

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**September 16, 2020**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**QUALIFIED RESIDENTIAL RENTAL PROJECT**

*Prepared by: Richard Fischer*

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**Applicant:** California Housing Finance Agency

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**Allocation Amount Requested:**

**Tax-exempt:** \$4,000,000

The amount of allocation requested is supplemental to the \$27,000,000 of allocation the Project received on February 18, 2020.

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**Project Information:**

**Name:** Twin Oaks Senior Residence  
**Project Address:** 2605 Main Street  
**Project City, County, Zip Code:** Oakley, Contra Costa, 94561

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**Project Sponsor Information:**

**Name:** Oakley Senior Housing, LP (WCH Affordable LI, LLC ; Highridge Costa Development Company, LLC and Victoria Capital, LLC)  
**Principals:** Graham Espley-Jones, Sandy Gibbons and Leanne Troufreh, for WCH Affordable LI, LLC ; Mohannad H. Mohanna, Michael A. Costa and Robert W. Tetrault for Highridge Costa Development Company, LLC & Victoria Capital, LLC  
**Property Management Company:** WinnResidential California

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**Project Financing Information:**

**Bond Counsel:** Orrick, Herrington & Sutcliffe LLP  
**Private Placement Purchaser:** Citibank, N.A.  
**Cash Flow Permanent Bond:** Not Applicable  
**Public Sale:** Not Applicable  
**Underwriter:** Not Applicable  
**Credit Enhancement Provider:** Not Applicable  
**Rating:** Not Applicable

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**Description of Proposed Project:**

**State Ceiling Pool:** Mixed  
**Total Number of Units:** 130  
**Manager's Units:** 1 Unrestricted  
**Type:** New Construction  
**Population Served:** Senior Citizens

Twin Oaks Senior Residence is a new construction project located in Oakley on a 5.85-acre site. The project consists of 104 restricted rental units, 25 market rate units and 1 unrestricted manager unit. The project will have 98 one-bedroom units, 31 two-bedroom, and 1 two-bedroom unit as the manager unit. Common amenities will include a community room, club house, fitness room, laundry facility, resident lobby and storage areas. Unit amenities will include a balcony, drapes, central HVAC, closets, exterior storage, refrigerator, electric stovetop, oven, garbage disposal, and a microwave. There are 188 parking spaces provided. There will also be walking paths, reading gardens and vegetable gardens throughout the site. The construction is expected to begin October 2020 and be completed in February 2022.

**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 81%

26% (34 units) restricted to 50% or less of area median income households.

54% (70 units) restricted to 60% or less of area median income households.

**Unit Mix:** 1 & 2 bedrooms

The proposed project will be receiving service amenity points.

**Term of Restrictions:**

**Income and Rent Restrictions:** 55 years

**Details of Project Financing:**

<b>Estimated Total Development Cost:</b>	\$	57,103,288	
<b>Estimated Hard Costs per Unit:</b>	\$	214,057	(\$27,827,459 /130 units including mgr. unit)
<b>Estimated per Unit Cost:</b>	\$	439,256	(\$57,103,288 /130 units including mgr. unit)
<b>Allocation per Unit:</b>	\$	30,769	(\$31,000,000 /130 units including mgr. unit)
<b>Allocation per Restricted Rental Unit:</b>	\$	38,462	(\$31,000,000 /104 restricted units)

<b>Sources of Funds:</b>	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 31,000,000	\$ 20,634,568
Taxable Bond Proceeds	\$ 13,855,107	\$ 0
LIH Tax Credit Equity	\$ 6,167,852	\$ 28,014,049
Deferred Developer Fee	\$ 0	\$ 3,294,671
Deferred Costs	\$ 6,080,329	\$ 0
CalHFA MIP	\$ 0	\$ 5,160,000
<b>Total Sources</b>	<b>\$ 57,103,288</b>	<b>\$ 57,103,288</b>

<b>Uses of Funds:</b>	
Land Cost/Acquisition	\$ 3,323,750
New Construction	\$ 30,916,447
Contractor Overhead & Profit	\$ 2,333,317
Architectural Fees	\$ 1,900,000
Survey and Engineering	\$ 458,700
Construction Interest and Fees	\$ 2,719,180
Permanent Financing	\$ 216,346
Legal Fees	\$ 320,000
Reserves	\$ 1,729,879
Appraisal	\$ 15,499
Hard Cost Contingency	\$ 1,577,760
Local Development Impact Fees	\$ 4,431,889
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 1,155,034
Developer Costs	\$ 6,005,487
<b>Total Uses</b>	<b>\$ 57,103,288</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:**

96 out of 125 [See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approves \$4,000,000 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	11
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	10
Large Family Units	5	5	0
Gross Rents	5	5	5
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	10
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	10
Negative Points (No Maximum)	-10	-10	0
<b>Total Points</b>	<b>145</b>	<b>125</b>	<b>96</b>