

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 28, 2008
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by John Weir

Applicant: City and County of San Francisco-Mayor's Office of Housing

Allocation Amount Requested: Tax-exempt \$10,500,000

Project Name: Zygmunt Arendt House
Project Address: 850 Broderick Street
Project City, County, Zip Code: San Francisco, San Francisco, 94115

Project Sponsor Information:
Name: Arendt House, L.P.
(Tenderloin Neighborhood Development Corporation and Community Housing Partnership)
Principals: For TNDC: Donald S. Falk, Exec. Director; Loren Sanborn, President; Tangerine Brigham, V.P.; Charles Casey, Sec.; Eileen Gallagher, Treasurer. For CHP: Jeffrey Kositsky, Exec. Director; Geoff MacDonald, President; Joseph Smooke, Sec.

Project Financing Information:
Bond Counsel: Sonnenschein Nath and Rosenthal LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Silicon Valley Bank
TEFRA Hearing: March 4, 2008

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 46, plus 1 manager unit
Type: New Construction
Type of Units: Senior, Special Needs

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
30% (14 units) restricted to 50% or less of area median income households; and
70% (32 units) restricted to 60% or less of area median income households.
Unit Mix: Studio only

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$16,585,479
Estimated Hard Costs per Unit:	\$ 200,404 (\$ 9,218,620/46 units)
Estimated per Unit Cost:	\$ 360,554 (\$16,585,479/46 units)
Allocation per Unit:	\$ 228,261 (\$10,500,000/46 units)
Allocation per Restricted Rental Unit:	\$ 228,261 (\$10,500,000/46 units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$10,500,000	\$ 0
Deferred Developer Fee + CEC Rebate	\$ 0	\$ 491,627
LIH Tax Credit Equity	\$ 50,000	\$ 4,895,847
Direct & Indirect Public Funds	<u>\$ 4,198,005</u>	<u>\$11,198,005</u>
Total Sources	\$14,748,005	\$16,585,479

Uses of Funds:	
Land Purchase	\$ 27,104
On-Site & Off-Site Costs	\$ 342,284
Hard Construction Costs	\$ 8,876,336
Architect & Engineering Fees	\$ 1,149,350
Contractor Overhead & Profit	\$ 1,290,229
Developer Fee	\$ 1,200,000
Cost of Issuance	\$ 297,400
Capitalized Interest	\$ 758,125
Other Soft Costs	<u>\$ 2,644,652</u>
Total Uses	\$16,585,479

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: (93 out of 128)
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$10,500,500 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	0
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	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
Total Points	128	108	93

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.