

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
July 25, 2007
Executive Summary
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by Richard Fischer.

Applicant: California Municipal Finance Authority

Allocation Amount Requested: Tax-exempt \$29,950,000

Project Name: 14th Street Apartments at Central Station
Project Address: 1801 14th Street
Project City, County, Zip Code: Oakland, Alameda, 94607

Located in the Oakland Army Base Redevelopment Project Area.

Project Sponsor Information:
Name: 14th Street Assoc., LP (Bridge Housing Corporation)
Principals: Carol Galante and Tom Casey

Project Financing Information:
Bond Counsel: Quint & Thimmig, LLP
Underwriter: Not applicable
Private Placement Purchaser: Union Bank of California
TEFRA Hearing: June 8, 2007

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 98, plus 1 manager unit
Type: New Construction
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
100% (98 units) restricted to 50% or less of area median income households.
Unit Mix: 1-, 2-, and 3-bedrooms

Term of Restrictions: 55 years

| | |
|---|---|
| Estimated Total Development Cost: | \$ 39,983,785 |
| Estimated Hard Costs per Unit: | \$ 255,950 (\$25,083,168/98 units) |
| Estimated per Unit Cost: | \$ 407,998 (\$39,983,784/98 units) |
| Allocation per Unit: | \$ 305,612 (\$29,950,000/98 units) |
| Allocation per Restricted Rental Unit: | \$ 305,612 (\$29,950,000/98 restricted units) |

The Project has total project costs that appear high for the geographic area in which it is located. According to the Project Sponsor, the high cost is due to Shared Costs, Site Costs, Conditions for Approval Zoning and Construction Contingencies.

| Sources of Funds: | <u>Construction</u> | <u>Permanent</u> |
|--------------------------------|---------------------|---------------------|
| Tax-Exempt Bond Proceeds | \$29,950,000 | \$ 4,911,946 |
| Deferred Developer Fee | \$ 1,343,500 | \$ 1,343,500 |
| LIH Tax Credit Equity | \$ 10,000 | \$17,082,729 |
| Direct & Indirect Public Funds | <u>\$ 7,541,100</u> | <u>\$16,645,610</u> |
| Total Sources | \$38,844,600 | \$39,983,785 |

| Uses of Funds: | |
|-----------------------------------|---------------------|
| Land Purchase | \$ 2,910,732 |
| On-Site & Off-Site Costs | \$ 1,597,461 |
| Hard Construction Costs | \$23,485,707 |
| Architect & Engineering Fees | \$ 1,432,100 |
| Contractor Overhead & Profit | \$ 1,923,683 |
| Developer Fee | \$ 2,500,000 |
| Cost of Issuance | \$ 443,460 |
| Capitalized Interest | \$ 1,772,970 |
| Other Soft Costs(Marketing, etc.) | <u>\$ 3,917,972</u> |
| Total Uses | \$39,983,785 |

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: 87.5 out of 128

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$29,950,000 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 |
|---|--|--|---------------|
| Federally Assisted At-Risk Project or HOPE VI Project | 20 | 20 | NA |
| 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] | 10 |
| Large Family Units | 5 | 5 | 5 |
| Leveraging | 10 | 10 | 10 |
| Community Revitalization Area | 15 | 15 | 5 |
| Site Amenities | 10 | 10 | 7.5 |
| Service Amenities | 10 | 10 | 0 |
| Sustainable Building Methods | 8 | 8 | 0 |
| New Construction | 10 | 10 | 10 |
| Negative Points | NA | NA | NA |
| Total Points | 128 | 108 | 87.5 |

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.