

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE  
September 19, 2018  
Staff Report  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A  
QUALIFIED RESIDENTIAL RENTAL PROJECT**

Prepared by: Richard Fischer

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**Applicant:** County of Contra Costa

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**Allocation Amount Requested:** Tax-exempt: \$67,000,000

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**Project Information:**  
**Name:** Bay Point Family Apartments  
**Project Address:** NE Corner of Intersection Port of Chicago Highway and Willow Pass Road  
**Project City, County, Zip Code:** Bay Point, Contra Costa, 94565

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**Project Sponsor Information:**  
**Name:** Baypoint Family Apartments, L.P. (Baypoint Family Apartments, LLC and CHBA Affordable IX, LLC)  
**Principals:** John Huskey, Kasey Burke, Chris Maffris, Aaron Mandel and George Russo for Baypoint Family Apartments, LLC; Graham Espley-Jones, Sandra Gibbons and Leanne Truofreh for CHBA Affordable IX, LLC  
**Property Management Company:** Cambridge Real Estate Services

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**Project Financing Information:**  
**Bond Counsel:** Quint & Thimmig LLP  
**Private Placement Purchaser:** Pacific Western Bank/Meta Housing Corporation  
**Cash Flow Permanent Bond:** Meta Housing Corporation  
**Public Sale:** Not Applicable  
**Underwriter:** Not Applicable  
**Credit Enhancement Provider:** Not Applicable  
**Rating:** Not Applicable  
**TEFRA Noticing Date:** June 25, 2018  
**TEFRA Adoption Date:** July 10, 2018

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**Description of Proposed Project:**  
**State Ceiling Pool:** General  
**Total Number of Units:** 193  
**Manager's Units:** 1 Unrestricted  
**Type:** New Construction  
**Population Served:** Family

Bay Point Family Apartments is a new construction project located in Bay Point on a 7.61-acre site. The project consists of 192 restricted rental units and 1 unrestricted managers' unit. The project will have 66 one-bedroom units, 24 two-bedroom units, 79 three-bedroom units and 24 four-bedroom units. The buildings will be 3 stories and a walk-up garden style of construction. Common amenities include a large community room, turf play field, conference room and barbeque area. There will be secured long-term parking storage for 68 bicycles. Each unit will have a refrigerator, range/oven, dishwasher and the three- and four-bedroom units will have washer and dryer hook ups. There are 340 parking spaces provided. The construction is expected to begin in October 2018 and be completed in July 2020.

**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 100%

10% (20 units) restricted to 50% or less of area median income households.

90% (172 units) restricted to 60% or less of area median income households.

**Unit Mix:** 1, 2, 3 & 4 bedrooms

The proposed project will not be receiving service amenity points.

**Term of Restrictions:**

**Income and Rent Restrictions:** 55 years

**Details of Project Financing:**

<b>Estimated Total Development Cost:</b>	\$ 81,205,860	
<b>Estimated Hard Costs per Unit:</b>	\$ 243,523	(\$47,000,000 /193 units including mgr. units)
<b>Estimated per Unit Cost:</b>	\$ 420,756	(\$81,205,860 /193 units including mgr. units)
<b>Allocation per Unit:</b>	\$ 347,150	(\$67,000,000 /193 units including mgr. units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 348,958	(\$67,000,000 /192 restricted units)

<b>Sources of Funds:</b>	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 63,500,000	\$ 36,245,000
Cash Flow Permanent Bonds	\$ 3,500,000	\$ 3,500,000
LIH Tax Credit Equity	\$ 2,917,088	\$ 29,170,884
Deferred Costs	\$ 8,288,772	\$ 7,539,565
Red Stone Subordinate Loan	\$ 3,000,000	\$ 3,000,000
Net Income From Operations	\$ 0	\$ 1,750,411
<b>Total Sources</b>	<b>\$ 81,205,860</b>	<b>\$ 81,205,860</b>

<b>Uses of Funds:</b>	
Land Cost/Acquisition	\$ 6,951,079
New Construction	\$ 44,896,233
Contractor Overhead & Profit	\$ 2,103,766
Architectural Fees	\$ 1,431,927
Survey and Engineering	\$ 219,725
Construction Interest and Fees	\$ 4,066,287
Permanent Financing	\$ 47,103
Legal Fees	\$ 365,000
Reserves	\$ 868,520
Appraisal	\$ 12,500
Hard Cost Contingency	\$ 2,350,000
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 8,906,777
Developer Costs	\$ 8,986,943
<b>Total Uses</b>	<b>\$ 81,205,860</b>

**Analyst Comments:**

None

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**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.

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**Total Points:**

54.5 out of 140 [See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approves \$67,000,000 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	25.2
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	7.3
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	2
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>54.5</b>