

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**July 18, 2018**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**QUALIFIED RESIDENTIAL RENTAL PROJECT**

*Prepared by: Sarah Lester*

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**Applicant:** California Municipal Finance Authority

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**Allocation Amount Requested:**

**Tax-exempt:** \$98,000,000

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**Project Information:**

**Name:** Oakland International Apartments  
**Project Address:** 10500 International Blvd. & 105th Avenue  
**Project City, County, Zip Code:** Oakland, Alameda, 94603

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**Project Sponsor Information:**

**Name:** Oakland Pacific Associates, a California Limited Partnership  
(TPC Holdings V, LLC and Riverside Charitable Corporation)  
**Principals:** Caleb Roope for TPC Holdings V, LLC; Ken Robertson, Craig  
Gillett and Stewart Hall for Riverside Charitable Corporation  
**Property Management Company:** Aperto Property Management, Inc.

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**Project Financing Information:**

**Bond Counsel:** Orrick, Herrington & Sutcliffe LLP  
**Private Placement Purchaser:** Citibank, N.A./Bonneville Multifamily Capital  
**Cash Flow Permanent Bond:** Bonneville Multifamily Capital  
**Public Sale:** Not Applicable  
**Underwriter:** Not Applicable  
**Credit Enhancement Provider:** Not Applicable  
**Rating:** Not Applicable  
**TEFRA Noticing Date:** November 24, 2017  
**TEFRA Adoption Date:** December 15, 2017

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**Description of Proposed Project:**

**State Ceiling Pool:** General  
**Total Number of Units:** 324  
**Manager's Units:** 3 Unrestricted  
**Type:** New Construction  
**Population Served:** Senior Citizens

Oakland International Apartments is a new construction project located in Oakland on a 2.89-acre site. The project is phase one of a proposed two phase development that will eventually include a total of 484 units. The proposed project consists of 321 restricted rental units and 3 unrestricted manager units. The project will have 261 one-bedroom units and 63 two-bedroom units. The project will consist of one, six-story elevator serviced residential building. The type of construction will be a five story modular constructed residential structure supported by a ground level podium concrete slab parking structure. Common amenities include a courtyard, laundry room, reading, fitness and lounging areas. Each unit will have a refrigerator, range/oven, dishwasher and exhaust fans. The construction is expected to begin August 2018 and be completed in August 2020.

**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 100%

10% (33 units) restricted to 50% or less of area median income households.

90% (288 units) restricted to 60% or less of area median income households.

**Unit Mix:** 1 & 2 bedrooms

The proposed project will not be receiving service amenity points.

**Term of Restrictions:**

**Income and Rent Restrictions:** 55 years

**Details of Project Financing:**

<b>Estimated Total Development Cost:</b>	\$ 117,458,551	
<b>Estimated Hard Costs per Unit:</b>	\$ 211,944	(\$68,670,000 /324 units including mgr. units)
<b>Estimated per Unit Cost:</b>	\$ 362,526	(\$117,458,551 /324 units including mgr. units)
<b>Allocation per Unit:</b>	\$ 302,469	(\$98,000,000 /324 units including mgr. units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 305,296	(\$98,000,000 /321 restricted units)

**Sources of Funds:**

	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 73,000,000	\$ 40,000,000
Cash Flow Permanent Bonds	\$ 25,000,000	\$ 25,000,000
LIH Tax Credit Equity	\$ 5,176,010	\$ 45,168,551
Deferred Developer Fee	\$ 12,000,000	\$ 7,290,000
Deferred Costs	\$ 2,282,541	\$ 0
<b>Total Sources</b>	<b>\$ 117,458,551</b>	<b>\$ 117,458,551</b>

**Uses of Funds:**

Land Cost/Acquisition	\$ 3,530,000	
New Construction	\$ 73,429,400	
Contractor Overhead & Profit	\$ 5,823,216	
Architectural Fees	\$ 800,000	
Survey and Engineering	\$ 190,000	
Construction Interest and Fees	\$ 7,660,000	
Permanent Financing	\$ 630,000	
Legal Fees	\$ 100,000	
Reserves	\$ 2,282,541	
Hard Cost Contingency	\$ 4,000,000	
Local Development Impact Fees	\$ 5,099,636	
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 1,913,758	
Developer Costs	\$ 12,000,000	
<b>Total Uses</b>	<b>\$ 117,458,551</b>	

**Analyst Comments:**

None

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**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.

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**Total Points:**

45.6 out of 140 [See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approves \$98,000,000 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	25
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	3
Large Family Units	5	5	0
Leveraging	10	10	0
Community Revitalization Area	5	5	0
Site Amenities	10	10	7.5
Service Amenities	10	10	0
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
<b>Total Points</b>	<b>140</b>	<b>120</b>	<b>45.6</b>