

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: Christine Shephard

Applicant: California Housing Finance Agency

Allocation Amount Requested:
Tax-exempt: \$63,000,000

Project Information:
Name: The Village at Burlingame
Project Address: 150 Park Road
Project City, County, Zip Code: Burlingame, San Mateo, 94010

Project Sponsor Information:
Name: Burlingame Pacific Associates, a California Limited Partnership
Principals: Caleb Roope for TPC Holdings VII, LLC and Ken Robertson, Recinda Shafer, Craig Gillett, Stewart Hall, and Trisha Hockings for Riverside Charitable Corporation
Property Management Company: Aperto Property Management, Inc

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: Citibank, N.A./Bonneville
Cash Flow Permanent Bond: Bonneville
Public Sale: Not Applicable
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Rating: Not Applicable
TEFRA Noticing Date: August 12, 2019
TEFRA Adoption Date: September 4, 2019

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 132
Manager's Units: 1 Unrestricted
Type: New Construction
Population Served: Family

The Village at Burlingame is a new construction project located in Burlingame on a 0.68 acre site. The project consists of 82 restricted rental units, 48 market rate units and 1 unrestricted manager unit. The project will have 3 studio units, 102 one-bedroom units and 27 two-bedroom units. The building will be 5 stories tall with wood framing and subterranean parking. Common amenities include elevators, a computer room, community laundry rooms on each level, below-grade parking for 137 vehicles, controlled access and a central courtyard. Each unit will have a refrigerator, exhaust fans, dishwasher, garbage disposal and a range with oven. There are 137 parking spaces provided. The construction is expected to begin in October or November 2019 and to be completed in November or December 2021.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 63%
63% (82 units) restricted to 50% or less of area median income households.
Unit Mix: Studio, 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:

Estimated Total Development Cost:	\$	114,408,870	
Estimated Hard Costs per Unit:	\$	411,137	(\$000,000 /132 units including mgr. unit)
Estimated per Unit Cost:	\$	866,734	(\$114,408,870 /132 units including mgr. unit)
Allocation per Unit:	\$	477,273	(\$63,000,000 /132 units including mgr. unit)
Allocation per Restricted Rental Unit:	\$	768,293	(\$63,000,000 /82 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 48,000,000	\$ 30,000,000
Cash Flow Permanent Bonds	\$ 15,000,000	\$ 15,000,000
Taxable Bond Proceeds	\$ 24,000,000	\$ 0
LIH Tax Credit Equity	\$ 5,016,609	\$ 46,368,870
Deferred Developer Fee	\$ 9,000,000	\$ 6,190,000
Deferred Costs	\$ 1,542,261	\$ 0
Itemized Public Funds Sources	\$ 11,850,000	\$ 16,850,000
Total Sources	\$ 114,408,870	\$ 114,408,870

Uses of Funds:	
Land Cost/Acquisition	\$ 10,000,000
New Construction	\$ 58,026,306
Contractor Overhead & Profit	\$ 4,602,104
Architectural Fees	\$ 900,000
Survey and Engineering	\$ 435,000
Construction Interest and Fees	\$ 9,045,700
Permanent Financing	\$ 805,000
Legal Fees	\$ 110,000
Reserves	\$ 1,542,261
Hard Cost Contingency	\$ 3,250,000
Local Development Impact Fees	\$ 15,042,000
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 1,650,499
Developer Costs	\$ 9,000,000
Total Uses	\$ 114,408,870

Analyst Comments:

The cost per unit is \$866,734. Factors contributing to the high cost is the dramatic increase in construction costs in the San Francisco Bay Area, infill development, construction of adjacent public parking as required by the City of Burlingame (\$14,250,000) to replace spaces taken by the parcel, the 3-stacker parking system and a deferred developer fee of \$6,190,000.

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:

67.8 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$63,000,000 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	35
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	10
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	0
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	0
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	0
Negative Points (No Maximum)	-10	-10	0
Total Points	140	120	68