

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
October 19, 2016
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Louise Eller

Applicant: County of Alameda

Allocation Amount Requested:
Tax-exempt: \$13,080,000

Project Information:
Name: Redwood Hill Townhomes Apartments
Project Address: 4856, 4862, 4868 Calaveras Avenue
Project City, County, Zip Code: Oakland, Alameda, 94619

Project Sponsor Information:
Name: Calaveras Housing Partners, L.P. (Satellite AHA Development, Inc.)
Principals: Mike Jacob, Smitha Seshadri and David Greensfelder for Satellite AHA Development, Inc.
Property Management Company: Satellite Affordable Housing Associates Property Management

Project Financing Information:
Bond Counsel: Kutak Rock LLP
Private Placement Purchaser: U.S. Bank National Association
Public Sale: Not Applicable
Underwriter: Not Applicable
TEFRA Noticing Date: November 24, 2015
TEFRA Adoption Date: December 8, 2015

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 27, plus 1 manager unit
Type: New Construction
Type of Units: Family

Redwood Hill Townhomes is a new construction project located in Oakland on a 0.72 acre site. The project consists of 27 restricted rental units and 1 manager unit. The project will have 11 two-bedroom units and 16 three-bedroom units. The site is composed of three different parcels which will be merged to create one large parcel before the start of construction. The design features a three-story, U-shaped building oriented around a large interior courtyard complete with landscaped seating areas and a tot lot playground. Each unit will be equipped with a refrigerator, dishwasher and a range with hood. Additionally, each unit will be wired with cable for TV and internet. In addition, the project is expected to GreenPoint-rated GOLD level certification. Green features will include drought tolerant Bay-Friendly landscaping, solar hot water, insulated hot water pipes, bioswales to divert stormwater run-off, low-VOC paints and adhesives, energy star appliances, energy efficient lighting and low-flow water fixtures among other energy efficient features and practices. The construction is expected to begin December 2016 and complete in February 2017.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%

15% (4 units) restricted to 50% or less of area median income households.

85% (23 units) restricted to 60% or less of area median income households.

Unit Mix: 2 & 3 bedrooms

The proposed project will be providing instructor-led educational, health and wellness or skill building classes for a minimum of 84 hours per year. In addition, the project will be providing a bona fide service coordinator/social worker for a minimum of 247 hours per year.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 21,260,450	
Estimated Hard Costs per Unit:	\$ 787,424	(\$21,260,450 /27 units)
Estimated per Unit Cost:	\$ 759,302	(\$21,260,450 /28 units including mgr. units)
Allocation per Unit:	\$ 484,444	(\$13,080,000 /27 units)
Allocation per Restricted Rental Unit:	\$ 484,444	(\$13,080,000 /27 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 13,080,000	\$ 1,773,127
LIH Tax Credit Equity	\$ 864,024	\$ 8,640,245
Alameda County Boomerang	\$ 825,000	\$ 825,000
City of Oakland RDA Funding	\$ 2,242,600	\$ 2,242,600
Deferred Costs	\$ 491,825	\$ 0
City of Oakland HOME Funding	\$ 2,757,000	\$ 2,757,000
HCD Infill	\$ 1,000,000	\$ 1,000,000
HCD AHSC - AHD	\$ 0	\$ 4,022,478
Total Sources	\$ 21,260,449	\$ 21,260,450

Uses of Funds:	
Land Cost/Acquisition	\$ 2,242,612
New Construction	\$ 11,798,182
Contractor Overhead	\$ 766,374
Architectural Fees	\$ 428,691
Survey and Engineering	\$ 90,000
Construction Interest and Fees	\$ 927,566
Permanent Financing	\$ 534,652
Legal Fees	\$ 173,434
Reserves	\$ 249,991
Appraisal	\$ 2,500
Contingency Cost	\$ 1,443,179
Local Development Impact Fees	\$ 606,058
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 597,211
Developer Costs	\$ 1,400,000
Total Uses	\$ 21,260,450

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:

84.5 out of 140

[See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$13,080,000 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	27
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	5
Leveraging	10	10	10
Community Revitalization Area	5	5	0
Site Amenities	10	10	7.5
Service Amenities	10	10	10
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	0
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	0
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	0
Negative Points (No Maximum)	-10	-10	0
Total Points	140	120	84.5

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.