

2002-2003 CDBG/HOME Applicant Questions & Responses

Name of Organization: Davis Mutual Housing Association

1. Please submit a list of the current DMHA Board of Directors.

The current board roster is attached.

2. It seems unlikely that the Wildhorse and El Macero projects will be funded in this cycle of the Multi Family Housing Program. What is the basis for proceeding with predevelopment?

When the city awarded the two sites to DMHA in December 2001, we immediately began the process of securing a \$75,000 predevelopment loan from the State Department of Housing and Community Development (HCD) for each of the sites, which we obtained in January 2002. Then in February, we obtained an additional \$75,000 predevelopment loan for each of the two sites from the Low-Income Housing Fund (LIHF). Therefore, thus far we have raised \$300,000 from non-city funding sources to pay for predevelopment expenses for the two sites. We are currently spending these funds to pay for predevelopment activities.

We are also working to obtain an additional \$250,000 in predevelopment funding for each of the two sites from the California Housing Finance Agency (CHFA), which we expect to have committed in the next sixty days. A significant portion of these funds will be used to pay CHFA's loan commitment fees.

These funds (\$400,000 for each site) are being used to pay for the initial costs of obtaining zoning/design review approval, production of the architectural construction documents needed for building permit issuance, and for securing financing commitments. In order to proceed down this path, DMHA must enter into professional service contracts (architects, engineers, development consultant, legal fees), pay city processing fees and pay lender commitment fees. In addition, we have city and county fees due periodically as owner of the sites, and must cover our overhead costs (copying, postage, telephone, office supplies, etc.) associated with this process.

These predevelopment loan funds are all due to be paid from construction financing sources, if the projects succeed; otherwise the loans are forgiven.

Getting zoning and design review approvals completed this spring will add a level of certainty for the neighborhood homeowners surrounding our project sites. Once neighbors know the actual design details of the two projects, much of the natural fear of what might end up being built on the sites will dissipate. If any homeowners need to sell their homes, they will be able to show a specific design for our projects to potential buyers of their nearby homes, which also makes it easier to allay a potential buyer's worst fears. As a good neighbor, we want to bring as much certainty as soon as possible, while of course allowing ample time for neighborhood input, which we are currently in the process of doing.

Also having zoning and design review approvals in place improves the projects' ranking in competitive funding processes. Recently, we learned definitively that neither of the projects would receive a commitment of funding from the current round of Multi-family Housing Program (MHP) funding, to which we had applied in January. In the MHP process, there was approximately \$46 million awarded to 16 projects from

throughout the state (originally there had been \$70 million, before the Governor seized \$24 million to help balance the budget). Our two projects were ranked 27th and 29th out of 53 that applied for funding. In order to have been funded, our applications would have needed 125 points out of the 140 possible. We received 117.5.

If our projects had already completed the process of obtaining city zoning and design review approvals by the 1/9/02 MHP application deadline, then they would have each scored 5 more points. Also we only received 4 points out of 20 possible for developer experience, because we have only completed one other project (Twin Pines) within the past 5 years; after Owendale is completed this next fall, we will be eligible for an additional 4 points in this category. If DMHA projects had received these additional 9 points in this current MHP competition, then they would have been scored at 126.5 points, in 11th and 12th position, well within the range for funding.

There is a measure on the state ballot in November 2002 to approve a general obligation bond for approximately \$2 billion to fund affordable housing programs, including approximately \$500 million for the MHP program. If the measure passes, as similar measures passed in 1988 and 1990, then funds will be available shortly thereafter. Between 1990 and 1995, CHOC had several projects funded with these bond funds, partially because they had sites that had zoning and design review approvals in place.

Also, even without MHP funds, we are working with CHFA to finance the projects with rents affordable at 50% and 60% of the area median income, instead of the 35% and 55% of median rents required in our recent MHP applications. This has always been our fall back scenario, in the event that MHP funds were not awarded. By doing this, and applying for other funding sources, including the Affordable Housing Program (AHP), we are hoping to close the gap left open by the lack of MHP funds. In order to do this, we are working to meet application deadlines to AHP, CHFA, the California Debt Limit Allocation Committee (CDLAC) and the Tax Credit Allocation Committee (TCAC), which occur in April, July and September of this year.

We would like for the Social Services Commission to allocate the amount of available 2002-03 CDBG/HOME funds to these projects that you can. These will allow us to continue to pay for predevelopment costs for these two projects (specifically architecture) that will still need to be paid after our other sources have been fully utilized. We expect to need at least an additional \$300,000 to continue predevelopment activities that will complete the architectural drawings sufficiently to apply for city plan check review, which we would like to accomplish by the end of 2002.

3. Will the operating subsidy continue to be necessary until both the Wildhorse and El Macero projects are built?

Yes. However, after the Wildhorse and El Macero sites are built we anticipate that we will no longer need the operating subsidy because we will have sufficient income from the projects and developer fees combined.

