

100 38th Supportive

Address: 100 38th Street, Richmond
 Developer: Eden Development, Inc.
 Community Housing Development Corporation of North Richmond

<u>Proposed Permanent Sources (C=committed, A=applied, P=proposed)</u>		
FY 2022/23 PLHA Funds	\$ 5,187,098	A
Perm Loan	\$ 5,424,800	P
MHP	\$ 12,383,586	P
HPN/EPA Grant	\$ 300,000	P
Seller Carryback	7,026,385	P
AHP	885,000	P
Deferred Developer Fee	787,528	P
GP Equity	512,472	P
4% Tax Credits	25,054,749	P
Total Sources	\$ 57,561,618	
Total # units		59
# affordable units		58

PROJECT SUMMARY:

- Adaptive reuse and acquisition of 58 affordable rental units to serve formerly homeless individuals, couples, and small families.
- Eden entered into a 12-month Exclusive Negotiating Rights Agreement (ENRA) with Contra Costa County on December 18, 2019, with three six-month extensions. The third extension was approved by the County on November 23, 2021, and is valid through June 18, 2022. An addendum to the agreement is expected prior to the June 18th deadline.
- Project’s financial feasibility requires 58 project-based vouchers to be provided by the Contra Costa County Housing Authority. The Supportive housing would adopt a Housing First approach by providing on-site resident services and County case management. Additional set-asides for veterans and transition-aged youth would be determined by other financing and voucher availability and regulatory requirements.
- Eden anticipates applying for AHP, HCD Multifamily Housing program funds between the spring and fall of 2022. They also plan to apply for PBV vouchers in the Summer of 2023, and 4% tax credits between September-December of 2023. Construction is anticipated to commence summer 2024.
- The City of Richmond, Supervisor Gioia’s office, Senator Nancy Skinner, the YMCA, Park Plaza Neighborhood Council, the Center for Creative Land Recycling, and MCE are all in support of the project.

AFFORDABILITY LEVELS: 30-50% UNIT MIX:

Studio	1 Bedroom	2 Bedroom	3 Bedroom	Manager’s Unit	Total Units
29	29	0	0	1	59

DEVELOPER EXPERIENCE/CAPACITY:

Applicant(s): Eden Housing has over 50 years of experience in providing affordable housing in California. They have successfully developed 15 Contra Costa affordable housing projects, most recently the new construction of Hana Gardens in El Cerrito. CHDC has been developing multifamily and single-family affordable housing in West Contra Costa for over 20 years, most recently, Heritage Point, in unincorporated North Richmond.

Ownership: The anticipated ownership structure of 100 38th Family will be a limited partnership between an affiliate of Eden Housing Inc. (Eden Development Inc.) and Community Housing Development Corporation. The project will be managed by Eden Housing Management Inc.

Property Management: Eden Housing Management, Inc. (EHMI) is the property management non-profit affiliate of Eden Housing and manages the properties developed and owned by Eden Housing. EHMI was established in 1984 and has 36 years of experience in the field of affordable housing management. Monitoring of certain Contra Costa County properties has had long standing, ongoing issues. The issues referenced mostly relate in failure to recertify households in a timely manner and late/failure to complete annual reporting to the County. Eden has added a Housing Compliance Auditor whose role includes the centralized tracking and monitoring of the local/County program audits, providing guidance for clearing deficiencies, centralized audit correction submissions, and local/County program unit mapping in the tenant database.

FUNDING RECOMMENDATION: *\$500,000 in PLHA*

RATIONALE: 100 38th Supportive Housing project is consistent with the County's priorities to produce new affordable rental housing units. 100 38th Supportive Development is the first phase of the overall project and is only feasible and cash flow positive if awarded 58 Project-Based Section 8 Vouchers from the Housing Authority, which has not been approved at this time. An award of funds through a public competitive process makes a project eligible to receive vouchers if the County Housing Authority has sufficient budget to provide these vouchers. An award of vouchers for at least some of these units will help with the project's occupancy and cash flow.

CONTINGENCIES FOR APPROVAL:

1. PLHA funds committed, as evidenced by an executed loan, by August 31, 2024.
2. Confirmation that the project's financials are compliant with the County's Affordable Housing Program Guidelines.

