

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
February 18, 2020
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Richard Fischer

Applicant:	California Municipal Finance Authority		
Allocation Amount Requested:	Tax-exempt:	\$31,795,000	
Project Information:	Name:	Alameda Point Family	
	Project Address:	170 Coronado Avenue	
	Project City, County, Zip Code:	Alameda, Alameda , 94501	
Project Sponsor Information:	Name:	Alameda Point Family, L.P. (Alameda Point Family, LLC.)	
	Principals:	Linda Mandolini, Tatiana Blank and Andre H. Madeira for Alameda Point Family, LLC	
	Property Management Company:	Eden Housing Management, Inc.	
Project Financing Information:	Bond Counsel:	Jones Hall, A Professional Law Corporation	
	Private Placement Purchaser:	MUFG Union Bank, 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:	November 28, 2019	
	TEFRA Adoption Date:	December 18, 2019	
Description of Proposed Project:	State Ceiling Pool:	General	
	Total Number of Units:	70	
	Manager's Units:	1 Unrestricted	
	Type:	New Construction	
	Population Served:	Family	

Alameda Point Family Apartments is a new construction project located in Alameda on a 1-acre site. The project consists of 69 restricted rental units and 1 unrestricted manager unit. The project will have 14 one-bedroom units, 37 two- edroom units and 19 three-bedroom units. The building will be a four-story building. Common amenities include a community room, laundry facilities, management offices, bay friendly landscaping and a courtyard. Each unit will be designed for disability adaptability. There will be 70 parking spaces provided. Green features include solar hot water and photovoltaic panels to offset common hot water and energy loads. The construction is expected to begin June 2020 and will be completed in December 2021.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
72% (50 units) restricted to 50% or less of area median income households.
28% (19 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2 & 3 bedrooms

The proposed project will be receiving service amenity points. The project will provide instructor-led educational, health and wellness or skill building classes and internet services and a Bona-fide Service Coordinator.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost: \$ 57,369,613
Estimated Hard Costs per Unit: \$ 494,723 (\$34,630,600 /70 units including mgr. unit)
Estimated per Unit Cost: \$ 819,566 (\$57,369,613 /70 units including mgr. unit)
Allocation per Unit: \$ 454,214 (\$31,795,000 /70 units including mgr. unit)
Allocation per Restricted Rental Unit: \$ 460,797 (\$31,795,000 /69 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 31,795,000	\$ 4,011,000
Tranche B Financing	\$ 0	\$ 4,104,000
Taxable Bond Proceeds	\$ 2,933,184	\$ 0
LIH Tax Credit Equity	\$ 2,727,834	\$ 26,942,914
Developer Equity	\$ 0	\$ 2,982,145
Deferred Developer Fee	\$ 0	\$ 1,517,378
Master Developer Inclusionary Contribution	\$ 1,500,000	\$ 1,500,000
HCD No Place Like Home Loan	\$ 0	\$ 4,285,711
Alameda County Measure A1 Loan	\$ 11,153,038	\$ 11,153,038
AHP	\$ 690,000	\$ 690,000
PV credits	\$ 0	\$ 183,427
Total Sources	\$ 50,799,056	\$ 57,369,613

Uses of Funds:	
Land Cost/Acquisition	\$ 18,846
New Construction	\$ 37,098,944
Contractor Overhead & Profit	\$ 1,243,166
Architectural Fees	\$ 1,398,591
Survey and Engineering	\$ 188,947
Construction Interest and Fees	\$ 4,608,864
Permanent Financing	\$ 50,000
Legal Fees	\$ 20,000
Reserves	\$ 1,025,412
Appraisal	\$ 2,970
Hard Cost Contingency	\$ 1,917,106
Local Development Impact Fees	\$ 1,763,801
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 1,550,821
Developer Costs	\$ 6,482,145
Total Uses	\$ 57,369,613

Analyst Comments:

This project is considered a high cost per unit project and is subject to state prevailing wage law. The project is a key component of the Alameda Point Site A development, a mixed-use transit-oriented community. The project is designed to be high density (at approximately 70 units per acre) to take advantage of the location and include as many units as appropriate for the location and neighborhood context. To do so, as well as meet the requirements of the development's form-based code and the engineering constraints of the site, the building's required parking is set inside of a concrete podium. This required design increases density and limits surface parking for a more transit-oriented and bicycle and pedestrian friendly environment. The project is located on a site with a high water table and soil prone to liquefaction, requiring a complex foundation system that will include over one hundred piles driven to approximately 50 feet. This foundation type though the most cost effective strategy for this site will add time and cost to the project compared to a project built on less challenging soils. This project is located within a HUD-designated Small Difficult to Develop Area (SDDA), which is recognized by HUD and TCAC as an area where construction costs are higher. TCAC considers these areas to have higher costs by about 30%, as it offers an additional 30% of basis for tax credit equity to help cover the additional costs of building in a SDDA. This project includes a \$2.98 million re-contribution of developer fee that is included in the project's total development cost but not taken out of development sources.

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:

130 out of 145 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$31,795,000 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	35
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	5
Leveraging	10	10	10
Community Revitalization Area	5	5	5
Site Amenities	10	10	10
Service Amenities	10	10	10
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	10
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	10
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	10
Negative Points (No Maximum)	-10	-10	0
Total Points	145	125	130