

APPLICATION FOR REDUCTION OR SUBSIDIZATION OF IMPACT FEES, BUILDING PERMIT FEES AND SEWER CONNECTION FEES FOR AFFORDABLE HOUSING DEVELOPMENTS

Submittal Information

Pursuant to Statutes of Nevada 2019, enacted by the Nevada Legislature by passage of Senate Bill No. 103 (NRS 278.235(1)(a) and (2)) the city is enabled with the ability to reduce or subsidize in whole or in part impact fees, fees for the issuance of building permits collected pursuant to NRS 278.580 and fees imposed for the purpose for which an enterprise fund was created to assist in maintaining or developing a project for affordable housing.

Applications can be submitted to the City of Reno Housing and Neighborhood Development Division during all normal business hours. Following staff review, a public hearing will be held and a determination made by the Reno City Council on whether or not reducing or subsidizing the fees will adversely impair the ability of the city to pay, when due, all interest and principal on any outstanding bonds or any other obligations, for which revenue from such fees was pledged.

Submit Application to: City of Reno
Housing and Neighborhood Development Division
1 E. First Street, 12th Floor
Reno, NV 89501

Submittal Format: **Submit one hard copy of the completed application package and one flash drive with all the submittal materials.**

Questions: For questions regarding this application, please contact City of Reno staff at housing@reno.gov or by calling 775-334-2578.

Project Eligibility

When the incomes of all the residents of the project for affordable housing are averaged, the housing would be affordable on average for a family with a total gross income that does not exceed 60 percent of the median gross income for Washoe County based upon the estimates of the United States Department of Housing and Urban Development of the most current median gross family income for Washoe County.

Additional Requirements

- (1) An annual report shall be provided to the City Manager by the applicant or property manager verifying compliance with all of the requirements specified in RMC 1.08.
- (2) Applicable building permits associated with fee reduction shall be obtained within 24 months of the date of approval of any reductions by city council or the approval shall expire. An applicant may reapply following the expiration of an approval.
- (3) The income restriction(s) must remain in effect for 20 years or the reduced fee(s) will be reinstated and assessed on the property by recordation of a lien.

City of Reno Fee Reduction or Subsidization for Affordable Housing Developments

(4) A deed restriction or similar property restriction will be recorded against the property.

Contact Information

Name: Ben Tayolor

Address: 1001 Bannock St, Suite 210

City/State/Zip: Denver / CO / 80204

Phone Number: 608-347-6604

E-mail Address: btaylor@lincolnavecap.com

Project Information

Project Name: Pinyon Apartments

Project Address: 1120 E Moana Lane, Reno NV 89502

Project APN: 020-281-48, 020-281-51, 020-281-59

Total Number of Units: 252

Development Timeline: We wish to begin construction no later than QTR 1 2023.

Application Criteria

- (1) Provide a detailed narrative of the project.
- (2) In order to allow the reduction or subsidization, the City has adopted criteria that a project must satisfy to receive assistance in maintaining or developing the project for affordable housing. Provide all documentation supporting the applicable request and check one of the three criteria listed below (A through C) that the project will meet.

☒ A. Project provides housing for families with an average total gross income not exceeding 60 percent of the area median income (AMI) for Washoe County, and is eligible to receive a 75 percent reduction in the associated fee(s) for those units at or below 60 percent of the AMI.

☐ A1. This project is also eligible to receive an additional 10 percent reduction because the project is located within ¼ mile of a bus rapid transit route; or

☒ A2. This project is within a Mixed Use area or within one mile of an Employment Area, as identified within the Structure Plan of the City of Reno Master Plan.



City of Reno Fee Reduction or Subsidization for Affordable Housing Developments

☐ B. Project provides housing for families with an average total gross income not exceeding 50 percent of the AMI for Washoe County, and is eligible to receive a 100 percent reduction in the associated fee(s) for those units at or below 60 percent of the AMI.