Aging in Place Senior Housing

Address: 490 Golf Club Road, Pleasant Hill
 Developer: Choice in Aging
 Satellite Affordable Housing Associates

Proposed Permanent Sources (C= committed, A= applied, P= proposed)		
FY 2022/23 PHLA Funds Request	\$ 5,200,000	A
FY 2021/21 HOME Funds	\$ 3,236,000	C
First Mortgage NO PBV yet	\$ 2,957,900	P
HCD - VHHP	6,007,260	C
HCD - IIG	3,994,800	P
Pleasant Hill Housing Funds	\$ 2,736,000	C
CIA Sitework Share - GP Equity	\$ 4,614,251	C
Deferred developer fee	1,300,000	
GP Equity	500,000	
4% Tax Credits	38,086,049	
Total Sources	\$ 68,632,260	
Total # units	82	
# affordable units	81	

PROJECT SUMMARY:

- New construction of 82 units affordable to and occupied by extremely low, very low-, and lower-income seniors, veterans, disabled veterans, and veterans experiencing homelessness.
- The property is owned by the non-profit Choice in Aging (CIA) who is in the process of subdividing the 4-acre property into three parcels to create an Aging in Place campus, which will include senior housing, an intergenerational daycare, a residential care facility, and an adult day health care. Once the subdivision is complete, CIA will ground lease a parcel to SAHA for the construction of the Choice in Aging Senior Housing project.
- The project is a three and four-story 77,025 square-foot building with a community room, services and property management offices, outdoor space, community gardens, outdoor terraces, fitness room, and laundry. The project will include 81 one-bedroom units and a two-bedroom manager’s unit. Five units will be accessible to the physically disabled, and two units will be accessible to the hearing and vision impaired.
- The development costs are at the upper end of the typical range, which is driven by larger than normal infrastructure costs.
- The project received an award of VHHP funds from State HCD in 2022 but was not awarded IIG funds.
- Construction loan closing is expected in the summer of 2023 with construction to start shortly thereafter. Construction completion is expected in the spring of 2024, and full occupancy is expected by the summer of 2025.
- The City of Pleasant Hill has committed \$2.7 million in funds toward this project for predevelopment, entitlements, and permits.

AFFORDABILITY LEVELS: 30% - 60%

UNIT MIX:

Studio	1 Bedroom	2 Bedroom	3 Bedroom	Manager’s Unit	Total Units
0	81	0	0	1	82

DEVELOPER EXPERIENCE/CAPACITY:

Applicant: In 2013 Satellite Housing and Affordable Housing Associates combined staff and programs to become Satellite Affordable Housing Associates. They have developed over 4,000 units in seven counties in northern California. They are committed to high-quality design and thoughtful ongoing supportive services. Choice in Aging is a non-profit organization that has been providing services to promote dignity and independence of people with disabilities and special needs for 70 years. The programs they currently operate in Contra Costa County include an adult day health care program; multipurpose senior services programs; and Choice in Learning Montessori, an intergenerational preschool in Pleasant Hill. Choice in Aging provides other services such as transportation, caregiver support groups, community education, and an array of long-term supports and services to maintain dignity and independence in the aging population.

Ownership: The site is owned by CIA and will enter a long-term ground lease with an option period of 99 years with a to-be-formed limited partnership. The housing improvements will be owned by a Limited Partnership (LP). The General Partner of the LP will be a limited liability company (LLC) formed between SAHA’s wholly controlled affiliate SADI as the managing majority member and CIA as a minority member.

Property Management: SAHA Property Management, a wholly controlled affiliate of Satellite Affordable Housing Associates (SAHA) will be the property management agent. SAHA’s track record for providing professional, high-quality property management stretches back to 1971 and across seven Northern California counties. They currently manage 67 properties (including two, third-party management contracts) serving low-income families, seniors, and people with special needs with the goal of ensuring a high quality of life for our residents and strong property stewardship.

FUNDING RECOMMENDATION: \$1,000,000 in PLHA funds

RATIONALE: The Aging in Place Senior project is consistent with the County’s priorities to produce new affordable rental housing units.

