

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
March 24, 2010
Staff Report
*REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT*

Prepared by: Richard Fischer

Applicant: Housing Authority of the City of Oakland

Allocation Amount Requested:
Tax-exempt: \$21,000,000

Project Information:
Name: Lion Creek Crossings, Phase IV
Project Address: Snell Street between 69th and 70th Avenue
Project City, County, Zip Code: Oakland, Alameda, 94621

Project Sponsor Information:
Name: Village-Side Housing Partners, L.P. (The Related Companies of California, LLC and East Bay Asian Local Development Corporation)
Principals: William A. Witte, Stephen M. Ross, Michael J. Brenner, Susan J. McGuire, Jeremy Liu, Natalia F. Lawrence, Anita Rees, Ted Dang and John Benson

Project Financing Information:
Bond Counsel: Ballard Spahr Andres & Ingersoll, LLP
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: JP Morgan Chase Bank, N.A.
TEFRA Hearing Date: February 11, 2010

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 71, 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% (71 units) restricted to 50% or less of area median income households.
Unit Mix: 1, 2 & 3 bedrooms

Term of Restrictions:
Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 35,509,579	
Estimated Hard Costs per Unit:	\$ 314,225	(\$22,310,000 /71 units)
Estimated per Unit Cost:	\$ 500,135	(\$35,509,579 /71 units)
Allocation per Unit:	\$ 295,775	(\$21,000,000 /71 units)
Allocation per Restricted Rental Unit:	\$ 295,775	(\$21,000,000 /71 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 prevailing wages, foundation design accommodations and expensive window assemblies.

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 21,000,000	\$ 1,165,900
Developer Equity	\$ 0	\$ 1,200,000
Deferred Developer Fee	\$ 0	\$ 253,000
LIH Tax Credit Equity	\$ 576,612	\$ 11,532,235
Direct & Indirect Public Funds	\$ 11,405,942	\$ 21,358,444
Total Sources	\$ 32,982,554	\$ 35,509,579

Uses of Funds:	
Land Purchase Costs	\$ 1,800,000
On & Off Site Costs	\$ 2,470,000
Hard Construction Costs	\$ 19,840,029
Architect & Engineering Fees	\$ 1,787,000
Contractor Overhead & Profit	\$ 2,922,551
Developer Fee	\$ 2,500,000
Cost of Issuance	\$ 366,966
Capitalized Interest	\$ 914,083
Other Soft Costs (Marketing, etc.)	\$ 2,908,950
Total Uses	\$ 35,509,579

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: 100.5 out of 118
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$21,000,000 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:	35	15	35
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	10
Gross Rents	5	5	5
Large Family Units	5	5	5
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	7.5
Service Amenities	10	10	10
New Construction	10	10	10
Sustainable Building Methods	8	8	8
Negative Points	-10	-10	0
Total Points	118	98	100.5

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.