

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE  
September 22, 2010  
Staff Report  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A  
QUALIFIED RESIDENTIAL RENTAL PROJECT**

Prepared by: Crystal Alvarez

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**Applicant:** California Housing Finance Agency

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**Allocation Amount Requested:**  
**Tax-exempt:** \$70,665,000

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**Project Information:**  
**Name:** One Santa Fe Apartments  
**Project Address:** Intersection of First Street and Santa Fe Avenue  
**Project City, County, Zip Code:** Los Angeles, Los Angeles, 90012

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**Project Sponsor Information:**  
**Name:** One Santa Fe, LLc (Goldman Sachs one Santa Fe Member, LLC and One Santa Fe PMC, LLC)  
**Principals:** Nocholas Patsaouras, William T. McGregor and Charles F. Cowley III

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**Project Financing Information:**  
**Bond Counsel:** Orrick, Herrington & Sutcliffe LLP  
**Underwriter:** HUD 220 Program  
**Credit Enhancement Provider:** HUD Direct  
**TEFRA Hearing Date:** June 22, 2010

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**Description of Proposed Project:**  
**State Ceiling Pool:** Mixed Income  
**Total Number of Units:** 432, plus 6 manager units  
**Type:** New Construction  
**Type of Units:** Family

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**Description of Public Benefits:**  
**Percent of Restricted Rental Units in the Project:** 20%  
20% (88 units) restricted to 50% or less of area median income households.  
**Unit Mix:** Studio, 1 & 2 bedrooms

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

**Details of Project Financing:**

<b>Estimated Total Development Cost:</b>	\$	138,241,246	
<b>Estimated Hard Costs per Unit:</b>	\$	241,106	(\$104,157,926 /432 units)
<b>Estimated per Unit Cost:</b>	\$	320,003	(\$138,241,246 /432 units)
<b>Allocation per Unit:</b>	\$	163,576	(\$70,665,000 /432 units)
<b>Allocation per Restricted Rental Unit:</b>	\$	803,011	(\$70,665,000 /88 restricted units)

<b>Sources of Funds:</b>	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 70,665,000	\$ 70,665,000
Developer Equity	\$ 33,668,626	\$ 33,668,626
LIH Tax Credit Equity	\$ 7,624,178	\$ 7,624,178
Direct & Indirect Public Funds	\$ 14,630,000	\$ 14,630,000
New Market Tax Credit Equity	\$ 11,653,442	\$ 11,653,442
<b>Total Sources</b>	<b>\$ 138,241,246</b>	<b>\$ 138,241,246</b>

<b>Uses of Funds:</b>	
Land Purchase	\$ 2,738,822
On & Off Site Costs	\$ 9,988,684
Hard Construction Costs	\$ 94,169,242
Architect & Engineering Fees	\$ 3,763,403
Contractor Overhead & Profit	\$ 1,915,488
Developer Fee	\$ 3,978,000
Cost of Issuance	\$ 2,477,012
Capitalized Interest	\$ 1,975,274
Other Soft Costs	\$ 17,235,321
<b>Total Uses</b>	<b>\$ 138,241,246</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:** 51.5 out of 98  
 [See Attachment A]

**Recommendation:**

Staff recommends that the Committee approve \$70,665,000 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	0
Exceeding Minimum Income Restrictions:	35	15	6
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
Community Revitalization Area	15	15	0
Site Amenities	10	10	7.5
Service Amenities	10	10	0
New Construction	10	10	10
Sustainable Building Methods	8	8	3
Negative Points	-10	-10	0
<b>Total Points</b>	<b>118</b>	<b>98</b>	<b>51.5</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.