

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**January 28, 2009**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**QUALIFIED RESIDENTIAL RENTAL PROJECT**

*Prepared by: Richard Fischer*

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

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**Allocation Amount Requested:**  
**Tax-exempt:** \$10,606,924

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**Project Information:**  
**Name:** Village Green Apartments  
**Project Address:** 4140, 4150 & 4155 Bonillo Drive  
**Project City, County, Zip Code:** San Diego, San Diego 92115

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

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**Project Sponsor Information:**  
**Name:** Wakeland Village Green Apts., L.P. (Wakeland Village Green Apts., LLC and Wakeland Housing and Development Corporation)  
**Principals:** Kenneth L. Sauder and Joan Edelman

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**Project Financing Information:**  
**Bond Counsel:** Quint & Thimmig LLP  
**Underwriter:** Not Applicable  
**Credit Enhancement Provider:** Not Applicable  
**Private Placement Purchaser:** US Bank N.A.  
**TEFRA Hearing:** October 7, 2008

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**Description of Proposed Project:**  
**State Ceiling Pool:** General  
**Total Number of Units:** 92, plus 1 manager unit  
**Type:** Acquisition and Rehabilitation  
**Type of Units:** Family

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**Description of Public Benefits:**  
**Percent of Restricted Rental Units in the Project:** 100%  
11% (10 units) restricted to 50% or less of area median income households.  
89% (82 units) restricted to 60% or less of area median income households.  
**Unit Mix:** 2 & 3 bedrooms

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**Term of Restrictions:**  
**Income and Rent Restrictions:** 55 years

<b>Estimated Total Development Cost:</b>	\$ 20,643,805	
<b>Estimated Hard Costs per Unit:</b>	\$ 29,784	(\$2,740,144 /92 units)
<b>Estimated per Unit Cost:</b>	\$ 224,389	(\$20,643,805 /92 units)
<b>Allocation per Unit:</b>	\$ 115,293	(\$10,606,924 /92 units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 115,293	(\$10,606,924 /92 restricted units)

<b>Sources of Funds:</b>	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 10,606,924	\$ 6,572,221
Developer Equity	\$ 229,136	\$ 229,136
Deferred Developer Fee	\$ 0	\$ 300,000
LIH Tax Credit Equity	\$ 1,064,557	\$ 5,410,784
Direct & Indirect Public Funds	\$ 7,421,264	\$ 7,953,542
Deferred Pmnt. Public Sector Soft Debt	\$ 178,122	\$ 178,122
Total Sources	\$ 19,500,003	\$ 20,643,805

<b>Uses of Funds:</b>	
Acquisition Costs	\$ 13,200,000
On & Off Site Costs	\$ 233,778
Hard Construction Costs	\$ 2,506,366
Architect & Engineering Fees	\$ 105,000
Contractor Overhead & Profit	\$ 383,619
Developer Fee	\$ 1,200,000
Relocation	\$ 568,691
Cost of Issuance	\$ 93,070
Capitalized Interest	\$ 528,096
Other Soft Costs (Marketing, etc.)	\$ 1,825,185
Total Uses	\$ 20,643,805

**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 \$10,606,924 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:	35	15	25
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	10
Gross Rents	5	5	5
Large Family Units	5	5	0
Leveraging	10	10	10
Exceeding Minimum Term of Restrictions	10	10	10
Community Revitalization Area	15	15	10
Site Amenities	10	10	10
Service Amenities	10	10	10
New Construction	10	10	0
Sustainable Building Methods	8	8	8
Negative Points	-10	-10	0
<b>Total Points</b>	<b>128</b>	<b>108</b>	<b>98</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.