

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: Sarah Lester

Applicant: California Municipal Finance Authority

Allocation Amount Requested: Tax-exempt: \$32,000,000

Project Information:

Name: Coliseum Connections Apartments
Project Address: 801-844 71st Avenue
Project City, County, Zip Code: Oakland, Alameda, 94621

Project Sponsor Information:

Name: Coliseum Connections, LP (Coliseum Development Partners, LLC; Coliseum Affordable Housing, LLC; and CMHC California One, LLC)
Principals: Michael Johnson, David Gazek, Ronnie Turner, Brad Flewellen, Sylvester Grisby, Anne Griffith, Gladys Green, Robert Harris, Ed Fitzpatrick for both Coliseum Development Partners, LLC and Coliseum Affordable Housing, LLC; John A. Carlisi, David Cole, Jeannette Ita, Margaret McFarland, Patricia Rainwater and Jaque Woodring for CMHC California One, LLC
Property Management Company: FPI Management, Inc.

Project Financing Information:

Bond Counsel: Seyfarth Shaw, Sherman Golden, Morgan Jones, Mike Diamond
Private Placement Purchaser: JPMorgan Chase Bank, N.A. (construction) / Hunt Mortgage Partners, LLC (permanent)
Public Sale: Not Applicable
Underwriter: Not Applicable
TEFRA Noticing Date: September 2, 2016
TEFRA Adoption Date: September 22, 2016

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 109, plus 1 manager unit
Type: New Construction
Type of Units: Family

Coliseum Connections is the proposed new construction of a five-story 110 unit affordable and market rate housing project located in Oakland, CA. The Property encompasses approximately 1.36 acres of land area. It is currently developed with an asphalt-paved parking lot used by patrons of the Bay Area Rapid Transit (BART) system. The asphalt-paved parking lot was developed in about 1969. The project is comprised of one five story residential building with 65 one and two-bedroom flats and 45 two story townhome units grouped in three separate buildings located over a partially below grade parking garage. The unit mix consists of 28 one-bedroom flats with 685 square feet, 17 one bedroom townhomes with 680 square feet, 8 two bedroom/one bath flats with 883 square feet, 10 two bedroom/two bath flats with 1,030 square feet, and 27 two bedroom townhomes/1.5 bath with 1,078 square feet. Construction is to begin November 2016 with a completion date of February 2018.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 50%
20% (22 units) restricted to 50% or less of area median income households.
30% (33 units) restricted to 60% or less of area median income households.
Unit Mix: 1 & 2 bedrooms

The proposed project will not be providing service amenities.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 56,321,016	
Estimated Hard Costs per Unit:	\$ 318,927	(\$34,763,000 /109 units)
Estimated per Unit Cost:	\$ 512,009	(\$56,321,016 /110 units including mgr. units)
Allocation per Unit:	\$ 293,578	(\$32,000,000 /109 units)
Allocation per Restricted Rental Unit:	\$ 581,818	(\$32,000,000 /55 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 32,000,000	\$ 16,750,000
CMFHC Equity	\$ 1,000,000	\$ 1,250,000
LIH Tax Credit Equity	\$ 1,162,687	\$ 11,626,872
Oakland Subordinate Debt	\$ 12,000,000	\$ 12,000,000
Deferred Developer Fee	\$ 0	\$ 1,446,132
Deferred Costs & Fees	\$ 1,585,317	\$ 0
CA AHSC Subordinate Debt	\$ 0	\$ 4,675,000
CA AHSC Grant - Loan	\$ 5,223,012	\$ 5,223,012
Land Lease Value	\$ 3,350,000	\$ 3,350,000
Total Sources	\$ 56,321,016	\$ 56,321,016

Uses of Funds:	
Land Cost/Acquisition	\$ 3,733,385
New Construction	\$ 37,379,372
Contractor Overhead & Profit	\$ 3,722,728
Architectural Fees	\$ 1,000,000
Survey and Engineering	\$ 352,500
Construction Interest and Fees	\$ 2,380,349
Legal Fees	\$ 220,694
Reserves	\$ 996,834
Contingency Cost	\$ 391,554
Local Development Impact Fees	\$ 2,565,000
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 778,600
Developer Costs	\$ 2,800,000
Total Uses	\$ 56,321,016

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:

66.5 out of 140

[See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$32,000,000 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
Preservation Project	20	20	0
Exceeding Minimum Income Restrictions:	35	15	20
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	6
Gross Rents	5	5	5
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	5	5	0
Site Amenities	10	10	7.5
Service Amenities	10	10	0
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	8
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	66.5

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.