

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 Richard Fischer.

Applicant: Housing Authority of the City of San Diego

Allocation Amount Requested: Tax-exempt \$27,000,000

Project Name: Bay Vista Methodist Heights Apartments

Project Address: 4802 Logan Avenue
Project City, County, Zip Code: San Diego, San Diego, 92113

Project Sponsor Information:

Name: Bay Vista Housing Partners, L.P. (Amerland/Bay Vista, LLC and Islas Development, LLC)
Principals: Ruben Islas, Jules L.C. Arthur and Michele Arthur and Colin Rice for Amerland/Bay Vista LLC.

Project Financing Information:

Bond Counsel: Stradling, Yocca, Carlson & Rauth
Underwriter: Not applicable
Credit Enhancement Provider: ARCS Commercial Mortgage
TEFRA Hearing: September 25, 2007

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 267, plus 1 manager unit
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% (27 units) restricted to 50% or less of area median income households; and
90% (240 units) restricted to 60% or less of area median income households.
Unit Mix: 2- and 3-bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$35,033,887
Estimated Hard Costs per Unit:	\$ 25,446 (\$6,794,085/267 units)
Estimated per Unit Cost:	\$ 131,213 (\$35,033,887/267 units)
Allocation per Unit:	\$ 101,124 (\$27,000,000/267 units)
Allocation per Restricted Rental Unit:	\$ 101,124 (\$27,000,000/267 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$27,000,000	\$22,500,000
Developer Equity	\$ 482,639	\$ 482,639
LIH Tax Credit Equity	<u>\$ 7,551,248</u>	<u>\$12,051,248</u>
Total Sources	\$35,033,887	\$35,033,887

Uses of Funds:	
Acquisition Cost	\$21,400,000
Hard Construction Costs	\$ 6,794,085
Architect & Engineering Fees	\$ 794,836
Contractor Overhead & Profit	\$ 1,247,531
Developer Fee	\$ 2,500,000
Cost of Issuance	\$ 507,300
Other Soft Costs (Marketing, etc.)	<u>\$ 1,790,135</u>
Total Uses	<u>\$35,033,887</u>

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: 60 out of 128
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$27,000,000 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	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	0
Site Amenities	10	10	10
Service Amenities	10	10	5
Sustainable Building Methods	8	8	0
New Construction	10	10	0
Negative Points	NA	NA	NA
Total Points	128	108	60

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.