

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: Richard Fischer

Applicant: City and County of San Francisco

Allocation Amount Requested: Tax-exempt: \$32,483,000

Project Information: Name: 1296 Shotwell Senior Housing Apartments
Project Address: 1296 Shotwell Street
Project City, County, Zip Code: San Francisco, San Francisco, 94110

Project Sponsor Information: Name: 1296 Shotwell Housing, L.P. (CCDC 1296 Shotwell LLC and
MEDA 1296 Shotwell LLC)
Principals: Norman Fong, Cindy Wu and Karen Gansen for CCDC 1296
Shotwell LLC; Luis Granados, Jillian Spindle and John
Sedlander for MEDA 1296 Shotwell LLC
Property Management Company: Chinatown Community Development Center

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: July 12, 2017
TEFRA Adoption Date: September 19, 2017

Description of Proposed Project: State Ceiling Pool: General
Total Number of Units: 94
Manager's Units: 1 Unrestricted
Type: New Construction
Population Served: Senior Citizens

Shotwell Senior Housing Apartments is a new construction project located in San Francisco on a 11,664 square foot site. The project consists of 93 restricted rental units and 1 unrestricted managers' units. The project will have 24 studios and 69 one-bedroom units plus 1 two- bedroom unit manager unit. The building will be 9 stories of the appropriate highrise construction materials. Common amenities include large community room space, management offices and 18 Class I bike parking spaces and 4 Class II bicycle parking spaces. Each unit will have a refrigerator, range/oven, electric heating, single bathroom and multiple closets. The construction is expected to begin February 2018 and be completed in September 2019.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
100% (93 units) restricted to 50% or less of area median income households.
Unit Mix: Studio & 1 bedroom

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:	\$ 53,686,090	
Estimated Hard Costs per Unit:	\$ 375,413	(\$35,288,817 /94 units including mgr. units)
Estimated per Unit Cost:	\$ 571,129	(\$53,686,090 /94 units including mgr. units)
Allocation per Unit:	\$ 345,564	(\$32,483,000 /94 units including mgr. units)
Allocation per Restricted Rental Unit:	\$ 349,280	(\$32,483,000 /93 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 32,483,000	\$ 1,178,000
LIH Tax Credit Equity	\$ 2,044,260	\$ 21,612,604
Developer Equity	\$ 1,866,392	\$ 1,866,392
Deferred Developer Fee	\$ 133,608	\$ 133,608
City & County Accrued/ Deferred Int.	\$ 141,061	\$ 141,061
City and County MOHCD AFH Inclusionary Loan	\$ 8,407,453	\$ 21,633,787
City and County MOHCD Home Loan	\$ 4,000,000	\$ 4,000,000
City & County MOHCD Hotel Tx. Repaymnt. Ln.	\$ 3,120,638	\$ 3,120,638
Total Sources	\$ 52,196,412	\$ 53,686,090

Uses of Funds:	
Land Cost/Acquisition	\$ 210,000
Relocation	\$ 121,487
New Construction	\$ 37,378,717
Contractor Overhead & Profit	\$ 1,491,150
Architectural Fees	\$ 2,313,780
Survey and Engineering	\$ 604,020
Construction Interest and Fees	\$ 2,998,100
Permanent Financing	\$ 38,835
Legal Fees	\$ 145,000
Reserves	\$ 286,742
Appraisal	\$ 10,000
Hard Cost Contingency	\$ 1,958,594
Local Development Impact Fees	\$ 219,789
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 1,909,876
Developer Costs	\$ 4,000,000
Total Uses	\$ 53,686,090

Analyst Comments:

The project is considered a high cost per unit Project. The real estate boom in San Francisco has caused extreme demand for construction and materials causing the project costs to rise. The Applicant has informed CDLAC that they intend to transfer the entire allocation to the California Municipal Finance Authority.

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:

80 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$32,483,000 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	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	0
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
Total Points	140	120	80