☐ C. Project provides housing for families with an average total gross income not exceeding 30 percent of the AMI for Washoe County or 100 percent of the units being affordable for 50 percent of the AMI for Washoe County, and is eligible to receive a 100 percent reduction in the associated fees.

(3) How many units will be affordable based on the criteria listed above?

All 252

(4) What is the total dollar amount of fees that you are requesting a reduction?

Impact fees: **277,200**

Building permit fees: **264,480**

*Sewer connection fees: **1,372,140**

***Please note, approval of this agreement does not guarantee sewer connection or capacity is readily available.**

Permit Fees

	Value PSF	Building SQFT	Building Value	\$ / \$1,000	Base Cost	% of building permit	Total	Total After Reduction	Reduction %	Reduction Request
Building Permit Apartments	\$138.43	242,035	\$ 33,504,949	\$2.17	\$3,772.31		\$ 74,308	\$ 11,146	85%	\$ 63,162
Building Permit Garage	\$165.73	112,500	\$ 18,644,625	\$2.17	\$3,772.31		42,061	6,309	85%	35,752
								-	85%	-
Building Plan Review Fee						65%	75,640	11,346	85%	64,294
MPE Plan Review						55%	64,003	9,600	85%	54,403
Admin Fee							5,421	813	85%	4,608
Grading Permit Fee							529	79	85%	449
Washoe County Health Fees							2,518	378	85%	2,140
Total Permit Cost							\$264,480	\$39,672		\$224,808

Impact Fees

	Fee PU	Apartment Units	Total	Total After Reduction	Reduction %	Reduction Request
Sewer Impact Fees	\$5,445	252	\$ 1,372,140	\$ 205,821	85%	\$ 1,166,319
Police Impact Fee	\$100	252	25,200	3,780	85%	21,420
Residential Construction Tax	\$1,000	252	252,000	37,800	85%	214,200
Total Impact Fees			\$ 1,649,340	\$ 247,401		\$ 1,401,939

Pinyon Apartments

1120 E Moana Lane, Reno, NV 89502

Project Overview

March 2022



Pinyon Apartments

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1 Pinyon Apartments

Development Overview



LINCOLN AVENUE CAPITAL

- **Parcel Size | Address:** ~2.88 acres | 1120 E Moana Lane, Reno, NV 89502
- **Assumed Sale Price:** \$1,750,000 / ~\$13.95 / sf
- **Current Zoning | Proposed Zoning:** MU (Mixed Use Urban)
- **Proposed Units:** 252 units: 158 1-Bed (63%), 60 2-Bed (24%), 34 3-Bed (13%)
- **Proposed Building Style:** One 5-story wrap style building with outdoor and indoor amenity space
- **Proposed Affordability Restrictions:** 236 units at 60% AMI, 8 units at 50% AMI, and 8 VASH units at 30% AMI



1 Pinyon Apartments

Development Overview



2 Pinyon Apartments

Project Narrative



This proposed project will provide approximately 252 workforce units. 236 of the units will be restricted at 60% of AMI, 8 units will be restricted at 50% of AMI, and 8 units will be restricted at 30% AMI. The 8 30% units will be subsidized by VASH Vouchers. The units will be financed with Tax Exempt Bonds and 4% Low Income Housing Tax Credits from the Nevada Housing Division. The project will also apply for \$3,000,000 of State Tax Credits and \$3,000,000 of NHD GAHP funds. Pinyon Apartments will be a 5-story wrap style building with both indoor and outdoor amenities such as courtyards, a fitness center, and a clubroom. Units will be equipped with carpet and luxury vinyl tile floor coverings, washer and dryer hook-ups, washers and dryers for rent, dishwashers, ranges, fully vented range hoods, fridge and freezer, central AC, garbage disposal, microwaves, walk-in closets, and coat and linen closets. There will also be a covered parking structure for resident use.

The site of the development is comprised of 3 parcels, and will provide LAC with a suitable location to develop a workforce multifamily project in Reno, Nevada. The City of Reno is a rapidly growing market that is experiencing infrastructure and job growth with large scale employers like the Tesla Gigafactory moving into the area. 65% of the Reno's workforce consists of employees in the trade and service sector, with another 25% being employed in construction, manufacturing, and transportation among other sectors.

