CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
July 17, 2019

Coliseum Place, located at 905 72nd Avenue in Oakland, requested and is being recommended for a reservation of $2,074,561 in annual federal tax credits to finance the new construction of 58 low-income units of housing serving large families with rents affordable to households earning 50-60% of the area median income (AMI). The project will be developed by Resources for Community Development and will be located in Senate District 9 and Assembly District 18.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. Project financing includes state funding from the AHSC, NHTF, and IIG programs of HCD.

Project Number CA-19-495

Project Name Coliseum Place

Site Address:	905 72nd Avenue	
	Oakland, CA 94621	County: Alameda
Census Tract:	4088.00	

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$2,074,561	$0
Recommended:	$2,074,561	$0

Applicant Information

Applicant:	Resources for Community Development
Contact:	Daniel Sawislak
Address:	2220 Oxford Street Berkeley, CA 94704
Phone:	(510) 841-4410
Email:	dsawislak@rcdhousing.org

General Partner(s) or Principal Owner(s):	RCD GP, LLC
General Partner Type:	Nonprofit
Parent Company(ies):	Resources for Community Development
Developer:	Resources for Community Development
Investor/Consultant:	Community Economics, Inc.
Management Agent:	The John Stewart Company

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	1
Total # of Units:	59
No. / % of Low Income Units:	58 100.00%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project-based Vouchers (63% - 37 Units)

Bond Information

Issuer:	California Municipal Finance Authority
Expected Date of Issuance:	September 21, 2019

Information

Housing Type:	Large Family
Geographic Area:	East Bay Region
TCAC Project Analyst:	Ruben Barcelo

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
50% AMI:	27	47%
60% AMI:	31	53%

Unit Mix

11	1-Bedroom Units
28	2-Bedroom Units
20	3-Bedroom Units
59	Total Units

Unit Type & Number		2018 Rents Targeted % of Area Median Income	2018 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
7	1 Bedroom	60%	20%	$436
3	1 Bedroom	60%	30%	$654
1	1 Bedroom	50%	50%	$1,090
4	2 Bedrooms	60%	20%	$523
10	2 Bedrooms	60%	30%	$784
13	2 Bedrooms	50%	50%	$1,307
1	3 Bedrooms	60%	20%	$604
6	3 Bedrooms	60%	45%	$1,359
13	3 Bedrooms	50%	50%	$1,510
1	2 Bedrooms	Manager’s Unit	Manager’s Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$1,360,112
Construction Costs	$35,462,694
Construction Hard Cost Contingency	$3,593,245
Soft Cost Contingency	$200,000
Architectural/Engineering	$1,662,441
Const. Interest, Perm. Financing	$3,709,364
Reserves	$1,533,794
Other Costs	$3,371,815
Developer Fee	$2,500,000
Total	**$53,393,465**

Residential

Construction Cost Per Square Foot:	$443
Per Unit Cost:	$904,974
True Cash Per Unit Cost*:	$892,262

Construction Financing

Source	Amount
Wells Fargo Bank - Tax-Exempt Bond:	$27,000,000
Wells Fargo Bank - Taxable Bonds	$5,778,168
HCD IIG	$1,944,850
HCD AHSC HRI	$513,894
County Measure A1 Bonds	$9,214,921
County HOPWA	$727,638
City of Oakland	$1,600,000
FHLB AHP	$580,000
General Partner Equity	$247,577
Tax Credit Equity	$2,074,561

Permanent Financing

Source	Amount
Wells Fargo Bank	$8,339,400
HCD AHSC	$6,000,000
HCD AHSC HRI	$513,894
HCD IIG	$1,944,850
HCD NHTF	$2,621,515
County Measure A1 Bonds	$9,393,386
County HOPWA	$741,748
City of Oakland	$1,630,987
FHLB AHP	$580,000
Deferred Developer Fee	$750,000
General Partner Equity	$247,577
Tax Credit Equity	$20,630,108
TOTAL	**$53,393,465**

*Less Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

Determination of Credit Amount(s)

Requested Eligible Basis:	$48,358,060
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	$62,865,478
Applicable Rate:	3.30%
Total Maximum Annual Federal Credit:	$2,074,561
Approved Developer Fee (in Project Cost & Eligible Basis):	$2,500,000
Investor/Consultant:	Community Economics, Inc.
Federal Tax Credit Factor:	$0.99443

Except as allowed for projects basing cost on assumed third party debt, the "as if vacant" land value and the existing improvement value established at application for all projects, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$48,358,060
Actual Eligible Basis:	$48,358,060
Unadjusted Threshold Basis Limit:	$26,492,510
Total Adjusted Threshold Basis Limit:	$50,807,670

Adjustments to Basis Limit

Required to Pay State or Federal Prevailing Wages
Parking Beneath Residential Units or On-Site Parking Structure of Two or More Levels
One or more Energy Efficiency/Resource Conservation/Indoor Air Quality Features:

- New construction: project buildings are at least 15% more energy efficient than 2016 Energy Efficiency Standards (California Code of Regulations, Title 24, Part 6) as indicated in TCAC Regulations.

Local Development Impact Fees
95% of Upper Floor Units are Elevator-Serviced
55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 46%

Cost Analysis and Line Item Review
Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year

Significant Information / Additional Conditions
Project development costs total $904,974 per unit. Factors contributing to the high cost include payment of prevailing wages and labor-related requirements imposed by the City of Oakland. Labor-related costs were also driven by the severe labor shortage in the Bay Area. These labor items combined added over $9 million to project costs. Other high cost drivers include installation of a large photo-voltaic array that will offset one-third of the building's energy load, the relocation of underground electrical and telecom cables, and the installation of new street lights.

Resyndication and Resyndication Transfer Event: None

Standard Conditions
If applicant is receiving tax-exempt bond financing from other than CalHFA, the applicant shall apply for a bond allocation from the California Debt Limit Allocation Committee's next scheduled meeting, if not previously granted an allocation; shall have received an allocation from CDLAC; and, shall issue bonds within time limits specified by CDLAC.

The applicant anticipates financing more than 50% of the project aggregate basis with tax-exempt bond proceeds as calculated by the project tax professional. Therefore, the federal credit reserved for this project will not count against the annual ceiling.

TCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by TCAC in its final feasibility analysis.

CDLAC Additional Conditions
The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.