

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**April 14, 2020**  
**Staff Report**  
***REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A***  
***QUALIFIED RESIDENTIAL RENTAL PROJECT***

*Prepared by: Isaac Clark III*

<b>Applicant:</b>	<b>Housing Authority of the City of San Diego</b>		
<b>Allocation Amount Requested:</b>	<b>Tax-exempt:</b>	\$28,930,321	
<b>Project Information:</b>	<b>Name:</b>	<b>ULRIC Street Apartments</b>	
	<b>Project Address:</b>	2645-2685 Ulric Street	
	<b>Project City, County, Zip Code:</b>	San Diego, San Diego, 92111	
<b>Project Sponsor Information:</b>	<b>Name:</b>	Ulric Street Housing Associates, LP (Ulric Street Housing Opportunities, LLC)	
	<b>Principals:</b>	Mary Jane Jagodzinski, Senior VP, Susan M. Reynolds, President & CEO for Ulric Street Housing Opportunities, LLC	
	<b>Property Management Company:</b>	ConAm Management Corporation	
<b>Project Financing Information:</b>	<b>Bond Counsel:</b>	Quint & Thimmig LLP	
	<b>Private Placement Purchaser:</b>	Union Bank	
	<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 11, 2019	
	<b>TEFRA Adoption Date:</b>	June 25, 2019	
<b>Description of Proposed Project:</b>	<b>State Ceiling Pool:</b>	General	
	<b>Total Number of Units:</b>	96	
	<b>Manager's Units:</b>	1 Unrestricted	
	<b>Type:</b>	New Construction	
	<b>Population Served:</b>	Family	

Ulric Street Apartments is a new construction project located in San Diego on a 1.47-acre site. The project consists of 96 restricted rental units, and one (1) unrestricted manager unit. The project will have 22 SRO units, 22 one-bedroom units, 33 two-bedroom units and 29 three-bedroom units. There will be approximately 3,611 square feet of community space that will provide a well-conceived space for the resident services and programs including a community room, resident lounge area, kitchen, computer room, laundry room, leasing office, conference room, fitness room, and restrooms. The community area includes kitchen, restrooms, bike storage, and computer lab. The laundry room accommodates ten sets of washer and dryers with one set that is ADA accessible. The construction is expected to begin August 2020 and be completed in February 2022.

**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 100%  
88% (84 units) restricted to 50% or less of area median income households.  
12% (11 units) restricted to 60% or less of area median income households.  
**Unit Mix:** Studio, 1, 2 & 3 bedrooms

The proposed project will be receiving service amenity points.

**Term of Restrictions:**

**Income and Rent Restrictions:** 55 years

**Details of Project Financing:**

**Estimated Total Development Cost:** \$ 52,210,589  
**Estimated Hard Costs per Unit:** \$ 210,101 (\$20,169,685 /96 units including mgr. unit)  
**Estimated per Unit Cost:** \$ 543,860 (\$52,210,589 /96 units including mgr. unit)  
**Allocation per Unit:** \$ 301,358 (\$28,930,321 /96 units including mgr. unit)  
**Allocation per Restricted Rental Unit:** \$ 304,530 (\$28,930,321 /95 restricted units)

<b>Sources of Funds:</b>	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 28,930,321	\$ 2,135,000
Taxable Bond Proceeds	\$ 3,983,141	\$ 0
LIH Tax Credit Equity	\$ 0	\$ 14,752,814
CA HCD-MultiFamily Housing Program	\$ 0	\$ 18,222,571
Deferred Developer Fee	\$ 0	\$ 1,500,000
Costs Deferred Until Conversion	\$ 3,058,684	\$ 0
San Diego Housing Commission	\$ 6,300,000	\$ 7,000,000
County of San Diego IHTF	\$ 7,000,000	\$ 7,000,000
Accrued Deferred Interest-Seller Carryback	\$ 422,916	\$ 422,916
GP Contribution	\$ 1,177,188	\$ 1,177,188
Capital Contribution (GP)	\$ 100	\$ 100
Capital Contribution (LP)	\$ 1,338,239	\$ 0
<b>Total Sources</b>	<b>\$ 52,210,589</b>	<b>\$ 52,210,589</b>

<b>Uses of Funds:</b>	
Land Cost/Acquisition	\$ 10,007,090
Relocation	\$ 1,232,546
New Construction	\$ 24,320,759
Contractor Overhead & Profit	\$ 1,312,760
Architectural Fees	\$ 1,606,760
Survey and Engineering	\$ 98,500
Construction Interest and Fees	\$ 3,697,703
Permanent Financing	\$ 31,350
Legal Fees	\$ 90,000
Reserves	\$ 285,474
Appraisal	\$ 10,000
Hard Cost Contingency	\$ 2,932,727
Local Development Impact Fees	\$ 1,074,457
Other Project Costs	\$ 833,275
Developer Costs	\$ 4,677,188
<b>Total Uses</b>	<b>\$ 52,210,589</b>

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**Analyst Comments:**

Regulatory requirements, Infill Site in Desired Location, Off-Site Improvements, Topography/Site Work and Community Amenities to serve a disadvantage community all contribute to this project's high costs.

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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:**

130 out of 145 [See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approves \$28,930,321 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	5
Leveraging	10	10	10
Community Revitalization Area	5	5	5
Site Amenities	10	10	10
Service Amenities	10	10	10
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	10
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	10
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	10
Negative Points (No Maximum)	-10	-10	0
<b>Total Points</b>	<b>145</b>	<b>125</b>	<b>130</b>