

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 16, 2018
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Ruben Barcelo

Applicant: California Municipal Finance Authority

Allocation Amount Requested:
Tax-exempt: \$27,154,798

Project Information:
Name: San Pablo Hotel Apartments
Project Address: 1955 San Pablo Avenue
Project City, County, Zip Code: Oakland, Alameda, 94612

Project Sponsor Information:
Name: San Pablo Hotel Associates II, LP (San Pablo Hotel Associates II, LLC)
Principals: Joshua Simon, Jean Bridges and Charise Fong
Property Management Company: East Bay Asian Local Development Corporation (EBALDC)

Project Financing Information:
Bond Counsel: Jones Hall, A Professional Law Corporation
Private Placement Purchaser: Citibank, N.A.
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 9, 2018
TEFRA Adoption Date: April 9, 2018

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 144
Manager's Units: 2 Restricted
Type: Acquisition and Rehabilitation
Population Served: Family

San Pablo Hotel Apartments is an existing project located in Oakland on a 0.62-acre site. The project consists of 142 restricted rental units and 2 restricted manager units. All of the units are single-room-occupancy, including the manager units. 112 of the units have shared bathrooms, 32 have private bathrooms and all include a kitchenette. Building exterior renovations consist of siding repair, roof repair, new glass entry doors at courtyard entry and solarium, HVAC reconfiguration and fresh paint. Interior renovations include upgrades to the community room and adjacent kitchen and restrooms, modernization of both elevators, upgrades to life/safety systems and installation of an emergency power generator. Individual units will be updated with new appliances, cabinets, flooring and light fixtures. Some units will be improved to address accessibility and vision/hearing impairment requirements. Lastly, common area renovations consist of landscape/hardscape upgrades and new LED light fixtures. The rehabilitation is expected to begin in August 2018 and will be completed in August 2019.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%

99% (142 units) restricted to 50% or less of area median income households.

1% (2 units) restricted to 60% or less of area median income households.

Unit Mix: Studio

The proposed project will not be receiving service amenity points.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost: \$ 47,024,856

Estimated Hard Costs per Unit: \$ 71,018 (\$10,226,658 /144 units including mgr. units)

Estimated per Unit Cost: \$ 326,562 (\$47,024,856 /144 units including mgr. units)

Allocation per Unit: \$ 188,575 (\$27,154,798 /144 units including mgr. units)

Allocation per Restricted Rental Unit: \$ 188,575 (\$27,154,798 /144 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 27,154,798	\$ 7,618,479
LIH Tax Credit Equity	\$ 1,379,632	\$ 15,659,317
Developer Equity	\$ 1,162,036	\$ 1,162,036
Deferred Developer Fee	\$ 1,782,265	\$ 1,782,265
HCD CALDAP Assumed Loan	\$ 7,963,329	\$ 8,304,956
HCD CALDAP Assumed Loan Accrued Interest	\$ 341,627	\$ 0
Oakland RDA Assumed Loan	\$ 4,169,851	\$ 4,348,738
Oakland RDA Assumed Loan Accrued Interest	\$ 178,887	\$ 0
Eden Housing Assumed Loan	\$ 90,000	\$ 90,000
General Partner Loan	\$ 0	\$ 7,776,820
Net Income from Operations	\$ 0	\$ 282,245
Total Sources	\$ 44,222,425	\$ 47,024,856

Uses of Funds:	
Land Cost/Acquisition	\$ 20,005,000
Rehabilitation	\$ 12,114,591
Accrued Interest on Existing Debt	\$ 520,514
Relocation	\$ 1,000,000
Contractor Overhead & Profit	\$ 951,220
Architectural Fees	\$ 800,000
Survey and Engineering	\$ 68,000
Construction Interest and Fees	\$ 2,339,223
Permanent Financing	\$ 60,000
Legal Fees	\$ 135,000
Reserves	\$ 314,170
Appraisal	\$ 6,000
Hard Cost Contingency	\$ 1,959,872
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 919,423
Developer Costs	\$ 5,831,843
Total Uses	\$ 47,024,856

Analyst Comments:

None.

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:

74.5 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$27,154,798 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	20
Exceeding Minimum Income Restrictions:	35	15	35
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	0
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	5	5	0
Site Amenities	10	10	7.5
Service Amenities	10	10	0
New Construction or Substantial Renovation	10	10	0
Sustainable Building Methods	10	10	2
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	110	74.5