

CITY OF DAVIS
2003-2004 HOME INVESTMENT PARTNERSHIPS PROGRAM APPLICATION

Organization Name: Davis Mutual Housing Association

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Phone Number: 530-297-1032 _____

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Contact: Hanan Bowman Address: Same Phone: Same

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

Total Proposal Request: \$ 23,315

Is the applicant claiming status as a Non-Profit Community Housing Development Organization (CHDO)?

XXX Yes _____ No

HOME Eligible Activities Category: Rental Housing Development
(See List A)

National Objective Compliance/Low and Mod Benefit: 50%, 60%
(See List B)

City Council Identified Critical Needs: (See List C)

- 1) Development of Affordable Housing Units
- 2) Housing for Very-low Income Residents
- 3) Housing for Disabled Residents

Beneficiary Information:

285 Total number of beneficiaries in proposed project

285 Total number of beneficiaries in proposed project served with HOME funds

100% Percentage of the HOME beneficiaries with low, low/moderate income

\$81.81 Cost per HOME beneficiary (HOME Request/HOME Beneficiaries)

PROJECT NARRATIVE (You may adjust the spacing as necessary, however the body of the application may not

exceed four (4) pages, excluding the timeline and budget.)

- a. **Need** Document the need for the project. If the project has been funded before, what have been the primary accomplishments?

Davis Mutual Housing Association (DMHA) is developing its third (Tremont Green at El Macero) and fourth (Moore Village at Wildhorse) affordable housing projects. The development of 36 apartments at Tremont Green and 59 apartments at Moore Village will assist with the pressing demand in Davis to increase the availability of affordable housing stock. Davis currently has less than a one percent vacancy rate for rental apartments, including market rate apartments. For those needing affordable apartments, including those with Section 8 vouchers from Yolo County Housing Authority, the apartment availability list is even shorter. Local businesses depend upon employees who are able to work varying hours and who are dependable. When employees live in Davis, not needing to commute long distances, employers see a reduction in employee absence or tardiness. Locally housed employees are more connected to the community and see their work as a more long term possibility.

Davis Mutual Housing Association has received HOME/CHDO and CDBG funds in connection with the development of its first two mutual, affordable housing projects: Twin Pines (36 apartments) and Owendale (45 apartments). Each project has been placed into service with full occupancy, serving the affordable housing needs of local employees and their families. Davis Mutual Housing Association has managed each project and operating grant appropriately, completing all fiscal reporting in a timely manner.

- b. **Benefit** Discuss how the project will provide benefits to very-low, and low-income persons. How does the proposed project respond to the critical needs listed in Section 8?

Tremont Green and Moore Village apartments will be affordable to families earning from 50% to 60% of median income figures for Yolo County as determined by Housing and Urban Development (HUD). In reference to the Critical Needs list in the application’s Section 8:

Critical Need	DMHA Programmatic Response
<u>Non-Public Service: Housing</u>	
Development of affordable units. Target very low-income, physically, mentally and developmentally disable and elderly residents	100% of DMHA apartments are affordable to families earning from 50% to 60% of Yolo County median income (low to very low income). Additionally, at least five percent (5%) of all apartments are handicapped accessible. All first floor apartments are handicapped adaptable. DMHA serves physically disabled residents (one of whom serves on DMHA’s Board of Directors). DMHA develops one bedroom apartments that are suitable and attractive for senior or elderly residents. We find that seniors enjoy living in a mixed age environment, especially when parents supervise and control their children appropriately.
Transition of adults from homelessness to permanent housing	DMHA works with Davis Community Meals to provide homeless families currently in transitional housing with permanent homes. As Davis Community Meals clients successfully complete their case management plan, DMHA will certainly be open to offering these families a permanent rental lease as our vacancy rates allow.
<u>Indicators of Highly</u>	

Rated Preference	
Clients are very-low and low income	As noted above, Tremont Green and Moore Village will serve families earning from 50% to 60% of Yolo County median income.
Organization leverages a high level of funds from community and other private sources	DMHA’s affordable housing development program requires the leveraging of state and federal development subsidy funds, including the federal and state low income housing tax credits and the private grant or loan funds of the Federal Home Loan Bank of San Francisco. DMHA also seeks grants from private foundations to assist with a high quality of life (e.g., computers from the Beaumont Foundation for ESL and basic adult education classes).
Low “cost-per-beneficiary”	As a non-profit organization, DMHA strives to keep operating costs as low as possible so that residents can receive the highest service for the lowest rents possible. Our annual rental increases (if they occur at all) are less than 4% on average. Additionally, our apartment rent structure within each income category is less than the maximum rent for that category. We set rents at what the budget requires keeping expenses as low as possible. On the operational level, DMHA’s budget reflects our concern for keeping costs as low as possible.
New programs / new initiatives	DMHA is constantly seeking new ways to serve our client base. We are the only non-profit affordable housing provider that offers residents an interest bearing savings plan that represents their share in the mutual housing association. DMHA works with the IRS to provide a VITA (volunteer income tax assistant) to educate residents about the Earned Income Credit. This is a new initiative in Davis not available from any other organization.
Collaboration	DMHA remains in close contact with Community Housing Opportunities Corp (CHOC). For example, we are collaborating with CHOC to provide ESL and basic adult education classes for CHOC’s residents in South Davis. CHOC is supporting DMHA’s application to the Beaumont Foundation for Toshiba computers to assist with the ESL and basic education classes. DMHA also collaborates with Davis Community Meals by providing affordable housing opportunities for that organization’s clients. Davis Community Meals, in return, offers on-site classes in parenting skills, anger management, fiscal management, etc.

