

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**December 3, 2008**  
**Staff Report**  
**2008 HOUSING ACT VOLUME CAP (H.R. 3221)**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**QUALIFIED RESIDENTIAL RENTAL PROJECT**

*Prepared by Sarah Lester.*

---

**Applicant:** Housing Authority of the City of Oakland

---

**Allocation Amount Requested:** Tax-exempt \$1,308,000

The amount of allocation requested is supplemental to the \$30,000,000 of allocation the Project received in July of 2008. According to the Project Sponsor, additional allocation is needed because the current tax-exempt bond allocation does not leave much cushion to meet the 50% test.

---

**Project Name:** Tassafaronga Village (Phase I) Apartments  
**Project Address:** 919 85<sup>th</sup> Avenue  
**Project City, County, Zip Code:** Oakland, Alameda, 94621

The proposed project is located in a Community Revitalization area, more specifically the Coliseum Redevelopment Area Plan.

---

**Project Sponsor Information:**  
**Name:** Tassafaronga Partners, LP  
(Housing Authority of the City of Oakland and  
Tassafaronga Housing Corporation)  
**Principals:** Jon Gresley

---

**Project Financing Information:**  
**Bond Counsel:** Ballard Spahr Andrews & Ingersoll, LLP  
**Underwriter:** Not Applicable  
**Credit Enhancement Provider:** Not Applicable  
**Private Placement Purchaser:** Citicorp Municipal Mortgage, Inc.  
**TEFRA Hearing:** June 12, 2008

---

**Description of Proposed Project:**  
**State Ceiling Pool:** General  
**Total Number of Units:** 136, plus 1 manager's unit  
**Type:** New Construction  
**Type of Units:** Family

---

**Description of Public Benefits:**  
**Percent of Restricted Rental Units in the Project: 100%**  
64% (87 units) restricted to 50% or less of area median income households; and  
36% (49 units) restricted to 60% or less of area median income households.  
**Unit Mix:** 1, 2, 3 and 4 bedrooms

---

**Term of Restrictions:** 55 years

<b>Estimated Hard Costs per Unit:</b>	\$317,399 ( \$43,166,151 / 136 units)
<b>Estimated per Unit Cost:</b>	\$465,583 ( \$63,319,235 / 136 units)
<b>Allocation per Unit:</b>	\$9,618 ( \$1,308,000 / 136 units)
<b>Allocation per Restricted Rental Unit:</b>	\$9,618 ( \$1,308,000 / 136 restricted units)

<b>Sources of Funds:</b>	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$31,308,000	\$9,910,000
Direct & Indirect Public Funds	\$15,769,105	\$29,730,474
AHP Loan	\$0	\$685,000
Equity Investor	<u>\$11,496,880</u>	<u>\$22,993,761</u>
Total Sources	\$58,573,985	\$63,319,235

<b>Uses of Funds:</b>	
Land Costs	\$2,000,000
New Construction	\$47,566,073
Architectural	\$1,929,349
Surveys & Engineering	\$112,741
Contingency Costs	\$2,586,633
Construction Period Expenses	\$2,326,787
Permanent Financing Expenses	\$82,500
Legal Fees	\$370,207
Capitalized Reserves	\$1,647,108
Reports & Studies	\$398,887
Other	\$1,650,196
Developer Costs	<u>\$2,648,754</u>
Total Uses	\$63,319,235

**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:** 118 out of 138

[See Attachment A]

**Recommendation:**

Staff recommends that the Committee approve \$1,308,000 in tax-exempt bond allocation on a carryforward basis.

**ATTACHMENT A**

**EVALUATION SCORING:**

Point Criteria	Maximum Points Allowed for Non-Mixed Income Projects	Maximum Points Allowed for Mixed Income Projects	Points Scored
Federally Assisted At-Risk Project or HOPE VI Project	20	20	0
Exceeding Minimum Income Restrictions: Non-Mixed Income Project Mixed Income Project	35	15	35
Gross Rents	5	5	5
Exceeding Minimum Rent Restrictions: [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	10	10	0
Exceeding Minimum Term of Restrictions	10	10	10
Large Family Units	5	5	5
Leveraging	10	10	10
Community Revitalization Area	15	15	15
Site Amenities	10	10	10
Service Amenities	10	10	10
Sustainable Building Methods	8	8	8
New Construction	10	10	10
Negative Points	NA	NA	0
<b>Total Points</b>	<b>138</b>	<b>118</b>	<b>118</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.