

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 14, 2016
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Felicity Wood

Applicant: City and County of San Francisco

Allocation Amount Requested:
Tax-exempt: \$47,423,000

Project Information:
Name: Eddy and Taylor Family Housing
Project Address: 210-238 Taylor Street 168-186 Eddy Street
Project City, County, Zip Code: San Francisco, San Francisco, 94102

Project Sponsor Information:
Name: Eddy & Taylor Associates, L.P. (E&T Housing GP LLC)
Principals: Donald S. Falk, Paul Sussman and Elizabeth Orlin for E&T Housing GP LLC
Property Management Company: Tenderloin Neighborhood Development Corporation

Project Financing Information:
Bond Counsel: Gubb & Barshay
Private Placement Purchaser: MUFG Union Bank, N.A.
Public Sale: Not Applicable
Underwriter: Not Applicable
TEFRA Noticing Date: August 28, 2016
TEFRA Adoption Date: October 4, 2016

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 112, plus 1 manager unit
Type: New Construction
Type of Units: Family

The project is a 113-unit affordable multifamily housing project in the City and County of San Francisco in a neighborhood dominated by older housing stock of SRO's, studios and smaller one bedroom units. The majority of units will be 2-bedroom, and there will also be 3-bedroom, 1-bedroom and studio apartments. All units will serve households earning less than 50 percent of the AMI. Construction is to commence within 30 days of closing, anticipated between 3/30/2017 and 5/30/2017, and to be completed by the end of May, 2019.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
100% (112 units) restricted to 50% or less of area median income households.
 (0 units) restricted to 60% or less of area median income households.
Unit Mix: Studio, 1, 2 & 3 bedrooms

The proposed project will not be providing service amenities.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	72,752,407	
Estimated Hard Costs per Unit:	\$	408,229	(\$45,721,611 /112 units)
Estimated per Unit Cost:	\$	643,827	(\$72,752,407 /113 units including mgr. units)
Allocation per Unit:	\$	423,420	(\$47,423,000 /112 units)
Allocation per Restricted Rental Unit:	\$	423,420	(\$47,423,000 /112 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 47,423,000	\$ 0
SF Mayor's Office of H&CD	\$ 15,522,760	\$ 19,600,000
LIH Tax Credit Equity	\$ 2,992,586	\$ 29,734,552
Developer Equity	\$ 0	\$ 1,400,000
Deferred Developer Fee	\$ 0	\$ 719,389
Accrued Deferred Interest During Construction	\$ 138,490	\$ 138,490
AHP	\$ 1,875,000	\$ 1,875,000
AHSC Grant	\$ 576,081	\$ 576,081
AHSC Loan	\$ 0	\$ 11,708,895
MHP	\$ 0	\$ 7,000,000
Total Sources	\$ 68,527,917	\$ 72,752,407

Uses of Funds:	
Land Cost/Acquisition	\$ 3,217,492
Relocation	\$ 51,160
New Construction	\$ 49,642,582
Architectural Fees	\$ 4,330,582
Construction Interest and Fees	\$ 3,492,175
Permanent Financing	\$ 30,000
Legal Fees	\$ 48,234
Reserves	\$ 805,825
Appraisal	\$ 24,000
Contingency Cost	\$ 3,305,190
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 3,769,178
Developer Costs	\$ 4,035,989
Total Uses	\$ 72,752,407

Analyst Comments:

None

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:

87 out of 140

[See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$47,423,000 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
Preservation Project	20	20	0
Exceeding Minimum Income Restrictions:	35	15	35
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	10
Gross Rents	5	5	5
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	5	5	0
Site Amenities	10	10	10
Service Amenities	10	10	0
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	7
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	0
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	0
Negative Points (No Maximum)	-10	-10	0
Total Points	140	120	87

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.