CONTINGENCES FOR APPROVAL:

1. PLHA funds committed, as evidenced by an executed loan, by August 31, 2024.
2. Confirmation that the project’s financials are compliant with the County’s Affordable Housing Program Guidelines.

Legacy Court

Address: 11 parcels, Fred Jackson Way (between Duboce Avenue and Willard Avenue), Richmond
 Developer: Community Housing Development Corporation of North Richmond
 Eden Development, Inc.

Proposed Permanent Sources (C=committed, A=applied, P=proposed)		
FY 2022/23 PLHA Funds Request	\$ 3,383,107	A
Permanent Loan	\$ 5,944,000	C
County HOME funds	\$ 3,000,000	C
City of Richmond	\$ 1,036,013	E
NPLH	\$ 3,718,780	A
Deferred Developer Fee	\$1,056,739.00	C
GP Equity	\$ 100	C
Investor Capital Contributions Federal	\$ 9,625,767	P
Seller carryback loan (current appraised land value minus purchase price)	\$ 239,988	
State Contributions	\$ 1,156,615	P
Total Sources	\$ 29,161,108	
Total # units		43
# affordable units		42

PROJECT SUMMARY:

- New construction of 43 rental units affordable to and occupied by very low-income families and special needs households on five sites on three separate blocks in the incorporated portion of North Richmond. The proposal consists of 3 two- and three-story buildings with townhouse apartments over flats.
- The development will provide a variety of common area amenities including a large community room, property, and resident services coordinator offices, landscaped open spaces, onsite parking and bicycle storage, onsite laundry services, and a resident computer lab with high-speed internet connections.
- The development costs appear to be reasonable.
- CHDC owns all 11 parcels of the project. Planning entitlements were approved in 2013. As proposed, all other financing sources will be secured in 2022 with an anticipated construction start date of October 2023.

AFFORDABILITY LEVELS: 30% - 60% AMI

UNIT MIX:

Studio	1 Bedroom	2 Bedroom	3 Bedroom	Manager's Unit	Total Units
0	21	10	11	1	43

DEVELOPER EXPERIENCE/CAPACITY:

Applicant(s): Eden Housing has over 50 years of experience in providing affordable housing in California. They have successfully developed 15 Contra Costa affordable housing projects, most recently the new construction of Hana Gardens in El Cerrito. CHDC has been developing multifamily and single-family affordable housing in West Contra Costa for over 20 years, most recently Heritage Point in unincorporated North Richmond.

Ownership: The ownership of Legacy Court will be a California limited partnership consisting of affiliates of CHDC and Eden Housing as co-managing general partners and a to-be-determined investor limited partner.

Property Management: Eden Housing Management, Inc. (EHMI) is the property management non-profit affiliate of Eden Housing and manages the properties developed and owned by Eden Housing. EHMI was established in 1984 and has 36 years of experience in the field of affordable housing management. Monitoring of certain Contra Costa County properties has had long standing ongoing issues. The issues referenced mostly relate to failure in recertifying households in a timely manner and late/failure to complete annual reporting to the County. Eden has added a Housing Compliance Auditor whose role include the centralized tracking and monitoring of the local/County program audits, providing guidance for clearing deficiencies, centralized audit correction submissions and local/County program unit mapping in the tenant database.

FUNDING RECOMMENDATION: \$1,000,000 in PLHA funds

RATIONALE: The Legacy Court project is consistent with the County's priorities to produce new, affordable, rental housing units. Legacy Court received 25 project-based housing vouchers from the Housing Authority and was granted clearance from the Department of Toxic Substance Control.

CONTINGENCES FOR APPROVAL:

- All other financing commitments secured by December 31, 2023, and FY 2022/23 PLHA funds committed, as evidenced by an executed loan, by August 31, 2024.
- Confirmation that the project's financials are compliant with the County's Affordable Housing Program Guidelines.