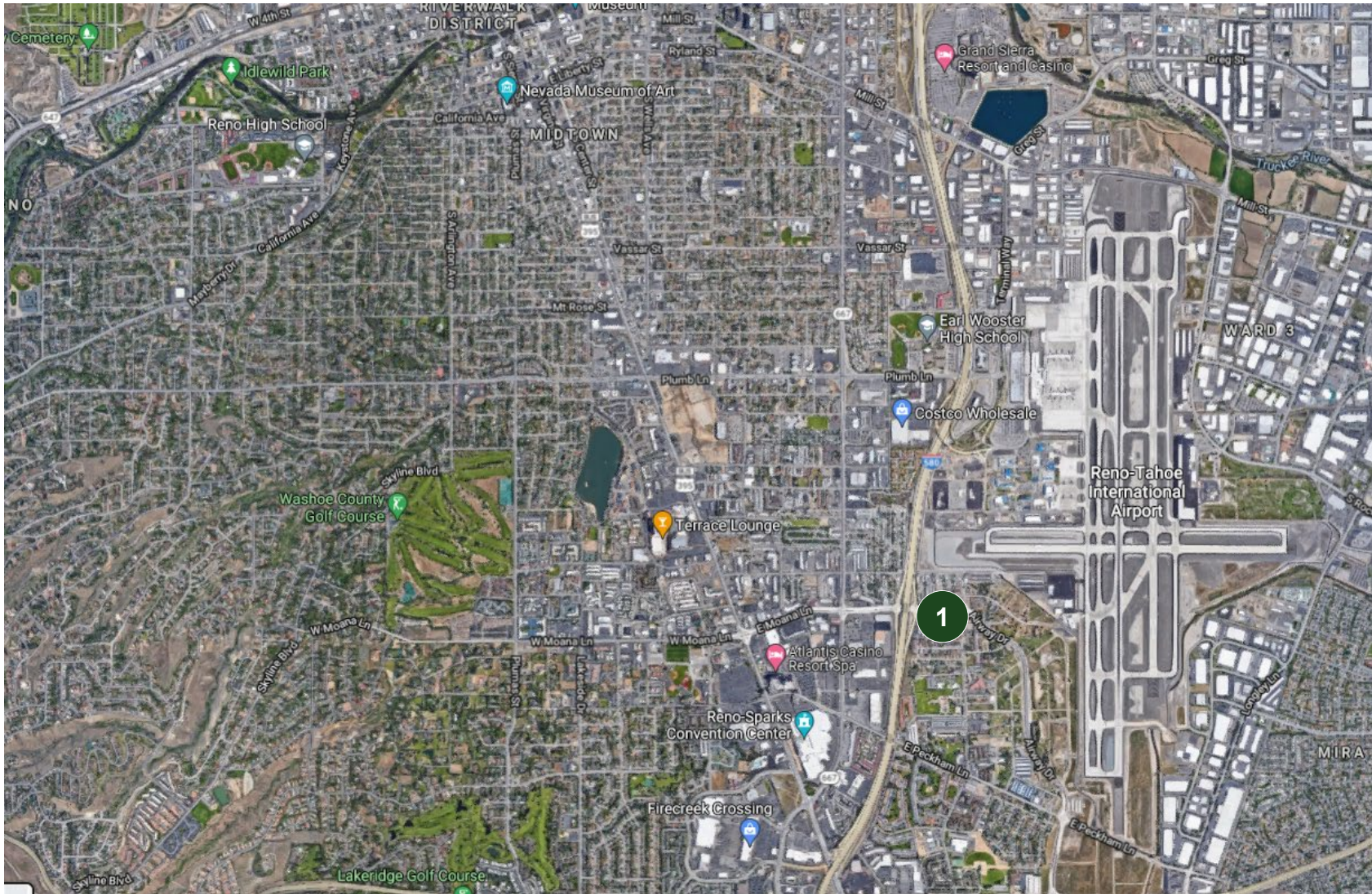
Reno presents a strong market with high home prices and an exhibited need for attainable housing. Median home prices in the project's zip code have risen $\approx 20\%$ over the last year to over \$420,000 and are expected to rise another 10% this year. With job growth and population growth, housing shortages need to be addressed, and an urban infill project that would bring 252 workforce units to the market would be a major step forward. Close to major vehicular arteries and job centers, the site is perfectly suited for such a project. Additionally, the friendly Mixed-Use Urban zoning designation allows us to develop quality workforce units without having to go through a public hearing approval process. The site is perfectly situated to accomplish the goals we set in efficiently bringing quality units to Reno, and allowing people to live where they work.

