

CITY OF DAVIS
2002-2003 COMMUNITY DEVELOPMENT BLOCK GRANT APPLICATION

Organization Name: Community Housing Opportunities Corporation

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(Be sure to list the best contact to get information to the organization as quickly as possible.)

Total Proposal Request: \$ 414,993

(Check one) On-going Support New Project

CDBG Eligible Category: Housing/Special Activities by Sub-recipients
(See List A)

National Objective Compliance/Low and Mod Benefit: Housing
(See List B)

City Council Identified Critical Needs: (See List C)

- 1) Development of Affordable Units
- 2) Very low-income Elderly
- 3) Rental Subsidy

PUBLIC SERVICE

NON-PUBLIC SERVICE

Beneficiary Information:

50 Total number of beneficiaries in program

50 Total number of beneficiaries in program served with CDBG funds

100% Percentage of the CDBG beneficiaries with low/moderate income

\$8,300 Cost per CDBG beneficiary (CDBG Request/CDBG Beneficiaries)

PROJECT NARRATIVE

a. Need

The City's shortage of affordable rental housing is common knowledge. The two primary indicators of rental housing need and the affordability gap in the Davis rental market that CHOC monitors document that need. Our waiting list of applicants for our affordable rental housing has grown to more than 780 applicants (a 12% increase over the same time last year) including 85 senior households. UC Davis' 2001 Apartment Vacancy/Rental Rate survey documents a vacancy rate of .3% and a mean average rent increase of 8.3% over 2000. Average rents for 2-bedroom apartments are now \$901 a month which is affordable to a household earning at least \$36,040. Average rents for 1-bedroom units are now \$702 a month which is affordable to a household with an annual income of at least \$28,080. Two-thirds of the seniors on our waiting lists and all of the single-parent beneficiaries of our Rental Assistance Program have incomes below \$20,000 a year.

b. Benefit

CHOC's affordable rental housing development is designed to address the barriers that very low-income residents face in accessing affordable housing in Davis. Our **Walnut Terrace** project will meet the housing needs of very low-income elderly residents in Davis. Offering a mix of 1- and 2-bedroom apartments, Walnut Terrace rents will be structured to be affordable to seniors at 45% and 50% of area median income. Rents will be 25% to 40% below current Davis average rents.

<u>Unit Type</u>	<u>45% of median</u>	<u>50% of median</u>
1-Bedroom	\$480	\$537
2-Bedroom	\$532	\$596

The Rental Assistance Program targets households with incomes below 35% of area median, with a priority on individuals who are transitioning from welfare to work. The program will bridge the gap between their full rent and 40% of their household income.

c. Other Resources and Collaboration

Our CDBG funding request this year is consistent with a City Council-approved financing plan that will make the City the sole financing source for Walnut Terrace. CHOC made multiple attempts to be awarded tax credits for this project but Yolo County and senior housing projects

are not favored under the current tax credit allocation priorities. The State MHP Loan Program, a new affordable housing subsidy program, is not designed to assist senior housing developments.

CHOC's Resident Services Program will facilitate programs with community agencies that will provide services for the seniors who will be residents of Walnut Terrace. Among the agencies we will collaborate with are: Davis Community Meals, Explorit Center, Yolo Hospice, Davis Senior Center, Yolo Adult Day-Care, UCD Care Management and Davis Community Network.

Housing Resources - STEAC, the Department of Social Services and for-profit landlords have each been referral sources for **Rental Assistance Program** beneficiaries. We have also developed a referral network through on-site property managers at several apartment complexes throughout the City. MSW candidates from CSUS, who are completing their field placements with CHOC's Resident Services Program, provide one-on-one counseling and case management support to individual program beneficiaries. This year we are seeking operating funds (staff costs) to continue operating this Program. Funding of rental subsidies will come from a carry-over of prior year HOME funds.

d. Organizational Capacity

Community Housing Opportunities Corporation ("CHOC") is a non-profit affordable housing provider based in Davis. Established in 1984 as Davis Community Housing, CHOC has developed housing projects totaling more than 1,100 multi-family units and 74 single-family homes in Davis, Sacramento, Woodland, West Sacramento and Fairfield.

