

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 21, 2020
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Isaac Clark III

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested:

Tax-exempt: \$22,380,000

Project Information:

Name: Harriet Tubman Terrace Apartments
Project Address: 2870 Adeline Street
Project City, County, Zip Code: Berkeley, Alameda, 94703

Project Sponsor Information:

Name: HT Terrace Renewal LP (HT Terrace Manager LLC /
Renewal Housing, Inc. / PHG HT Terrace AM LLC / The
Richman Group)
Principals: Jason Goldblatt, Jon Shiffman, Benjamin Soto (Directors) for
HT Terrace Manager LLC and Renewal Housing, Inc., PHG
HT Terrace AM LLC, and The Richman Group
Property Management Company: Apartment Management Consultants LLC

Project Financing Information:

Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: Stifel, Nicolaus & Company, Incorporated
Cash Flow Permanent Bond: Not Applicable
Public Sale: Not Applicable
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Rating: Not Applicable

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 91
Manager's Units: 1 Unrestricted
Type: Acquisition and Rehabilitation
Population Served: Family/Senior Citizens

Harriet Tubman Terrace Apartments is located in Berkeley on a 0.613-acre site. The entire project consists of 90 restricted rental units and 1 unrestricted manager unit. The entire project has 48 studio units, 42 one-bedroom units, and 1 two-bedroom unit. 10% of the units will be modified to be fully accessible and 4% of the units will be equipped with communication accessibility features. There are 27 parking spots including 7 uncovered and 20 located in an underground parking garage. An underground irrigation system is in place and is in adequate working condition. Community amenities include community room, computer room, laundry facilities, on-site management and security, and an open patio area. Unit amenities include refrigerators, stoves/ovens, heating, garbage disposals, and grab bars. The renovation is expected to begin in the April 2021 and complete by March 2022.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
100% (90 units) restricted to 50% or less of area median income households.
Unit Mix: Studio & 1 bedroom

The proposed project will be receiving service amenity points.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 47,040,757	
Estimated Hard Costs per Unit:	\$ 60,000	(\$5,460,000 /91 units including mgr. unit)
Estimated per Unit Cost:	\$ 516,931	(\$47,040,757 /91 units including mgr. unit)
Allocation per Unit:	\$ 245,934	(\$22,380,000 /91 units including mgr. unit)
Allocation per Restricted Rental Unit:	\$ 248,667	(\$22,380,000 /90 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 22,380,000	\$ 35,000,000
LIH Tax Credit Equity	\$ 5,361,392	\$ 11,914,204
Deferred Developer Fee	\$ 126,553	\$ 126,553
Greystone Servicing Corporation	\$ 15,072,812	\$ 0
EB Affordable Housing Financing, LLC	\$ 4,100,000	\$ 0
Total Sources	\$ 47,040,757	\$ 47,040,757

Uses of Funds:	
Land Cost/Acquisition	\$ 34,160,000
Rehabilitation	\$ 5,927,600
Relocation	\$ 182,000
Contractor Overhead & Profit	\$ 436,800
Architectural Fees	\$ 121,000
Survey and Engineering	\$ 29,500
Construction Interest and Fees	\$ 1,291,437
Permanent Financing	\$ 365,535
Legal Fees	\$ 295,000
Reserves	\$ 761,056
Appraisal	\$ 10,500
Hard Cost Contingency	\$ 672,440
Other Project Costs	\$ 287,889
Developer Costs	\$ 2,500,000
Total Uses	\$ 47,040,757

Analyst Comments:

This project is considered a high cost per unit project. The two largest cost drivers in this transaction is the purchase price and the construction costs. The purchase price is \$34,160,000 (\$375,385 per unit), which is due to the property's location in a high cost area (Berkeley) and subsequent high rental potential. Total construction costs including general contractor fees, overhead, profit (14%) and a 10% hard cost contingency is estimated at \$6,224,400, which equates to the higher costs as well.

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:

135 out of 150 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$22,380,000 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	20
Exceeding Minimum Income Restrictions:	35	15	35
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	10	10	0
Gross Rents	5	5	5
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	5	5	5
Site Amenities	10	10	10
Service Amenities	10	10	10
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	10
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	10
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	10
Negative Points (No Maximum)	0	0	0
Total Points	150	130	135