

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
July 28, 2010
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Sarah Lester

Applicant: Housing Authority of the City of Oakland

Allocation Amount Requested:
Tax-exempt: \$11,800,000

Project Information:
Name: Harrison Street Senior Housing Apartments
Project Address: 1633 Harrison Street
Project City, County, Zip Code: Oakland, Alameda, 94612

Project Sponsor Information:
Name: Harrison Street Senior Housing Asc. LP (Christian Church Homes of Northern California, Oakland Housing Initiatives, Inc. and Harrison Street Senior Housing Corp.)
Principals: Don Stump and Win Marshall for Christian Church Homes of Northern California and Harrison Street Senior Housing Corp.; Ted Dang, Phillip Neville, Harold Davis and Olga DeLopnardis for Oakland Housing Initiatives, Inc.

Project Financing Information:
Bond Counsel: Ballard Spahr Andrews & Ingersoll, LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Wells Fargo, N.A. (Constr.) & HUD 202 (Perm.)
TEFRA Hearing Date: March 9, 2010

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 72, plus 1 manager unit
Type: New Construction
Type of Units: Senior Citizens

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
100% (72 units) restricted to 50% or less of area median income households.
Unit Mix: 1 bedroom

Term of Restrictions:
Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	21,546,165	
Estimated Hard Costs per Unit:	\$	299,252	(\$21,546,165 /72 units)
Estimated per Unit Cost:	\$	299,252	(\$21,546,165 /72 units)
Allocation per Unit:	\$	163,889	(\$11,800,000 /72 units)
Allocation per Restricted Rental Unit:	\$	163,889	(\$11,800,000 /72 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 11,800,000	\$ 0
HUD 202	\$ 5,815,292	\$ 8,606,900
Sponsor Equity	\$ 10,000	\$ 10,000
LIH Tax Credit Equity	\$ 5,224,100	\$ 6,542,000
RDA of Oakland	\$ 5,133,000	\$ 5,133,000
AHP (Wells Fargo)	\$ 720,000	\$ 720,000
OHA Bridge	\$ 534,265	\$ 534,265
Total Sources	<u>\$ 29,236,657</u>	<u>\$ 21,546,165</u>

Uses of Funds:	
Acquisition	\$ 1,334,425
New Construction Costs	\$ 13,458,517
Architectural	\$ 1,108,940
Survey & Engineering	\$ 84,000
Contingency Costs	\$ 1,420,471
Construction Period Expenses	\$ 1,258,985
Permanent Financing Expenses	\$ 20,000
Legal Fees	\$ 135,000
Capitalized Reserves	\$ 505,287
Reports & Studies	\$ 42,000
Other (Marketing, etc)	\$ 852,540
Developer Costs	\$ 1,326,000
Total Uses	<u>\$ 21,546,165</u>

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: 75.5 out of 118

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$11,800,000 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
Federally Assisted At-Risk Project or HOPE VI Project	20	20	0
Exceeding Minimum Income Restrictions:	35	15	35
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	0
Gross Rents	5	5	0
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	15	15	5
Site Amenities	10	10	7.5
Service Amenities	10	10	0
New Construction	10	10	10
Sustainable Building Methods	8	8	8
Negative Points	-10	-10	0
Total Points	118	98	75.5

The criteria for which points are awarded will also be incorporated into the Resolution transferring Allocation to the Applicant as well as the appropriate bond documents and loan and finance agreements.