- c. **Other Resources and Collaboration** Discuss the project’s resources by identifying other potential or actual sources of funds.

The development of affordable housing typically requires accessing a range of federal, state, and local public funds, leveraged with private sources. On the federal level (administered by state and local authorities) these sources of funds are: HUD (HOME, CDBG), IRS (LIHTC/4% and 9% tax credits). On the local level, access to housing trust fund and urban renewal funds are crucial to the project’s success. Private funding sources include the Federal Home Loan Bank of San Francisco and private foundations.

- d. **Organizational Capacity** Summarize the organization's background/programmatic capacity. Does your organization or proposed project fill a unique niche among clients who are not currently served, or

are under-served? Attach a list of the Board of Directors.

DMHA was incorporated on October 12, 1995. Since that time, the organization has developed two mutual/cooperative affordable housing complexes (Twin Pines and Owendale). Twin Pines was placed into service in December 1998. Thirty-four percent (34%) of the original occupants still reside at Twin Pines. Owendale will be in service in March 2003. DMHA's executive director, Hanan Bowman, has fifteen (15) years of affordable housing development experience (Pennsylvania, Oregon, and California).

The affordable housing that DMHA develops is of course based on the mutual housing model. This is a unique program in Davis that offers residents opportunities to play direct and key roles in the decisions that affect their quality of life and financial stability. For example, residents review and approve the community's operating budget. Residents understand the importance of their five volunteer hours each month that help to reduce the operating costs of the complex. The Resident Council is the venue for residents to decide such issues as landscape improvements, play structure, community newsletter, etc.

DMHA's Board of Directors consists of two Twin Pines Community residents and four residents from Davis at large. As the programmatic year continues, Owendale residents will send a representative to join the DMHA Board of Directors. Such will also be the case when additional DMHA projects come on line. As a mutual housing association, unique in Davis, DMHA's annual meeting (in June) is an opportunity for residents to review the organization's programmatic and operational budgets, make changes in the Bylaws, and elect new board members. Residents of DMHA communities therefore play key roles in the organizational workings of this non-profit corporation. (Please find attached the list of DMHA Board of Directors).

SCOPE OF SERVICES

- a. **Project Description** Describe the proposed service/activity/project to be carried out with the funds requested. If the proposed project is ongoing, specify why the funds are needed to serve low- and moderate-income persons. Discuss the cost-per-beneficiary in relation to private and other organizations delivering similar services. Please note what proportion of the proposed budget will support direct services to homeless people.

Davis Mutual Housing Association is developing two multifamily rental complexes: Tremont Green at El Macero, a 36-unit multifamily affordable housing complex that will be the third mutual community that DMHA has placed into service in Davis since 1998. The fourth project is called Moore Village at Wildhorse, a 59 unit complex. The HOME/CHDO operating grant will allow DMHA to complete its 2003 – 2004 operational budget, covering staff salary and benefits. DMHA's staff person is directly involved in the development of Tremont Green and Moore Village. Until full development fees are available from these two projects, DMHA requests HOME/CHDO operating support to cover the gap in the 2003 – 2004 operational budget.

As a non-profit corporation developing affordable housing, and as a mutual housing association, DMHA strives to create the lowest rent structure possible within the project's development finances. In order to be competitive with other non-profit housing providers seeking federal and state affordable housing development funding, DMHA must offer rents that range from 35% to 60% of Yolo County median income. The cost-per-beneficiary is therefore as low as the project budget will allow. Recent market studies of DMHA's previous projects demonstrate that our rental structure is at least 50% of market rates for comparable apartments in the Davis area.

In the development of its second mutual community, Owendale, DMHA set aside seven (7) apartments for clients of Davis Community Meals. In the development of Tremont Green and Moore Village, we anticipate a similar outreach to our social service colleagues responding to the problem of homelessness in Yolo County.

- b. **Target Group** Quantify the number of low- and moderate-income persons/households to be assisted per service/activity/project.

