

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 17, 2017
Staff Report
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:	\$41,000,000

Project Information:	
Name:	Fruitvale Transit Village Phase II-A Apartments
Project Address:	Bounded by 35th Ave, 37th, E.12th & BART
Project City, County, Zip Code:	Oakland, Alameda, 94601

Project Sponsor Information:	
Name:	Fruitvale Transit Village II-A, L.P. (EBALDC Transit Village LLC and Unity Council Transit Village II-A, LLC)
Principals:	Joshua Simon, Jean Bridges and Charise Fong for EBALDC Transit Village LLC; Chris Iglesias and Erin Patch for Unity Council Transit Village II-A, LLC
Property Management Company:	East Bay Asian Local Development Corporation (EBALDC)

Project Financing Information:	
Bond Counsel:	Jones Hall, A Professional Law Corporation
Private Placement Purchaser:	Wells Fargo Bank, N.A. (construction)/California Community Reinvestment Corporation (permanent)
Cash Flow Permanent Bond:	Not Applicable
Public Sale:	Not Applicable
Underwriter:	Not Applicable
Credit Enhancement Provider:	Not Applicable
Rating:	Not Applicable
TEFRA Noticing Date:	March 3, 2017
TEFRA Adoption Date:	April 10, 2017

Description of Proposed Project:	
State Ceiling Pool:	General
Total Number of Units:	94
Manager's Units:	1 Unrestricted
Type:	New Construction
Population Served:	Family/Special Needs

Fruitvale Transit Village Phase II-A Apartments is a new construction project located in Oakland on a 1.26-acre site. The project consists of 92 restricted rental units, 1 unrestricted rental unit and 1 unrestricted manager's unit. The project will have 24 one-bedroom units, 42 two-bedroom units and 28 three-bedroom units. The building will be Type V-A wood frame construction which will sit atop a parking structure. Common amenities include community room, lobby, laundry facilities, management offices and 24 permanent bike parking spaces & 5 short term bicycle parking spaces. There are 47 parking spaces provided. The construction is expected to begin May 2017 and completed in December 2018.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 99%
78% (72 units) restricted to 50% or less of area median income households.
21% (20 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2 & 3 bedrooms

The proposed project will be providing service amenities.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 57,643,328	
Estimated Hard Costs per Unit:	\$ 334,677	(\$31,459,656 /94 units including mgr. units)
Estimated per Unit Cost:	\$ 613,227	(\$57,643,328 /94 units including mgr. units)
Allocation per Unit:	\$ 436,170	(\$41,000,000 /94 units including mgr. units)
Allocation per Restricted Rental Unit:	\$ 440,860	(\$41,000,000 /93 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 41,000,000	\$ 1,476,800
Tranche B Financing	\$ 0	\$ 12,739,900
LIH Tax Credit Equity	\$ 0	\$ 20,006,628
Developer Equity	\$ 2,000,000	\$ 1,500,000
Deferred Developer Fee	\$ 0	\$ 800,000
HCD TOD Grant to City/ Loan	\$ 4,000,000	\$ 4,000,000
City of Oakland Loan	\$ 0	\$ 2,250,000
City Land donation	\$ 3,600,000	\$ 3,600,000
AHP	\$ 920,000	\$ 920,000
HCD TOD Loan	\$ 0	\$ 4,000,000
Alameda County Measure A-1 bond funds	\$ 0	\$ 6,350,000
Total Sources	\$ 51,520,000	\$ 57,643,328

Uses of Funds:	
Land Cost/Acquisition	\$ 4,110,000
New Construction	\$ 34,185,282
Contractor Overhead & Profit	\$ 1,334,066
Architectural Fees	\$ 1,270,000
Survey and Engineering	\$ 517,986
Construction Interest and Fees	\$ 3,273,608
Permanent Financing	\$ 152,167
Legal Fees	\$ 160,000
Reserves	\$ 1,824,341
Appraisal	\$ 7,500
Hard Cost Contingency	\$ 3,566,935
Local Development Impact Fees	\$ 1,800,934
Other Project Costs (Soft Costs, etc.)	\$ 1,940,509
Developer Costs	\$ 3,500,000
Total Uses	\$ 57,643,328

Analyst Comments:

This project has been identified as a high cost per unit project. According to the Developer, the reasons for the high cost per unit were the relocation of the EMUD utility lines along with City of Oakland requirements of prevailing wages and Green building design.

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 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$41,000,000 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
Preservation Project	20	20	0
Exceeding Minimum Income Restrictions:	35	15	35
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	10
Gross Rents	5	5	5
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	5	5	0
Site Amenities	10	10	10
Service Amenities	10	10	10
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	10
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	N/A
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	N/A
Negative Points (No Maximum)	-10	-10	0
Total Points	140	120	100

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.