Mayfair Affordable

Address: 11690 San Pablo Avenue, El Cerrito

Developer: BRIDGE Housing Corporation

Proposed Permanent Sources (C= committed, A= applied, P= proposed)		
FY 2022/23 HOME Funds Request	\$ 2,000,000	A
FY 2022/23 PLHA Funds Request	\$ 3,511,801	A
City of El Cerrito	\$ 850,000	C
HCD - AHSC	\$ 17,222,372	C
HCD - IIG	\$ 3,146,200	P
GP Equity	\$ 1,050,000	C
Land Donation	\$ 1,616,667	C
Investor Equity - Tax Credits	26,613,791	P
Permanent Loan	3,150,826	P
Total Sources	\$ 59,161,657	
Total # units	69	
# affordable units	68	
# HOME assisted units	10	
# PLHA assisted units	33	
Maximum HOME Project Subsidy	\$ 2,000,000	
Maximum HOME Investment Allowable (Gap Needed+\$50K proj. delivery)	\$ 2,050,000	
Match Requirement (25% of HOME Allocation)	\$ 500,000	
Match Amount (Source: NPV of City Loan & NPV of Property Tax)	\$ 101,993	

PROJECT SUMMARY:

- New construction of 69 rental units, including one property manager’s unit.
- The project is a six-story 87,668 square-foot building with a ground floor concrete podium with 34 off-street parking spaces, management office, and community spaces, and five stories of residential above. The design of the building includes a podium courtyard that will be accessible by residents. The courtyard will include outdoor seating, play areas, dining areas, and BBQ areas.
- This project will serve families with household incomes ranging from 30 - 60% AMI and will include 15 studios, 18 one-bedroom units, 18 two-bedroom units, 18 three-bedroom units, and an on- site manager’s unit. Four of the units will be accessible to the physically disabled and two of the units will be accessible to the hearing and vision impaired.
- The applicant will apply for tax credits in February 2023, anticipates the completion of construction financing by October 2023, will begin construction in October 2023, will complete lease-up and occupancy in September 2025, and will complete permanent financing in January 2026.
- The City of El Cerrito is in support of the project and has awarded \$350,000 in city funds plus \$500,000 in HUD HOPE IV Main Street Grant funds toward this project.
- Overall, the development costs seem reasonable. Cash flow is positive through year 20 but does trend negative after year 20.

- The project was awarded AHSC funds in 2022 and will be reapplying for IIG funds.

AFFORDABILITY LEVELS: 30 - 60% AMI

UNIT MIX:

Studio	1 Bedroom	2 Bedroom	3 Bedroom	Manager's Unit	Total Units
15	18	18	18	1	69

CONSOLIDATED PLAN PRIORITY: New construction of affordable rental housing (AH-1)
 HOME ELIGIBLE ACTIVITY: New construction of housing affordable to and occupied by very-low-income households. 24 CFR 92.205(a)
 HOME CHDO ELIGIBILITY: The HOME Program has a 15% annual CHDO set aside requirement. BRIDGE does not qualify as a CHDO.

DEVELOPER EXPERIENCE/CAPACITY:

Applicant(s): BRIDGE Housing has been in business since 1983 and is well respected as a leader in the development of affordable housing in California. They have developed over 17,000 units with a total development cost of over \$3 billion. They have successfully developed projects in Contra Costa utilizing HOME and CDBG funding including the construction of Coggins Square, Grayson Creek in Pleasant Hill, Pinole Grove, Sycamore Place in Danville, and The Arbors in Hercules.

Ownership: The ownership structure for Mayfair Affordable Housing will be a limited partnership, Mayfair Affordable Housing, L.P. consisting of BRIDGE Housing, as the managing general partner with a to-be-named tax credit investor as the limited partner.

Property Management: BRIDGE Property Management Company was formed in 1987 as a financially independent but affiliated nonprofit tax-exempt management company. They currently manage over 75 developments with more than 7,800 rental units.

FUNDING RECOMMENDATION: \$2,766,142 in PLHA funds; no HOME funds.

RATIONALE: The Mayfair Affordable Housing project is consistent with the County's priorities to produce new affordable rental housing units. An award of funds through a public competitive process makes a project eligible to receive project-based Section 8 vouchers if the Housing Authority of Contra Costa has sufficient budget to provide these vouchers. An award of vouchers for at least some of these units will help with the project's occupancy and cash flow.

CONTINGENCES FOR APPROVAL:

- All other financing commitments secured by December 31, 2023, and PLHA funds committed, as evidenced by an executed loan, by June 30, 2024.
- Confirmation that the project's financials are compliant with the County's Affordable Housing Program Guidelines.