

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**March 21, 2018**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**QUALIFIED RESIDENTIAL RENTAL PROJECT**

*Prepared by: Richard Fischer*

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

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**Allocation Amount Requested:** Tax-exempt: \$9,000,000

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**Project Information:**

**Name:** The Post 310 Apartments  
**Project Address:** 465 47th Street  
**Project City, County, Zip Code:** San Diego, San Diego, 92102

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**Project Sponsor Information:**

**Name:** Post 310 Housing San Diego, LP (Hitzke Development Corporation and The Association for Community Housing Solutions dba Housing Innovation Partners)  
**Principals:** Ginger Hitzke for Hitzke Development Corporation and Kimberly Russell-Shaw for The Association for Community Housing Solutions dba Housing Innovation Partners  
**Property Management Company:** Conam Management Corporation

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**Project Financing Information:**

**Bond Counsel:** Quint & Thimmig LLP  
**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 13, 2017  
**TEFRA Adoption Date:** August 1, 2017

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**Description of Proposed Project:**

**State Ceiling Pool:** General  
**Total Number of Units:** 43  
**Manager's Units:** 2 Unrestricted  
**Type:** New Construction  
**Population Served:** Family

The Post 310 Apartments is a new construction project located in San Diego on approximately a one-acre site. The project consists of 41 restricted rental units and 2 unrestricted managers' units. The project will have 41 one-bedroom units and 2 three-bedroom units. The two buildings will be 3- and 4-stories using standard type construction. Common amenities include a community room, laundry facilities, management offices, bike parking and 44 parking spaces. Sustainable features are also incorporated into the development and include: a cool roof on both buildings; low water use plumbing fixtures and appliances and electric vehicle charging stations. The units will include energy efficient windows, air conditioning, full kitchens and bathrooms. Select units will also include balconies. The construction is expected to begin May 2018 and be completed in October 2019.



**Description of Public Benefits:**

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

80% (33 units) restricted to 50% or less of area median income households.

20% (8 units) restricted to 60% or less of area median income households.

**Unit Mix:** 1 bedroom

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>	\$ 15,391,042	
<b>Estimated Hard Costs per Unit:</b>	\$ 171,063	(\$7,355,700 /43 units including mgr. units)
<b>Estimated per Unit Cost:</b>	\$ 357,931	(\$15,391,042 /43 units including mgr. units)
<b>Allocation per Unit:</b>	\$ 209,302	(\$9,000,000 /43 units including mgr. units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 219,512	(\$9,000,000 /41 restricted units)

<b>Sources of Funds:</b>	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 9,000,000	\$ 2,860,000
LIH Tax Credit Equity	\$ 1,748,741	\$ 4,945,943
Deferred Developer Fee	\$ 723,075	\$ 623,075
HCD VHHP	\$ 0	\$ 3,525,000
San Diego Housing Commission	\$ 2,714,524	\$ 3,114,524
AHP	\$ 0	\$ 322,500
<b>Total Sources</b>	<b>\$ 14,186,340</b>	<b>\$ 15,391,042</b>

<b>Uses of Funds:</b>	
Land Cost/Acquisition	\$ 504,706
New Construction	\$ 6,851,280
Contractor Overhead & Profit	\$ 504,420
Architectural Fees	\$ 1,131,900
Survey and Engineering	\$ 175,000
Construction Interest and Fees	\$ 1,235,801
Permanent Financing	\$ 155,500
Legal Fees	\$ 290,000
Reserves	\$ 354,702
Appraisal	\$ 9,000
Hard Cost Contingency	\$ 510,000
Local Development Impact Fees	\$ 803,255
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 1,193,900
Developer Costs	\$ 1,671,578
<b>Total Uses</b>	<b>\$ 15,391,042</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:**

63.8 out of 140 [See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approves \$9,000,000 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	35
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	3.8
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	5	5	0
Site Amenities	10	10	5
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
<b>Total Points</b>	<b>140</b>	<b>120</b>	<b>63.8</b>