

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**December 13, 2017**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**QUALIFIED RESIDENTIAL RENTAL PROJECT**

*Prepared by: Richard Fischer*

---

**Applicant:** County of Contra Costa

---

**Allocation Amount Requested:** Tax-exempt: \$110,000,000

---

**Project Information:** Name: **Twenty One and Twenty Three Nevin**  
Project Address: SW Corner of Nevin Avenue & 23rd Street 344 21st Street  
Project City, County, Zip Code: Richmond, Contra Costa, 94801

---

**Project Sponsor Information:** Name: Richmond Nevin Associates, a California L.P. (TPC Holdings VI, LLC and Central Valley Coalition for Affordable Housing)  
Principals: Caleb Roope, Melinda Rex, Zack Deboi and Denise Carter for TPC Holdings VI, LLC; Alan Jenkins, Sid McIntyre, Steve Simmons, Chris Alley, Jennifer Bertuccio and Renee Downum for Central Valley Coalition for Affordable Housing  
Property Management Company: Aperto Property Management, Inc.

---

**Project Financing Information:** Bond Counsel: Quint & Thimmig LLP  
Private Placement Purchaser: Citibank, N.A./Bonneville Affordable Housing Capital, LLC  
Cash Flow Permanent Bond: Bonneville Affordable Housing Capital, LLC  
Public Sale: Not Applicable  
Underwriter: Not Applicable  
Credit Enhancement Provider: Not Applicable  
Rating: Not Applicable  
TEFRA Noticing Date: October 7, 2017  
TEFRA Adoption Date: November 7, 2017

---

**Description of Proposed Project:** State Ceiling Pool: General  
Total Number of Units: 271  
Manager's Units: 3 Unrestricted  
Type: New Construction  
Population Served: Family

Twenty One and Twenty Three Nevin Apartments is a new construction project located in Richmond on a 1.71-acre site. The project consists of 268 restricted rental units and 3 unrestricted managers' units. The project will have 104 studio units, 90 one-bedroom units and 37 two-bedroom units, 30 three-bedroom units and 10 four-bedroom units. The two buildings will be 6 stories wood framed structures on top of a parking podium. Common amenities include community rooms, laundry facilities, playground and secured bike parking space. Each unit will have a refrigerator, range/oven, dishwasher and a covered patio or balcony. The construction is expected to begin December 2017 and be completed in December 2019.

**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 100%  
30% (81 units) restricted to 50% or less of area median income households.  
70% (187 units) restricted to 60% or less of area median income households.  
**Unit Mix:** Studio, 1, 2, 3 & 4 bed

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:** \$ 136,814,489  
**Estimated Hard Costs per Unit:** \$ 334,233 (\$90,577,108 /271 units including mgr. units)  
**Estimated per Unit Cost:** \$ 504,851 (\$136,814,489 /271 units including mgr. units)  
**Allocation per Unit:** \$ 405,904 (\$110,000,000 /271 units including mgr. units)  
**Allocation per Restricted Rental Unit:** \$ 410,448 (\$110,000,000 /268 restricted units)

<b>Sources of Funds:</b>	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 85,000,000	\$ 52,000,000
Cash Flow Permanent Bonds	\$ 25,000,000	\$ 25,000,000
LIH Tax Credit Equity	\$ 10,693,851	\$ 54,194,489
Deferred Developer Fee	\$ 9,800,000	\$ 5,620,000
Deferred Costs	\$ 6,320,638	\$ 0
<b>Total Sources</b>	<b>\$ 136,814,489</b>	<b>\$ 136,814,489</b>
 <b>Uses of Funds:</b>		
Land Cost/Acquisition	\$ 2,051,400	
New Construction	\$ 93,068,650	
Contractor Overhead & Profit	\$ 5,543,319	
Architectural Fees	\$ 600,000	
Survey and Engineering	\$ 190,000	
Construction Interest and Fees	\$ 8,074,000	
Permanent Financing	\$ 785,000	
Legal Fees	\$ 100,000	
Reserves	\$ 2,162,343	
Hard Cost Contingency	\$ 5,000,000	
Local Development Impact Fees	\$ 7,787,160	
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 1,652,617	
Developer Costs	\$ 9,800,000	
<b>Total Uses</b>	<b>\$ 136,814,489</b>	

**Analyst Comments:**

According to the project sponsor the following are responsible for the high cost per unit. Local tap, building permit & Impact Fees; Structures labor and material cost in the bay area; General Contractor paying prevailing wage and the City's design expectations for housing developments.

---

**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:**

70 out of 140 [See Attachment A]

---

**Recommendation:**

Staff recommends that the Committee approves \$110,000,000 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	35
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	0
Leveraging	10	10	0
Community Revitalization Area	5	5	0
Site Amenities	10	10	10
Service Amenities	10	10	0
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	0
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	N/A
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	N/A
Negative Points (No Maximum)	-10	-10	0
<b>Total Points</b>	<b>140</b>	<b>120</b>	<b>70</b>