

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**May 17, 2017**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**QUALIFIED RESIDENTIAL RENTAL PROJECT**

*Prepared by: Louise Eller*

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

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**Allocation Amount Requested:**  
**Tax-exempt:** \$95,870,000

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**Project Information:**  
**Name:** Coronado Terrace Apartments  
**Project Address:** 1151 25th Street  
**Project City, County, Zip Code:** San Diego, San Diego, 92154

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**Project Sponsor Information:**  
**Name:** Eden Coronado Terrace 2, L.P. (Eden Coronado Terrace GP, LLC)  
**Principals:** Jan Peters, Kathleen Hamm, Jim Kennedy and Linda Mandolini for  
Eden Coronado Terrace GP, LLC  
**Property Management Company:** Eden Housing Management, Inc.

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**Project Financing Information:**  
**Bond Counsel:** Jones Hall, A Professional Law Corporation  
**Private Placement Purchaser:** Citibank, N.A.  
**Cash Flow Permanent Bond:** Not Applicable  
**Public Sale:** Not Applicable  
**Underwriter:** Not Applicable  
**Credit Enhancement Provider:** Not Applicable  
**Rating:** Not Applicable  
**TEFRA Noticing Date:** October 7, 2016  
**TEFRA Adoption Date:** October 25, 2016

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**Description of Proposed Project:**  
**State Ceiling Pool:** General  
**Total Number of Units:** 312  
**Manager's Units:** 2 Unrestricted  
**Type:** Acquisition and Rehabilitation  
**Population Served:** Family

Coronado Terrace Apartments is an existing project located in San Diego on a 14.03-acre site. The project consists of 310 rental units and 2 unrestricted managers' units. The project has 268 two-bedroom units and 42 three-bedroom units. The renovations will include building exterior/interior upgrades. Building exterior renovations will consist of replacing existing roofs, adding attic ventilation, new 200-300 kW Solar PB array, grading and drainage and new mailboxes. Interior renovations will include laundry room upgrades. Individual apartment units will be updated with new cabinets, countertops, sinks, faucets, appliances, microwaves and a fresh coat of paint. In addition, the bathroom will be upgraded with new toilets, vanities, fans, fixtures, lights, paint and the bathtubs will be refinished. Lastly, common or site area renovations will consist of sealcoating the parking area and restriping; new energy efficient site lighting; landscaping; replacing damaged pathways and improving accessibility. The rehabilitation is expected to begin in October 2017 and completed in December 2018.

**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 100%  
31% (95 units) restricted to 50% or less of area median income households.  
69% (215 units) restricted to 60% or less of area median income households.  
**Unit Mix:** 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:**

<b>Estimated Total Development Cost:</b>	\$ 122,875,636	
<b>Estimated Hard Costs per Unit:</b>	\$ 64,058	(\$19,985,979 /312 units including mgr. units)
<b>Estimated per Unit Cost:</b>	\$ 393,832	(\$122,875,636 /312 units including mgr. units)
<b>Allocation per Unit:</b>	\$ 307,276	(\$95,870,000 /312 units including mgr. units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 309,258	(\$95,870,000 /310 restricted units)

<b>Sources of Funds:</b>	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 95,870,000	\$ 55,400,000
Subordinate Debt	\$ 1,560,000	\$ 1,560,000
General Partner Capital for Repairs	\$ 111,246	\$ 111,246
LIH Tax Credit Equity	\$ 3,667,969	\$ 37,710,189
Income from Operations	\$ 0	\$ 3,712,002
Deferred Developer Fee	\$ 9,745,514	\$ 9,745,514
Deferred Costs	\$ 3,284,222	\$ 0
Seller Carryback Loan	\$ 7,789,936	\$ 7,789,936
Existing Project Reserves	\$ 846,749	\$ 846,749
Sponsor Loan	\$ 0	\$ 6,000,000
<b>Total Sources</b>	<b>\$ 122,875,636</b>	<b>\$ 122,875,636</b>

<b>Uses of Funds:</b>	
Land Cost/Acquisition	\$ 71,646,749
Rehabilitation	\$ 19,985,981
Relocation	\$ 500,000
Contractor Overhead & Profit	\$ 2,480,880
Architectural Fees	\$ 325,000
Survey and Engineering	\$ 130,000
Construction Interest and Fees	\$ 7,329,096
Permanent Financing	\$ 75,000
Legal Fees	\$ 160,000
Reserves	\$ 1,720,360
Appraisal	\$ 12,000
Hard Cost Contingency	\$ 3,370,029
Other Project Costs	\$ 1,115,027
Developer Costs	\$ 14,025,514
<b>Total Uses</b>	<b>\$ 122,875,636</b>

**Analyst Comments:**

None

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**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.

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**Total Points:**

82 out of 140 [See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approves \$95,870,000 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	Points Scored
Preservation Project	20	20	20
Exceeding Minimum Income Restrictions:	35	15	35
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	0
Gross Rents	5	5	5
Large Family Units	5	5	0
Leveraging	10	10	0
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	2
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	N/A
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	N/A
Negative Points (No Maximum)	-10	-10	0
<b>Total Points</b>	<b>140</b>	<b>110</b>	<b>82</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.