

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 9, 2020
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Anthony Wey

Applicant:	California Municipal Finance Authority		
Allocation Amount Requested:	Tax-exempt:	\$12,000,000	
Project Information:	Name:	Adcock Joyner Apartments	
	Project Address:	532 16th Street	
	Project City, County, Zip Code:	Oakland, Alameda, 94612	
Project Sponsor Information:	Name:	Adcock Joyner Preservation, LP (ADCOCK JOYNER APARTMENTS,	
	Principals:	Costlo Moore, Jim Hill, Doris Peeler-Brown, and Charla Rose-Grate for Adcock Joyner Apartments, LLC	
	Property Management Company:	532 16th Street, Inc.	
Project Financing Information:	Bond Counsel:	Jones Hall, A Professional Law Corporation	
	Private Placement Purchaser:	Specialty Finance Group	
	Cash Flow Permanent Bond:	Not Applicable	
	Public Sale:	Not Applicable	
	Underwriter:	Not Applicable	
	Credit Enhancement Provider:	Not Applicable	
	Rating:	Not Applicable	
Description of Proposed Project:	State Ceiling Pool:	General	
	Total Number of Units:	50	
	Manager's Units:	1 Unrestricted	
	Type:	Acquisition and Rehabilitation	
	Population Served:	Family	

Adcock Joyner Apartments is an existing project located in Oakland, CA on a 0.16-acre site. The project consists of 49 restricted rental units and 1 unrestricted manager unit. The project has 25 single room units and 25 one-bedroom units. The renovations will include building exterior and interior upgrades. Building exterior renovations will consist of exterior and corridor lighting, stucco repair and painting, window replacements, and roof replacement. Interior renovations will include replacement of electrical switches and outlets, new kitchen cabinets and efficient appliances, bathroom equipment, flooring, and window treatments. In addition, a portion of the basement will be repurposed for staff office space. The rehabilitation is expected to begin in February 2021 and be completed in December 2021.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
37% (18 units) restricted to 50% or less of area median income households.
63% (31 units) restricted to 60% or less of area median income households.
Unit Mix: Studio & 1 bedroom

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:	\$	24,074,615	
Estimated Hard Costs per Unit:	\$	50,000	(\$2,500,000 /50 units including mgr. units)
Estimated per Unit Cost:	\$	481,492	(\$24,074,615 /50 units including mgr. units)
Allocation per Unit:	\$	240,000	(\$12,000,000 /50 units including mgr. units)
Allocation per Restricted Rental Unit:	\$	244,898	(\$12,000,000 /49 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 9,550,000	\$ 9,550,000
Tranche B Financing	\$ 2,450,000	\$ 0
LIH Tax Credit Equity	\$ 0	\$ 6,747,409
Deferred Developer Fee	\$ 1,056,170	\$ 807,206
Seller Carryback Loan	\$ 5,500,000	\$ 5,500,000
City of Oakland Residual Loan	\$ 1,470,000	\$ 1,470,000
PNC Real Estate - Tax Credit Capital	\$ 4,048,445	\$ 0
Total Sources	\$ 24,074,615	\$ 24,074,615

Uses of Funds:	
Land Cost/Acquisition	\$ 16,000,000
Rehabilitation	\$ 2,404,561
Relocation	\$ 122,500
Contractor Overhead & Profit	\$ 175,439
Architectural Fees	\$ 310,000
Survey and Engineering	\$ 90,000
Construction Interest and Fees	\$ 1,480,000
Permanent Financing	\$ 65,000
Legal Fees	\$ 210,000
Reserves	\$ 234,775
Appraisal	\$ 6,500
Hard Cost Contingency	\$ 525,000
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 200,840
Developer Costs	\$ 2,250,000
Total Uses	\$ 24,074,615

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:

135 out of 145 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$12,000,000 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	20
Exceeding Minimum Income Restrictions:	35	15	35
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	0
Large Family Units	5	5	0.00
Gross Rents	5	5	5.00
Leveraging	10	10	10.00
Community Revitalization Area	5	5	5.00
Site Amenities	10	10	10.00
Service Amenities	10	10	10.00
New Construction or Substantial Renovation	10	10	10.00
Sustainable Building Methods	10	10	10.00
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	10.00
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	10.00
Negative Points (No Maximum)	-10	-10	0.00
Total Points	145	125	135.00