

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
July 15, 2015
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Richard Fischer

Applicant: County of Alameda

Allocation Amount Requested:
Tax-exempt: \$17,400,000

Project Information:
Name: Dublin Family Apartments
Project Address: 6707 Golden Gate Drive
Project City, County, Zip Code: Dublin , Alameda, 94568

Project Sponsor Information:
Name: Eden Housing, Inc. (Dublin Family, L.P.); (Dublin Family LLC and Eden Development, Inc. [affiliate nonprofit of Eden Housing, Inc.])
Principals: Timothy Reilly, Ilene Weinreb, Calvin Whitaker, Kathleen Hamm, Jan Peters and Linda Mandolini for Dublin Family LLC and Eden Development, Inc.
Property Management Company: Eden Housing Management, Inc.

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: Bank of America (const.)/ Calif. Comm. Reinv. Corp. (perm)
TEFRA Adoption Date: April 21, 2015

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 65, plus 1 manager unit
Type: New Construction
Type of Units: Family/Special Needs

The property to be developed is a 1.36 acre parcel that is currently vacant. Home to the U.S. Army Base, Camp Parks, the City of Dublin maintains a strong relationship with the armed forces community. The Dublin Family Apartments project will provide critically needed affordable housing for veterans and their families who earn 30% to 60% of Area Median Income. Dublin Family Apartments is comprised of 66 units in one residential building. The community is targeted to veteran families, with more than 30% of the units with 3 bedrooms. There are various spaces for outdoor play areas, including two playground areas that are designed for toddlers and young children, as well patio spaces and gardening areas for children and adults of all ages. The building includes a large community room for events and classes, a property management office, computer lab, and three service coordinators' offices. All residents can use the community room for parties and meetings, and resident children will be able to use the computer lab for homework and for participation in digital literacy programming. Construction is scheduled to begin in October 2015 and be completed in January 2017.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
40% (26 units) restricted to 50% or less of area median income households.
60% (39 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2 & 3 bedrooms

There will be no service amenities for the proposed project.

Term of Restrictions:

Income and Rent Restrictions: years

Details of Project Financing:

Estimated Total Development Cost: \$ 32,000,067
Estimated Hard Costs per Unit: \$ 314,937 (\$20,470,896 /65 units)
Estimated per Unit Cost: \$ 492,309 (\$32,000,067 /65 units)
Allocation per Unit: \$ 267,692 (\$17,400,000 /65 units)
Allocation per Restricted Rental Unit: \$ 267,692 (\$17,400,000 /65 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 17,400,000	\$ 3,881,000
LIH Tax Credit Equity	\$ 200,000	\$ 13,866,067
Other(Deferred Developer Fee)	\$ 0	\$ 500,000
Other(BOA Loan)	\$ 3,000,000	\$ 3,000,000
Other(Public Funds)	\$ 8,283,000	\$ 10,403,000
Other(Home Depot Grant)	\$ 350,000	\$ 350,000
Total Sources	\$ 29,233,000	\$ 32,000,067

Uses of Funds:	
Acquisition/Land Purchase	\$ 100
On & Off Site Costs	\$ 547,422
Hard Construction Costs	\$ 19,923,474
Development Impact Fees	\$ 3,534,262
Architect & Engineering Fees	\$ 590,178
Contractor Overhead & Profit	\$ 875,889
Developer Fee	\$ 2,500,000
Cost of Issuance	\$ 518,661
Legal Fees	\$ 115,053
Const. & Perm. Financing	\$ 710,347
Reserves	\$ 918,745
Soft Costs (3rd Party Rpts., Marketing, Furn., etc.)	\$ 1,765,936
Total Uses	\$ 32,000,067

Description of Financial Structure and Bond Issuance:

The bonds will be available during construction and will be provided on a draw down basis from Bank of America. They will have a variable interest rate at LIBOR plus 1.80% per annum. At the end of the 24 month construction period, the bonds will be paid down from LP equity proceeds to a remaining balance of \$3,881,000. California Community Reinvestment Corporation (CCRC) will purchase the bonds from Bank of America. Tranche A, in the amount of \$1,330,000, will amortize over a 30 year period and will be repayable after 15 years. Tranche B, in the amount of \$2,551,000, will amortize over a 20 year period and will be repayable after 15 years. Debt service payment will be paid from project operations. The permanent bonds will have a forward committed interest rate, set at construction loan closing based on the greater of 5.0% or the muni bond index plus 225 basis points. The anticipated closing date on the construction loan is October 2015; the anticipated closing date on the permanent loan is August 2017.

Analyst Comments:

Not Applicable

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: 85 out of 130

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$17,400,000 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	10
Service Amenities	10	10	0
New Construction	10	10	10
Sustainable Building Methods	10	10	0
Negative Points	-10	-10	0
Total Points	130	100	85

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.