

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
January 23, 2008
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by Crystal Alvarez.

Applicant: Housing Authority of the City of San Diego

Allocation Amount Requested: Tax-exempt \$24,000,000

Project Name: Ten Fifty B Apartments Phase II (111 units)
Project Address: 1050 B 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.

Project Sponsor Information:

Name: Ten Fifty B Street, L.P.
(Affirmed Housing Group)
Principals: James Silverwood

Project Financing Information:

Bond Counsel: Quint & Thimming, LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: US Bank National Association
TEFRA Hearing: October 9, 2007

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 109, plus 2 manager unit
Type: New Construction
Type of Units: Family

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
31% (34 units) restricted to 50% or less of area median income households; and
69% (75 units) restricted to 60% or less of area median income households.
Unit Mix: Studio, 1, 2 and 3 bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$43,129,259
Estimated Hard Costs per Unit:	\$ 267,382 (\$29,144,640/109 units)
Estimated per Unit Cost:	\$ 395,681 (\$43,129,259/109 units)
Allocation per Unit:	\$ 220,183 (\$24,000,000/109 units)
Allocation per Restricted Rental Unit:	\$ 220,183 (\$24,000,000/109 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$24,000,000	\$ 5,698,683
LIH Tax Credit Equity	\$ 3,282,115	\$16,410,576
Direct & Indirect Public Funds	\$14,847,000	\$19,820,000
Other (Private Funds)	\$ 0	\$ 1,200,000
Total Sources	\$42,129,115	\$43,129,259

Uses of Funds:	
Land Purchase	\$ 2,112,000
On-Site & Off-Site Costs	\$ 672,000
Hard Construction Costs	\$28,472,640
Architect & Engineering Fees	\$ 1,776,000
Developer Fee	\$ 2,500,000
Capitalized Interest	\$ 2,190,000
Other Soft Costs	\$ 5,406,619
Total Uses	\$43,129,259

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 it is a high density urban infill project requiring Type I concrete construction to achieve the density of 229 residential units. The aggregate amount for the Ten Fifty B Apartments Phase I application #08-013 and Ten Fifty B Apartments Phase II 08-014 exceed the \$30 million cap. 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: 98 out of 128
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$24,000,000 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	0
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]	10
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	15	15	10
Site Amenities	10	10	10
Service Amenities	10	10	0
Sustainable Building Methods	8	8	8
New Construction	10	10	10
Negative Points	NA	NA	NA
Total Points	128	108	98

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.