

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**December 5, 2007**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**QUALIFIED RESIDENTIAL RENTAL PROJECT**

*Prepared by Brady Hill.*

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

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**Allocation Amount Requested:** Tax-exempt \$17,114,159

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**Project Name:** Parkside Apartments  
**Project Address:** 505 13<sup>th</sup> Street  
**Project City, County, Zip Code:** San Diego, San Diego, 92101

The proposed Project is located in a Community Revitalization area, more specifically in the Centre City Redevelopment Project.

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**Project Sponsor Information:**  
**Name:** Parkside Terrace, LP (Wakeland Housing and Development Corporation and Wakeland Parkside, LLC)  
**Principals:** Kenneth L. Sauder

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**Project Financing Information:**  
**Bond Counsel:** Quint & Thimmig LLP  
**Underwriter:** Not applicable  
**Credit Enhancement Provider:** Not applicable  
**Private Placement Purchaser:** Wells Fargo Bank, N.A.  
**TEFRA Hearing:** July 10, 2007

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**Description of Proposed Project:**  
**State Ceiling Pool:** General  
**Total Number of Units:** 76, 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%**  
16% (12 units) restricted to 50% or less of area median income households; and  
84% (64 units) restricted to 60% or less of area median income households.  
**Unit Mix:** Studio, 1, 2 and 3 bedrooms

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**Term of Restrictions:** 55 years

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<b>Estimated Total Development Cost:</b>	\$30,136,658
<b>Estimated Hard Costs per Unit:</b>	\$ 217,208 (\$16,507,825/76 units)
<b>Estimated per Unit Cost:</b>	\$ 396,535 (\$30,136,658/76 units)
<b>Allocation per Unit:</b>	\$ 225,186 (\$17,114,159/76 units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 225,186 (\$17,114,159/76 restricted units)

<b>Sources of Funds:</b>	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$17,114,159	\$ 4,266,582
Deferred Developer Fee	\$ 0	\$ 280,000
LIH Tax Credit Equity	\$ 1,179,008	\$11,790,076
Direct & Indirect Public Funds	<u>\$10,717,000</u>	<u>\$13,800,000</u>
Total Sources	\$29,010,167	\$30,136,658

<b>Uses of Funds:</b>	
Land Purchase	\$ 3,960,000
On-Site & Off-Site Costs	\$ 1,422,000
Hard Construction Costs	\$15,085,825
Architect & Engineering Fees	\$ 1,020,802
Contractor Overhead & Profit	\$ 2,054,433
Developer Fee	\$ 1,325,000
Cost of Issuance	\$ 116,363
Capitalized Interest	\$ 642,930
Other Soft Costs	<u>\$ 4,509,305</u>
Total Uses	\$30,136,658

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

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**Recommendation:**

Staff recommends that the Committee approve \$17,114,159 in tax-exempt bond allocation on a carryforward basis.

**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: Non-Mixed Income Project Mixed Income Project	35	15	28
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]	10
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	15	15	15
Site Amenities	10	10	5
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>101</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.