

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 11, 2019
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Chee Thao Yang

Applicant: California Housing Finance Agency

Allocation Amount Requested:
Tax-exempt: \$21,092,000

Project Information:
Name: Granite Pointe Apartments (Scattered Site)
Project Address: 6311 Foothill Blvd; 1495 East 22nd Street; 2000 International Blvd
Project City, County, Zip Code: Oakland, Alameda, 94606

Project Sponsor Information:
Name: Oakland Venture LP (Oakland GP DE LLC; PSCDC Oakland LLC)
Principals: Sydne Garchik for Oakland GP DE LLCI & Robert Laing for PSCDC Oakland LLC
Property Management Company: WinnResidential California LP

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: CBRE
Cash Flow Permanent Bond: Not Applicable
Public Sale: Not Applicable
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Rating: Not Applicable
TEFRA Noticing Date: October 4, 2019
TEFRA Adoption Date: November 4, 2019

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 99
Manager's Units: 1 Unrestricted
Type: Acquisition and Rehabilitation
Population Served: Family

Granite Point Apartments is an existing project located in Oakland on a 2.07-acre site. The project consists of 98 restricted rental units and 1 unrestricted manager unit. The project has 1 studio unit, 19 one-bedroom units, 65 two-bedroom units and 14 three-bedroom units. The renovations will include building exterior and interior upgrades. Building exterior renovations will consist of pavement repair, exterior siding and stucco repair, fresh coat of paint, and window and sliding glass door replacements. Interior renovations will include laundry room upgrades, community room improvements and management office upgrades. Individual apartment units will be updated with new cabinets, countertops, flooring and plumbing fixtures. Various units will receive new refrigerators, ranges and range hoods. Lastly, common or site area renovations will consist of ADA updates. The rehabilitation is expected to begin in February 2020 and to be completed in December 2020.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
12% (12 units) restricted to 50% or less of area median income households.
88% (86 units) restricted to 60% or less of area median income households.
Unit Mix: Studio, 1, 2 & 3 bedrooms

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: \$ 38,211,577
Estimated Hard Costs per Unit: \$ 40,873 (\$4,046,429 /99 units including mgr. unit)
Estimated per Unit Cost: \$ 385,976 (\$38,211,577 /99 units including mgr. unit)
Allocation per Unit: \$ 213,051 (\$21,092,000 /99 units including mgr. unit)
Allocation per Restricted Rental Unit: \$ 215,224 (\$21,092,000 /98 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 21,092,000	\$ 21,092,000
LIH Tax Credit Equity	\$ 11,345,540	\$ 11,345,540
Deferred Developer Fee	\$ 3,653,886	\$ 3,653,886
City of Oakland	\$ 2,120,151	\$ 2,120,151
Total Sources	\$ 38,211,577	\$ 38,211,577

Uses of Funds:	
Land Cost/Acquisition	\$ 25,635,000
Rehabilitation	\$ 4,370,143
Relocation	\$ 30,000
Contractor Overhead & Profit	\$ 283,250
Architectural Fees	\$ 219,000
Survey and Engineering	\$ 150,000
Construction Interest and Fees	\$ 724,876
Permanent Financing	\$ 422,472
Legal Fees	\$ 365,000
Reserves	\$ 478,636
Appraisal	\$ 12,000
Hard Cost Contingency	\$ 404,643
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 572,196
Developer Costs	\$ 4,544,361
Total Uses	\$ 38,211,577

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:

66.4 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$21,092,000 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	26
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	10
Large Family Units	5	5	0
Leveraging	10	10	6.3
Community Revitalization Area	5	5	0
Site Amenities	10	10	10
Service Amenities	10	10	0
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	4
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	0.00
Total Points	140	120	66.4