

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE  
March 25, 2009  
Staff Report  
*REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A  
QUALIFIED RESIDENTIAL RENTAL PROJECT*

*Prepared by: John Weir*

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**Applicant:** California Statewide Communities Development Authority

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**Allocation Amount Requested:**

**Tax-exempt:** \$7,700,000

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**Project Information:**

**Name:** Golden Age Garden Apartments  
**Project Address:** 740 South 36th Street  
**Project City, County, Zip Code:** San Diego, San Diego, 92113

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**Project Sponsor Information:**

**Name:** Golden Age Garden Housing Partners, LP (Amerland/Golden Age, LLC, Islas Development, LLC and Pacific Housing, Inc.)  
**Principals:** Ruben Islas, Casey Haeling, Jules L.C. Arthur and Michele R. Arthur for Amerland/Golden Age, LLC, and Mark Wiese for Pacific Housing, Inc.

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**Project Financing Information:**

**Bond Counsel:** Jones Hall, A Professional Law Corporation  
**Underwriter:** Hutchinson, Shockey, Erley & Company  
**Credit Enhancement Provider:** PNC Bank, N.A./Fannie Mae  
**Private Placement Purchaser:** Not Applicable  
**TEFRA Hearing:** December 15, 2008

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**Description of Proposed Project:**

**State Ceiling Pool:** General  
**Total Number of Units:** 75, plus 1 manager unit  
**Type:** Acquisition and Rehabilitation  
**Type of Units:** Senior Citizens/Federally Assisted At-Risk

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**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 100%  
31% (23 units) restricted to 50% or less of area median income households.  
69% (52 units) restricted to 60% or less of area median income households.  
**Unit Mix:** 1 bedroom

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**Term of Restrictions:**

**Income and Rent Restrictions:** 55 years

|   |    |            |                                    |
|---|----|------------|------------------------------------|
| <b>Estimated Total Development Cost:</b>      | \$ | 13,777,366 |                                    |
| <b>Estimated Hard Costs per Unit:</b>         | \$ | 25,200     | (\$1,890,006 /75 units)            |
| <b>Estimated per Unit Cost:</b>               | \$ | 183,698    | (\$13,777,366 /75 units)           |
| <b>Allocation per Unit:</b>                   | \$ | 102,667    | (\$7,700,000 /75 units)            |
| <b>Allocation per Restricted Rental Unit:</b> | \$ | 102,667    | (\$7,700,000 /75 restricted units) |

| <b>Sources of Funds:</b>       | <u>Construction</u>  | <u>Permanent</u>     |
|--------------------------------|----------------------|----------------------|
| Tax-Exempt Bond Proceeds       | \$ 7,700,000         | \$ 5,400,000         |
| Deferred Developer Fee         | \$ 1,300,000         | \$ 554,586           |
| LIH Tax Credit Equity          | \$ 1,115,366         | \$ 4,160,780         |
| Direct & Indirect Public Funds | \$ 3,662,000         | \$ 3,662,000         |
| <b>Total Sources</b>           | <b>\$ 13,777,366</b> | <b>\$ 13,777,366</b> |

| <b>Uses of Funds:</b>        |                      |
|------------------------------|----------------------|
| Acquisition Costs            | \$ 8,600,000         |
| On & Off Site Costs          | \$ 277,436           |
| Hard Construction Costs      | \$ 1,612,570         |
| Architect & Engineering Fees | \$ 35,000            |
| Contractor Overhead & Profit | \$ 162,491           |
| Developer Fee                | \$ 1,300,000         |
| Relocation                   | \$ 100,000           |
| Cost of Issuance             | \$ 97,850            |
| Other Soft Costs             | \$ 1,592,019         |
| <b>Total Uses</b>            | <b>\$ 13,777,366</b> |

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

**Recommendation:**

Staff recommends that the Committee approve \$7,700,000 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   | 20            |
| Exceeding Minimum Income Restrictions:  | 35   | 15   | 35            |
| Exceeding Minimum Rent Restrictions<br>[Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project] | [10]   | [10]   | 0             |
| Gross Rents   | 5  | 5  | 5             |
| Large Family Units  | 5  | 5  | 0             |
| Leveraging  | 10   | 10   | 0             |
| Community Revitalization Area   | 15   | 15   | 0             |
| Site Amenities  | 10   | 10   | 7.5           |
| Service Amenities   | 10   | 10   | 10            |
| New Construction  | 10   | 10   | 0             |
| Sustainable Building Methods  | 8  | 8  | 0             |
| Negative Points   | -10  | -10  | 0             |
| <b>Total Points</b>   | <b>128</b>   | <b>108</b>                                       | <b>77.5</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.