

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**April 14, 2020**  
**Staff Report**  
***REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A***  
***QUALIFIED RESIDENTIAL RENTAL PROJECT***

*Prepared by: Isaac Clark III*

<b>Applicant:</b>	<b>California Housing Finance Agency</b>
<b>Allocation Amount Requested:</b>	<b>Tax-exempt:</b> \$47,100,000
<b>Project Information:</b>	<b>Name:</b> The Atchison <b>Project Address:</b> 2575 Railroad Avenue <b>Project City, County, Zip Code:</b> Pittsburg, Contra Costa, 94565
<b>Project Sponsor Information:</b>	<b>Name:</b> 2575 Railroad Ave., L.P. (Corporation for Better Housing/Integrated <b>Principals:</b> Lori Koester, Executive Director and Rob Tidd, Secretary of Corporation for Better Housing. Benjamin Lingo, Manager/Principal and Charles Brumbaugh, Manager/Principal of Integrated Community Development, <b>Property Management Company:</b> WinnResidential
<b>Project Financing Information:</b>	<b>Bond Counsel:</b> Orrick, Herrington & Sutcliffe LLP <b>Private Placement Purchaser:</b> Pacific Western Bank <b>Cash Flow Permanent Bond:</b> Not Applicable <b>Public Sale:</b> Not Applicable <b>Underwriter:</b> Not Applicable <b>Credit Enhancement Provider:</b> Not Applicable <b>Rating:</b> Not Applicable <b>TEFRA Noticing Date:</b> January 3, 2020 <b>TEFRA Adoption Date:</b> January 22, 2020
<b>Description of Proposed Project:</b>	<b>State Ceiling Pool:</b> Mixed Income <b>Total Number of Units:</b> 202 <b>Manager's Units:</b> 2 Unrestricted <b>Type:</b> New Construction <b>Population Served:</b> Family

The Atchison Apartments is a new construction project located in Pittsburg on a 3.94-acre site. The project consists of 200 restricted rental units and 2 unrestricted manager units. The project will have 120 one-bedroom units and 60 two-bedroom units. There are two buildings. One will be a new construction, four story building and the other new construction is a five story building. Common amenities include laundry facilities, gated entry, a clubhouse/community room with common kitchen, a pool, a fitness room, a computer room with high-speed internet connection, a barbeque area, a children's play area and indoor bicycle storage. Each unit will have a range, a frost-free refrigerator, an oven, a dishwasher, a garbage disposal, central heating and air conditioning, granite countertops, vertical blinds, carpeting and will include CAT 5 wiring. All of the apartments will be designed for energy efficiency and include Energy Star rated appliances. Some of the units will have balconies. There are 263 parking spaces provided. The construction is expected to begin on August 2020 and be completed in February 2022.

<b>Description of Public Benefits:</b>		
<b>Percent of Restricted Rental Units in the Project:</b>		100%
<u>50%</u>	(100 units) restricted to 50% or less of area median income households.	
<u>50%</u>	(100 units) restricted to 60% or less of area median income households.	
<b>Unit Mix:</b>		Studio, 1 & 2 bedroom

The proposed project will not be receiving service amenity points.

<b>Term of Restrictions:</b>	
<b>Income and Rent Restrictions:</b>	55 years

<b>Details of Project Financing:</b>		
<b>Estimated Total Development Cost:</b>	\$	90,115,222
<b>Estimated Hard Costs per Unit:</b>	\$	230,141 (\$46,488,408 /202 units including mgr. units)
<b>Estimated per Unit Cost:</b>	\$	446,115 (\$90,115,222 /202 units including mgr. units)
<b>Allocation per Unit:</b>	\$	233,168 (\$47,100,000 /202 units including mgr. units)
<b>Allocation per Restricted Rental Unit:</b>	\$	235,500 (\$47,100,000 /200 restricted units)
<b>Sources of Funds:</b>		
	Construction	Permanent
Pacific Western Bank - Tax Exempt Bonds	\$ 47,100,000	\$ 32,000,000
Cash Flow Permanent Bonds	\$ 0	\$ 0
0	\$ 0	\$ 0
Tax Credit Equity	\$ 11,153,455	\$ 700,000
LIH Tax Credit Equity	\$ 0	\$ 40,994,552
0	\$ 0	\$ 732,654
0	\$ 0	\$ 5,688,016
0	\$ 0	\$ 0
0	\$ 0	\$ 0
Itemized Public Funds Sources	\$ 0	\$ 0
Pacific Western Bank - Taxable Tail	\$ 22,700,000	\$ 10,000,000
0	\$ 0	\$ 0
0	\$ 0	\$ 0
0	\$ 0	\$ 0
Total Sources	\$ 80,953,455	\$ 90,115,222
<b>Uses of Funds:</b>		
Land Cost/Acquisition	\$ 4,800,000	
Rehabilitation	\$ 0	
Relocation	\$ 0	
New Construction	\$ 52,996,641	
Contractor Overhead & Profit	\$ 0	
Architectural Fees	\$ 606,000	
Survey and Engineering	\$ 599,800	
Construction Interest and Fees	\$ 7,764,050	
Permanent Financing	\$ 602,000	
Legal Fees	\$ 285,000	
Reserves	\$ 838,267	
Appraisal	\$ 15,000	
Hard Cost Contingency	\$ 2,649,833	
Local Development Impact Fees	\$ 7,588,443	
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 2,380,188	
Developer Costs	\$ 8,990,000	
Total Uses	\$ 90,115,222	

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**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:**

90 out of 145 [See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approve \$47,100,000 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	15
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	10.00
Large Family Units	5	5	0.00
Gross Rents	5	5	5.00
Leveraging	10	10	10.00
Community Revitalization Area	5	5	0.00
Site Amenities	10	10	10.00
Service Amenities	10	10	0.00
New Construction or Substantial Renovation	10	10	10.00
Sustainable Building Methods	10	10	10.00
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	10.00
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	10.00
Negative Points (No Maximum)	-10	-10	0.00
Total Points	145	125	90.00