project Sponsor has requested an exception to the \$30 million cap per project imposed by Section 17.IV of the CDLAC Procedures on the basis that the project is At-Risk and can not be completed in more than one phase. In accordance with Section 17.IV.B, the Executive Director is recommending that the Committee approve the exception as requested.

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: 88 out of 128
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$37,500,000 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	10
Exceeding Minimum Income Restrictions: Non-Mixed Income Project Mixed Income Project	35	15	25
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]	0
Large Family Units	5	5	5
Leveraging	10	10	0
Community Revitalization Area	15	15	15
Site Amenities	10	10	10
Service Amenities	10	10	10
Sustainable Building Methods	8	8	8
New Construction	10	10	0
Negative Points	NA	NA	NA
Total Points	128	108	88

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.