3 Pinyon Apartments

Geographic Overview – Reno, NV

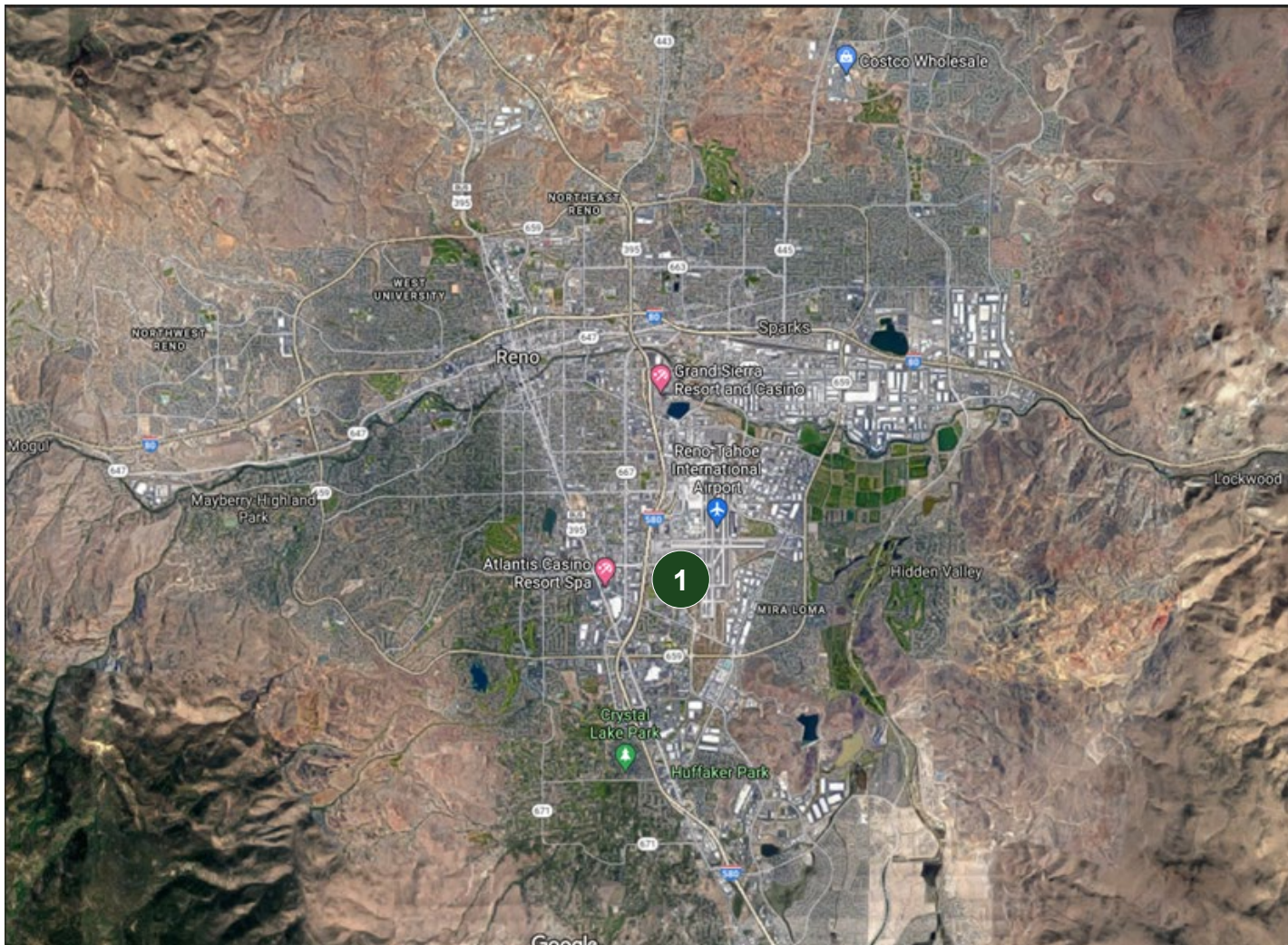


LINCOLN AVENUE CAPITAL



3 Pinyon Apartments

Geographic Overview – Reno, NV



4 Pinyon Apartments

Unit Mix & Rents



LINCOLN AVENUE CAPITAL

Bedrooms	Bathrooms	AMI %	Units	Net SF	2022 Net Max Rents
1	1.0	60%	145	628	\$983
2	2.0	60%	58	963	\$1,183
3	2.0	60%	33	1,109	\$1,375
1	1.0	50%	5	628	\$810
2	2.0	50%	2	912	\$974
3	2.0	50%	1	1,109	\$1,135
1	1.0	50% AMI RHA Job Connect	8	628	\$1,293
Total / Weighted Average			252	774	\$1,099

5 Pinyon Apartments

Development Team



Ben Taylor – VP and Project Partner: Ben spent over nine years working for one of the nation’s largest affordable housing developers. During that time, Ben oversaw the acquisition and development of over 3,000 affordable units across the county by securing \$600 million in debt and equity from national lenders and equity providers. Ben’s last four years were spent in Denver, CO where he specialized in utilizing tax-exempt private activity bonds with 4% LIHTCs to develop over 1,000 units of new construction affordable housing in the Denver metro. As a Vice President & Project Partner, he leads a new team focused on the development of affordable housing across the country. Ben holds a B.S. in Economics with a concentration in Mathematics from the University of Wisconsin – Madison.

Russell Condas – SVP of Development: Russell Condas serves as the Senior Vice President of Development & Transactions for Lincoln Avenue Capital. He is responsible for the management and oversight of a growing department of talented development professionals with a focus on the creation and preservation of affordable and workforce housing