4. Can the operating budget for the Twin Pines and Owendale projects cover the remainder of the Administrative costs of DMHA during 02/03?

From the operating budget at Twin Pines DMHA will receive \$12,324. This will cover approximately 20% of our operating costs. We hope to receive \$32,350 in HOME funding for the CHDO Operating set aside. We plan on taking the remaining \$27,326 from our developer fees and income from Owendale after it opens in the fall.

5. For each site, please describe the number of units of each type (1br, 2br, 3br) that are fully accessible to people with disabilities.

Please see the attached memo from Katherine Hess outlining the Council subcommittee's approval of accessible units at both Wildhorse and El Macero. In addition, 16 one-bedroom units at Wildhorse and 5 one-bedroom units at El Macero are fully accessible ground floor units.

6. How many 2 and 3 bedroom units will be one-story units at each site?

Wildhorse

- 1 three-bedroom unit done as a ground floor unit and fully wheelchair accessible and handicapped equipped
- 1 three-bedroom unit with one ground floor bedroom and entire ground floor modifiable.
- Many three bedroom units at Wildhorse will have one bedroom downstairs
- Almost all 16 one bedroom units are ground floor units

El Macero Estates II

- 1 two-bedroom unit on the ground floor and fully wheelchair accessible
- 5 one bedroom units are ground floor units

7. What are DMHA's policies/practices for ensuring that people with disabilities have priority for accessible units?

We do not have a specific policy that would give priority on the waiting list to people with disabilities. However, all ground floor units can and would be modified to meet the accessibility needs of people with disabilities if they were to move in.

Davis Mutual Housing Association
Board of Directors Roster as of January 24, 2002

President/ Community Member

Terence Lott, member since October 1995. Terence is co-owner of Newsbeat, and a resident of Old East Davis.

Community Member

Dawn Daro, member since October 1995. Dawn is a realtor at Coldwell Banker, past Vice President of Community Housing Opportunities Corporation Board of Directors and a Mediator with Community Mediation Service of Yolo County. She is a resident of East Davis.

Community Member

Sheilah Johnson, member since August 1996. She is also a Board Member for the Alliance for the Mentally Ill. She has retired as Director of Data Processing, for the Chancellor's Office of the California State Universities and Colleges of California. She is a resident of South Davis.

Community Member

Lewis Santer, member since November 1997. Lewis owns and runs Santer Guitars. He is the former Information Unit Manager of the California Association with Family Farmers. He is a resident of Central Davis.

Treasurer/Community Member

Lucas Frerichs, member since May 2000. Lucas is a Board Member of Davis Food Co-op and a store employee. He is also an undergraduate student in Political Science at UCD. He is a resident of Old East Davis.

Secretary/Resident Member

Audrey Lippman, member since May 2000. Audrey has retired as Education Director of the Twin Pines Cooperative in Santa Clara. She is a resident of Twin Pines.

Resident Member

Sarah Ries, member since May 2000. Sarah operates a small daycare out of her home. She is a resident of Twin Pines.

Community Member

Ed Salas, member since June 2000. Ed is an undergraduate Student in Community Development at UCD. He is a resident of Central Davis.

Community Member

Keith Prior, member since June 2001. Keith is an Analyst for the California Center for Community-School Partnerships at UCD. He is a resident of Central Davis.

Memorandum

January 6, 2002

TO: Interested Parties
FROM: Katherine Hess, Planning and Redevelopment Administrator
SUBJECT: Accessible Units, Wildhorse and El Macero Estates II DMHA Projects

The subcommittee of Mayor Pro Tem Susie Boyd and Councilmember Sheryl Freeman met on December 17 to determine the appropriate level of accessibility for the affordable housing developments on the Wildhorse and El Macero Estates II land dedication sites. The conclusion of the subcommittee is as follows:

Wildhorse

- Entire site and all common areas fully wheelchair accessible
- 2 one-bedroom ground floor units fully wheelchair accessible and handicapped equipped
- 1 three-bedroom unit done as a ground floor unit and fully wheelchair accessible and handicapped equipped
- 1 three-bedroom unit with one ground floor bedroom and entire ground floor modifiable.
- All ground-floor portions of all units will have wheelchair accessible entry and ground-floor bathroom doors and grab bar backing within the bathroom.
- DMHA will attempt to provide wheelchair navigable ground floors throughout the complex.

El Macero Estates II

- Entire site and all common areas fully wheelchair accessible
- 2 one-bedroom units fully wheelchair accessible
- 1 two-bedroom unit on the ground floor and fully wheelchair accessible
- All ground-floor portions of all units will have wheelchair accessible entry and ground-floor bathroom doors and grab bar backing within the bathroom.
- DMHA will attempt to provide wheelchair navigable ground floors throughout the complex.