

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.

Applicant: Housing Authority of the City of Oakland

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

Project Name: Tassafaronga Village (Phase I) Apartments
Project Address: 919 85th 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: May 28, 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

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

Sources of Funds:	<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

Uses of Funds:	
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
Total Points	138	118	107.5

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.