

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**December 13, 2017**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**QUALIFIED RESIDENTIAL RENTAL PROJECT**

*Prepared by: Louise Eller*

---

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

---

**Allocation Amount Requested:** Tax-exempt: \$30,000,000

---

**Project Information:**

<b>Name:</b>	San Ysidro Family TOD Apartments
<b>Project Address:</b>	160 W. Seaward Avenue
<b>Project City, County, Zip Code:</b>	San Diego, San Diego, 92173

---

**Project Sponsor Information:**

<b>Name:</b>	San Ysidro CIC, LP (Casa Familiar, Inc. and CIC San Ysidro, LLC)
<b>Principals:</b>	Lisa Cuestas, Araceli Rivera and Ciro Villa for Casa Familiar, Inc.; James J. Schmid, Cheri Hoffman, Charles A. Schmid and Lynn Harrington Schmid for CIC San Ysidro, LLC
<b>Property Management Company:</b>	CIC Management, Inc.

---

**Project Financing Information:**

<b>Bond Counsel:</b>	Stradling, Yocca, Carlson & Rauth
<b>Private Placement Purchaser:</b>	Citibank, N.A.
<b>Cash Flow Permanent Bond:</b>	Not Applicable
<b>Public Sale:</b>	Not Applicable
<b>Underwriter:</b>	Not Applicable
<b>Credit Enhancement Provider:</b>	Not Applicable
<b>Rating:</b>	Not Applicable
<b>TEFRA Noticing Date:</b>	June 12, 2017
<b>TEFRA Adoption Date:</b>	June 27, 2017

---

**Description of Proposed Project:**

<b>State Ceiling Pool:</b>	General
<b>Total Number of Units:</b>	139
<b>Manager's Units:</b>	2 Unrestricted
<b>Type:</b>	New Construction as a Result of Demolition
<b>Population Served:</b>	Family

San Ysidro Family TOD Apartments is a new construction project located in San Diego on a 3.26-acre site. The project consists of 137 restricted rental units and 2 unrestricted managers' units. The project will have 24 one-bedroom units, 79 two-bedroom units and 36 three-bedroom units. The buildings will be contained in 2 three-story type V-A wood-framed residential buildings. Common amenities include two laundry rooms, a tot lot and a half-court basketball area. Each unit will have central heating/cooling, a refrigerator, stove/oven and a dishwasher. The project will be pursuing Green Point Rated Multifamily Guidelines. The construction is expected to begin March 2018 and be completed in July 2019.

**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 100%

10% (14 units) restricted to 50% or less of area median income households.

90% (123 units) restricted to 60% or less of area median income households.

**Unit Mix:** 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:**

<b>Estimated Total Development Cost:</b>	\$	42,677,210	
<b>Estimated Hard Costs per Unit:</b>	\$	136,135	(\$18,922,744 /139 units including mgr. units)
<b>Estimated per Unit Cost:</b>	\$	307,030	(\$42,677,210 /139 units including mgr. units)
<b>Allocation per Unit:</b>	\$	215,827	(\$30,000,000 /139 units including mgr. units)
<b>Allocation per Restricted Rental Unit:</b>	\$	218,978	(\$30,000,000 /137 restricted units)

<b>Sources of Funds:</b>	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 30,000,000	\$ 15,539,000
LIH Tax Credit Equity	\$ 2,165,319	\$ 14,435,460
San Diego Housing Commission Loan	\$ 8,787,500	\$ 9,250,000
Residual Receipts Loan Accrued Interest	\$ 581,208	\$ 581,208
Deferred Developer Fee	\$ 1,143,183	\$ 1,025,084
Developer Fee Contribution	\$ 0	\$ 1,846,458
Total Sources	\$ 42,677,210	\$ 42,677,210

<b>Uses of Funds:</b>	
Land Cost/Acquisition	\$ 6,750,163
Relocation	\$ 535,519
New Construction	\$ 20,209,616
Contractor Overhead & Profit	\$ 1,998,551
Architectural Fees	\$ 43,600
Survey and Engineering	\$ 563,428
Construction Interest and Fees	\$ 2,410,595
Permanent Financing	\$ 43,350
Legal Fees	\$ 232,500
Reserves	\$ 417,797
Appraisal	\$ 10,000
Hard Cost Contingency	\$ 1,139,174
Local Development Impact Fees	\$ 3,108,825
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 757,555
Developer Costs	\$ 4,456,537
Total Uses	\$ 42,677,210

**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:**

72 out of 140 [See Attachment A]

---

**Recommendation:**

Staff recommends that the Committee approves \$30,000,000 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
Preservation Project	20	20	0
Exceeding Minimum Income Restrictions:	35	15	25
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	5
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	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>120</b>	<b>72</b>