In the development of **Tremont Green at El Macero**, 35 very-low and low income families will be offered new, clean, safe, affordable housing. (The complex has 36 units, but one unit is set aside for the onsite manager). The following table shows the likely number of very low and low income persons to be assisted by this project:

Number of bedrooms	Number of Apartments	Estimated number of residents
One bedroom	10	15
Two bedroom	10	30
Three bedroom	15	75
Total persons served (<i>est.</i>)		120

Likewise, the **Moore Village at Wildhorse** project will offer 58 (with one apartment set aside for the resident manager) apartments for very low and low income families living and working in Davis:

Number of bedrooms	Number of Apartments	Estimated number of residents
One bedroom	17	25
Two bedroom	17	51
Three bedroom	24	120
Total persons served (<i>est.</i>)		196

- c. **Outreach** Discuss outreach efforts for the proposed service/activity/project.

DMHA places a strong emphasis on networking with other social service agencies to ensure that very low and low income persons will know about and have access to the rental applications for Tremont Green at El Macero and Moore Village at Wildhorse. Further, DMHA markets the apartments in the print and broadcast media that serves the greater Davis area. These materials are available in both English and Spanish. When the leasing process begins, DMHA will inform all social service agencies at the same time to ensure that all clients of these agencies have equal access to the prioritized rental application list.

TIMELINE

Work Plan (Identify activities and completion dates)

<u>List Activity</u>	<u>Completion Date</u>
<u>Administration</u>	
Administrative Activities that support the development Of Tremont Green at El Macero	07/01/03 - 06/30/04
Board & Staff Training	07/01/03 – 06/03/04
<u>Project-related Activities (Tremont Green at El Macero)</u>	
Plans submitted to city for plan check and building permit	Jan 03 – April 03
Confirm limited partner and begin process of forming limited partnership	Feb 03 – April 03
Confirm term financing (mortgage)	March 03
Arrange construction financing, including application for federal tax credit bond financing (April 03)	March 03 – April 03
Construction financing finalized, including formation of limited partnership (use of low income housing tax credit/bond financing)	May 03
Building permit issued	May 03
Construction bidding process for general contractor	May 03 – June 03
Construction start	July 03
Construction completion	Sept 04
Resident occupancy	Oct 04
<u>Project-related Activities (Moore Village at Wildhorse)</u>	
Arrange construction financing	June 03 – Nov 03
Final PD & Design Review at Planning Commission	March 18 , 2003
Architect begins construction drawings	June 03
Construction drawings submitted to city/Plan Check	Sept 03
Loan closing process for construction financing	Sept 03 – Jan 04
Building permit issued	Jan 04
Construction bidding process for general contractor	Jan 04 – Feb 04
Construction start	Feb 04
Construction completion	April 05
Resident occupancy	May 05

**CITY OF DAVIS
 HOME INVESTMENT PARTNERSHIPS PROGRAM**

BUDGET SUMMARY FOR PROPOSED PROJECT*
HOME/CHDO Operating Support

Budget Category	Proposed Project	Other Sources	Total
A. Salaries and Wages	23,315	95,545	118,860
B. Fringe Benefits			
C. Consultant/Contract Services			
TOTAL PERSONNEL BUDGET			
D. Office Rent			
E. Utilities			
F. Telephone			
G. Office Supplies			
H. Equipment			
I. Printing/Duplication			
J. Travel/Conferences			
K. Other (Specify)			
TOTAL NON-PERSONNEL BUDGET			
TOTAL PROJECT BUDGET	23,315	95,545	118,860

* Please revise this form and annotate budget items as needed

NEW REQUIREMENTS: All applicants are requested to submit a copy of their 2002-2003 total Operating Budget and a copy of their proposed 2003-2004 Operating Budget.

HOME ELIGIBILITY LISTS

List A:

From the following list, please choose the “**HOME Eligible Activities Category**” for the proposed project and enter the eligible category on Page 1 of the Application. See Section 9 - Eligible Activities for a more detailed description.

“HOME Eligible Activity Categories”

- _____ Home Buyer Program
- _____ Owner Occupied Property Rehabilitation
- XXXX** Rental Housing Development
- _____ Tenant-Based Rental Housing

List B:

From the following list, please choose the “**National Objective Compliance/Low-Mod Income Benefit**” description for the proposed project. Since some of the projects have more than one income level, choose as many categories as necessary. Enter the income categories on Page 1 of the Application. See Section 9 - for a more detailed description.

“National Objective Compliance/Low-Mod Benefit”

- _____ 35% of Median Income
- XXXX** 50% of Median Income
- XXXX** 60% of Median Income
- _____ 80% of Median Income

List C:

From the following list, please choose up to three “**City Council Identified Critical Needs**” description(s) for the proposed project. Enter these Critical Needs on Page 1 of the Application.

- | | |
|------------|---|
| <u>XXX</u> | Development of Affordable Housing Units |
| <u>XXX</u> | Housing for Very-low Income Residents |
| <u>XXX</u> | Housing for Disabled Residents |
| _____ | Removal of Architectural Barriers |
| <u>XXX</u> | Housing for Homeless Individuals and Families |