

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
July 19, 2017
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Sarah Lester

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested:
Tax-exempt: \$110,000,000

Project Information:
Name: Maple & Main Apartments (fka Main & Maple Apartments)
Project Address: 22330 Main Street
Project City, County, Zip Code: Hayward, Alameda, 94541

Project Sponsor Information:
Name: To be formed BMR, LP (To be formed, LLC and AOF/Pacific Affordable Housing Corporation) Affordable units; and To be formed MR, LP (To be formed, LLC and AOF/Pacific Affordable Housing Corporation) Market Rate units
Principals: Lee Newell for To be formed, LLC; Ray Nayar and Philip J. Kennedy for AOF/Pacific Affordable Housing Corporation
Property Management Company: Greystar

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: Deutsche Bank AG, New York Branch
Cash Flow Permanent Bond: Not Applicable
Public Sale: Not Applicable
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Rating: Not Applicable
TEFRA Noticing Date: May 26, 2017
TEFRA Adoption Date: June 13, 2017

Description of Proposed Project:
State Ceiling Pool: Mixed
Total Number of Units: 240
Manager's Units: 1 Unrestricted
Type: New Construction
Population Served: Family

Maple & Main Apartments (fka Main & Maple Apartments) is a new construction project that will be located in Hayward on a 3.92-acre site. The project consists of 48 restricted rental units, 191 market rate units and 1 unrestricted manager's unit. The project will have 14 studio units, 84 one-bedroom units, 122 two-bedroom units and 20 three-bedroom units. The building will be 1 six-story building and 1 five-story parking garage. Common amenities include business center/computer lab, clubhouse/community room, courtyards, exercise facility, laundry facilities, management offices, swimming pool, rooftop terrace and free wireless internet. Each unit will have refrigerator, range/oven, dishwasher, microwave, in-unit washer and dryer and garbage disposal. There are 328 parking spaces provided. The construction is expected to begin December 2017 and completed in June 2019.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 20%
20% (48 units) restricted to 50% or less of area median income households.
Unit Mix: Studio, 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:	\$	110,510,879	
Estimated Hard Costs per Unit:	\$	232,047	(\$55,691,353 /240 units including mgr. units)
Estimated per Unit Cost:	\$	460,462	(\$110,510,879 /240 units including mgr. units)
Allocation per Unit:	\$	458,333	(\$110,000,000 /240 units including mgr. units)
Allocation per Restricted Rental Unit:	\$	2,291,667	(\$110,000,000 /48 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 110,000,000	\$ 100,000,000
LIH Tax Credit Equity	\$ 9,023,460	\$ 7,293,720
Deferred Developer Fee	\$ 1,480,945	\$ 1,480,945
Net Income From Operations	\$ 2,407,768	\$ 2,407,768
Other Equity	\$ 0	\$ 11,729,277
Total Sources	\$ 122,912,173	\$ 122,911,710

(incls. commercial)

Uses of Funds:	
Land Cost/Acquisition	\$ 11,586,365
New Construction	\$ 57,414,170
Contractor Overhead & Profit	\$ 4,989,415
Architectural Fees	\$ 844,988
Survey and Engineering	\$ 325,000
Construction Interest and Fees	\$ 6,130,197
Permanent Financing	\$ 450,000
Legal Fees	\$ 800,000
Reserves	\$ 1,627,842
Appraisal	\$ 15,000
Hard Cost Contingency	\$ 12,027,447
Local Development Impact Fees	\$ 6,684,765
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 3,634,745
Developer Costs	\$ 3,980,945
Total Uses	\$ 110,510,879 <i>(residential only)</i>

Analyst Comments:

Commercial costs represented in the Permanent Sources are allowed pursuant to the Internal Revenue Code. The Uses of Funds only represent costs associated with the residential component of the project.

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:

38.5 out of 120 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$110,000,000 in tax exempt bond allocation on a carryforward basis.

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	6
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	0
Community Revitalization Area	5	5	0
Site Amenities	10	10	2.5
Service Amenities	10	10	5
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	0
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	38.5