

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: Isaac Clark III

Applicant:	California Municipal Finance Authority		
Allocation Amount Requested:	Tax-exempt:	\$40,927,500	
Project Information:	Name:	Rosefield Village	
	Project Address:	727 Buena Vista Avenue	
	Project City, County, Zip Code:	Alameda, Alameda, 94501	
Project Sponsor Information:	Name:	Constitution and Eagle, LP/Island City Development (Rosefield, LLC)	
	Principals:	Vanessa Cooper, President, Brad Weinberg, VP, Janet Basta, Secretary/Treasurer of Rosefield, LLC	
	Property Management Company:	John Stewart Company	
Project Financing Information:	Bond Counsel:	Orrick, Herrington & Sutcliffe LLP	
	Private Placement Purchaser:	Silicon Valley Bank	
	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 27, 2019	
	TEFRA Adoption Date:	December 18, 2019	
Description of Proposed Project:	State Ceiling Pool:	General	
	Total Number of Units:	92	
	Manager's Units:	1 Unrestricted	
	Type:	New Construction	
	Population Served:	Family	

Rosefield Village is a new construction project located in Alameda on a 2.4-acre site. The project consists of 82 restricted rental units, 9 market rate units and 1 unrestricted manager unit. The project will have 7 SRO/Studio units, 36 one-bedroom units, 26 two- bedroom units and 23 three-bedroom units. Common amenities include a community room, outdoor play area, 73 on-site open parking stalls and 78 bike parking spaces. The project will provide solar-hot water heating system to help offset water heating costs. Each unit will have upgraded kitchen and bathroom fixtures such as countertops, cabinets, sinks, refrigerators, stoves, toilets, bathtubs, and flooring. The construction is expected to begin July 2020 and be completed in June 2022.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 90%
57% (52 units) restricted to 50% or less of area median income households.
33% (30 units) restricted to 60% or less of area median income households.
Unit Mix: Studio, 1, 2 & 3 bedrooms

The proposed project will be receiving service amenity points.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 76,149,616	
Estimated Hard Costs per Unit:	\$ 295,359	(\$27,173,000 /92 units including mgr. unit)
Estimated per Unit Cost:	\$ 827,713	(\$76,149,616 /92 units including mgr. unit)
Allocation per Unit:	\$ 444,864	(\$40,927,500 /92 units including mgr. unit)
Allocation per Restricted Rental Unit:	\$ 499,116	(\$40,927,500 /82 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 40,927,500	\$ 5,702,200
Cash Flow Permanent Bonds	\$ 0	\$ 0
Tranche B Financing	\$ 0	\$ 5,273,700
Taxable Bond Proceeds	\$ 0	\$ 0
LIH Tax Credit Equity	\$ 0	\$ 24,827,932
Investor Equity	\$ 2,500,000	\$ 1,500,000
Deferred Developer Fee	\$ 0	\$ 1,500,000
Costs Deferred Until Conversion	\$ 0	\$ 0
Seller Carryback Loan	\$ 16,591,431	\$ 16,591,431
Existing CDBG Loan	\$ 618,569	\$ 618,569
Alameda County Measure A1 Loan	\$ 8,093,414	\$ 8,093,414
City Fee Waivers	\$ 1,000,000	\$ 1,000,000
City HOME Loan	\$ 391,680	\$ 391,680
AHA Loan of AUDS	\$ 600,000	\$ 10,650,689
Total Sources	\$ 70,722,594	\$ 76,149,615

Uses of Funds:	
Land Cost/Acquisition	\$ 18,275,451
Rehabilitation	\$ 1,469,000
Relocation	\$ 250,000
New Construction	\$ 34,951,056
Contractor Overhead & Profit	\$ 2,525,794
Architectural Fees	\$ 1,900,000
Survey and Engineering	\$ 320,000
Construction Interest and Fees	\$ 3,723,234
Permanent Financing	\$ 114,759
Legal Fees	\$ 190,000
Reserves	\$ 973,701
Appraisal	\$ 20,000
Hard Cost Contingency	\$ 4,144,035
Local Development Impact Fees	\$ 1,000,000
Other Project Costs	\$ 1,292,586
Developer Costs	\$ 5,000,000
Total Uses	\$ 76,149,616

Analyst Comments:

This project is considered a high cost per unit project. Construction hard costs, prevailing wages, tariffs and appraised value of land and improvements are several factors contributing to the high costs

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:

116 out of 145 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$40,927,500 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	0
Leveraging	10	10	10
Community Revitalization Area	5	5	0
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	6
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	10
Negative Points (No Maximum)	-10	-10	0
Total Points	145	125	116