CHOC has four primary program areas: Housing Development, Property Management, Asset Management and Resident Services. CHOC has a core staff of 15, plus 38 full-time and part-time site-based property management, maintenance and resident services employees. CHOC provides property management services to all of its multi-family properties through its affiliate, Sterling Asset Management Company ("SAMC"), which was incorporated in 1994. SAMC is a HUD-approved, licensed California real estate broker that serves exclusively as a property management agent.

SCOPE OF SERVICES

a. Project Description

Walnut Terrace will be a 30-unit senior rental housing development offering twenty-four 1-bedroom units, and six 2-bedroom units. The complex will also feature a community building that will be available for resident-initiated activities as well as programs offered by CHOC's Resident Services Program and area senior service agencies. Walnut Terrace has received all of its discretionary approvals from the Planning Commission. Construction is scheduled to start in June 2002 with project completion by April 2003.

Rental Assistance Program - CHOC will continue to administer this program which provides assistance to bridge the gap between 40% of a recipient's monthly income and the full fair market rent for an appropriately-sized unit. Eligibility is restricted to households below 35% of median income. Payments are made directly to landlords. CHOC's staff perform the following functions: screening program applicants, determining applicant eligibility, inspecting the proposed rental units to be sure they meet basic health and safety standards, entering into rent assistance contracts with the landlord and the tenant, managing the monthly rent payment and accounting functions, and providing individualized support to program beneficiaries.

As part of our Resident Services Program, CHOC employs Master of Social Work interns as Resident Services Coordinators. A Resident Services Coordinator is assigned to provide individualized case management support for Rental Assistance. Our CDBG request to fund staff costs for this program is equal to \$501 per beneficiary.

b. Target Group

PROJECT/ACTIVITY	# HOUSEHOLDS	INCOME LEVEL
Walnut Terrace	15	45%
	15	50%
Rental Assistance	5	35%
Total	35	

c. Outreach

Rental Housing - CHOC's primary marketing is through our own marketing office. Walk-in traffic and referrals from current tenants generate 20% - 30% of our eligible applicants. We also run regular display ads in the Enterprise, which typically generate 50% of our rental inquiries. Ongoing outreach also includes local social service agencies. Qualified applicants are kept on our waiting lists until appropriate units become available. This gives us a constant current pool of eligible rental applicants - especially very low-income households. At this time we have 780 active applicants on our rental waiting list, including 85 seniors. Once construction begins our marketing and outreach efforts are expanded to include on-site marketing and project-specific advertising through the Enterprise, social service agencies, community organizations, DCTV and other media.

Rental Assistance - CHOC will continue to target its marketing and outreach efforts for the Rental Assistance Program through the following channels:

- Enlisting the support of area landlords and property management companies
- Owners/managers of rental properties with on-site affordable units
- Collaboration with local social service agencies
- Informational flyers distributed through City offices and CHOC's marketing office
- Yolo County Social Services Department

**2002-03 CDBG
WORK PLAN**

PROJECT	PRODUCT	UNITS/ BENEFICIARIES	SCOPE OF SERVICE: JULY 02 – JUNE 03
WALNUT TERRACE	Senior Rental Housing	45	Construction period project management; marketing; lease-up and 100% occupancy by 5/03
HOUSING RESOURCES	Rental Assistance	5	Ongoing operation of rental assistance program

COMMUNITY HOUSING OPPORTUNITIES CORPORATION

2002-2003 CDBG

CHOC - CDBG
BUDGET SUMMARY

	<u>TOTAL</u>	<u>Walnut Terrace</u>	<u>Rental Assistance</u>
Salaries	\$76,407	\$74,617	\$1,790
Overhead	\$45,486	\$44,770	\$716
Arch/Engineer	\$72,000	\$72,000	
Insurance	\$7,500	\$7,500	
Reports/Permits/Fees	\$183,600	\$183,600	
Marketing/Rent-up	\$30,000	\$30,000	
Total	\$414,993	\$412,487	\$2,506