throughout the United States. Over the past decade, he has successfully navigated complex transactions including new construction, acquisition & preservation, historic adaptive re-use and portfolio acquisitions, totaling approximately 5,000 affordable units. Russell holds a B.S. from University of San Diego and a M.S. in Real Estate and Construction Management from University of Denver.

Jeremy Bronfman – President and Founder: Jeremy Bronfman is CEO and Managing Partner of Lincoln Avenue Capital, one of the nation’s fastest-growing developers, investors, and operators of affordable housing. Previously, Jeremy served as CEO of Enigma Technologies Inc., a software company with major Fortune 500 investors and an Investment Associate at Island Capital (the parent entity of CIII Capital Partners) and JANA Partners. Jeremy began his career at Iroquois Capital, where he became a Partner and identified opportunities in PIPE investments in small cap public companies. Jeremy holds a B.A. from Stanford University and an M.B.A with distinction from Harvard University.

Eli Bronfman – Managing Member and Founder: Eli Bronfman is a Managing Partner at Lincoln Avenue Capital. He oversees the origination of new opportunities and directs the firm’s strategic initiatives. Eli manages both private and public investments on behalf of the Bronfman Family Office, which provides growth capital and liquidity to entrepreneur and family-owned businesses in North America and Europe. Eli previously worked on the equities team at IceFarm Capital, a global discretionary Macro firm and Arrow Capital, an event driven firm. Eli began his career at Goldman, Sachs & Co. in New York. He holds a B.A. from Williams College.