

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**July 16, 2008**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**QUALIFIED RESIDENTIAL RENTAL PROJECT**

*Prepared by Sarah Lester.*

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

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**Allocation Amount Requested:** Tax-exempt \$30,000,000

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**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.

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**Project Sponsor Information:**

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

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**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:** May 28, 2008

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**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

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**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

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**Term of Restrictions:** 55 years

<b>Estimated Total Development Cost:</b>	\$60,540,336
<b>Estimated Hard Costs per Unit:</b>	\$313,476 ( \$42,632,770 / 136 units)
<b>Estimated per Unit Cost:</b>	\$445,150 ( \$60,540,336 / 136 units)
<b>Allocation per Unit:</b>	\$220,588 ( \$30,000,000 / 136 units)
<b>Allocation per Restricted Rental Unit:</b>	\$220,588 ( \$30,000,000 / 136 restricted units)

<b>Sources of Funds:</b>	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$30,000,000	\$8,616,000
LIH Tax Credit Equity	\$16,685,149	\$28,571,569
Deferred Developer Fee	\$1,300,000	\$1,300,000
Equity Investor	<u>\$11,026,393</u>	<u>\$22,052,787</u>
Total Sources	\$59,011,542	\$60,540,356

<b>Uses of Funds:</b>	
New Construction	\$47,032,692
Architectural	\$1,929,349
Surveys & Engineering	\$112,741
Contingency Costs	\$2,559,964
Construction Period Expenses	\$2,036,349
Permanent Financing Expenses	\$80,000
Legal Fees	\$365,207
Capitalized Reserves	\$1,712,109
Reports & Studies	\$398,887
Other	\$1,664,304
Developer Costs	<u>\$2,648,754</u>
Total Uses	\$60,540,356

**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:** 107.5 out of 138

[See Attachment A]

**Recommendation:**

Staff recommends that the Committee approve \$30,000,000 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
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	7.5
Service Amenities	10	10	10
Sustainable Building Methods	8	8	0
New Construction	10	10	10
Negative Points	NA	NA	0
<b>Total Points</b>	<b>138</b>	<b>118</b>	<b>107.5</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.