

CITY OF DAVIS
2003-2004 COMMUNITY DEVELOPMENT BLOCK GRANT APPLICATION and
2003-2003 HOME INVESTMENT PARTNERSHIPS PROGRAM APPLICATION

Moore Village at Wildhorse

Organization Name: _____

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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: \$ 3,300,000

(Check one) _____ On-going Support **XXX** 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 Housing Units
- 2) Housing for Very-low Income Residents
- 3) Housing for Disabled Residents

PUBLIC SERVICE _____ NON-PUBLIC SERVICE **XXX** _____

Beneficiary Information:

177 Total number of beneficiaries in program
177 Total number of beneficiaries in program served with CDBG funds
100% Percentage of the CDBG beneficiaries with low/moderate income
\$18,644.07 Cost per CDBG beneficiary (CDBG Request/CDBG Beneficiaries)

PROJECT NARRATIVE

a. Need

Davis Mutual Housing Association (DMHA) is developing its fourth affordable housing project, named Moore Village at Wildhorse. With the ever increasing need for affordable rental housing in Davis, the development of 59 apartments at Moore Village will assist with the reduction in rental housing demand. 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. Employees are more connected to the community and see their work as a more long term possibility.

The development funding of Moore Village at Wildhorse requires the combination of public and private sources:

- ❑ Low Income Housing Tax Credit / Bond (4%)
- ❑ City of Davis loans
- ❑ Federal Home Loan Bank of San Francisco
- ❑ Private construction lending

The development budget requires the commitment of City of Davis funding. Moore Village at Wildhorse will not happen without the availability of city loan funds.

b. Benefit

Moore Village at Wildhorse apartments will be affordable to families earning 50% and 60% of median income 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	Moore Village at Wildhorse will be affordable for families earning 50% and 60% of Yolo County median income. Additionally, at least five percent (5%) of all apartments are handicapped accessible. All first floor apartments are handicapped adaptable. 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 will work with Davis Community Meals to market Moore Village at Wildhorse for homeless families.
<u>Indicators of Highly Rated Preference</u>	

Clients are very-low and low income	As noted above, Moore Village at Wildhorse 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	The development of Moore Village at Wildhorse 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 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 HUD establishes for that category. We set rents at what the budget requires keeping expenses 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 is working 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 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

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.

d. Organizational Capacity

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 is 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 Moore Village comes 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 (Activity Summary: Describe the activities of the proposed budget)

The activities of the proposed budget conform to the real estate development process. This process includes the cost of construction, architectural and engineering services, loan fees, city planning fees, consultant fees, etc. The proposed budget will therefore directly contribute to the successful completion of the 59 unit Moore Village at Wildhorse mutual housing community.

b. Target Group

Moore Village at Wildhorse will be marketed to families earning 50% and 60% of Yolo County median income. DMHA will also focus its marketing efforts to lease the apartments to families either living in and/or working in the Davis area. The target group is therefore employees of Davis businesses. As a federal tax credit project, we are not permitted to house full time students unless there are other specific aspects of the family's financial profile. Rather, the target group are working families who will live and earn their livelihood in Davis.

c. Outreach

The marketing of Moore Village at Wildhorse, and the outreach to other social service agencies whose clients will be potential residents, will, as noted above, focus on the current employees of Davis and Davis residents. We recognize that federal Fair Housing law prevents geographic restrictions to reach prospective residents. With that said, however, our outreach to prospective clients will certainly focus on the Davis area.

TIMELINE

Work Plan (Identify activities and completion dates)

List Activity

Completion Date

<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
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**

CAPITAL PROJECT BUDGET SUMMARY*

		Total Cost	CDBG/ HOME	Other	Total
<i>ACQUISITION</i>					
	Total Land Cost or Value	539,000	-	539,000	539,000
	Legal/Broker Fees	-	-	-	-
	Off-Site Improvements	100,000	-	100,000	100,000
	Demolition	-	-	-	-
	Existing Improvements Value	-	-	-	-
	Other	-	-	-	-
	Total Acquisition Cost	639,000	-	639,000	639,000
<i>REHABILITATION</i>					
	Site Work	-	-	-	-
	Structures	-	-	-	-
	General Requirements	-	-	-	-
	Contractor Overhead	-	-	-	-
	Contractor Profit	-	-	-	-
	Other	-	-	-	-
	Other	-	-	-	-
	Total Rehab. Costs	-	-	-	-
<i>NEW CONSTRUCTION</i>					
	Site Work	996,993	-	996,993	996,993
	Structures	4,125,353	3,300,000	825,353	4,125,353
	General Requirements	281,729	-	281,729	281,729
	Contractor Overhead & Profit	135,101	-	135,101	135,101

	Contractor Profit	135,102	-	135,102	135,102
	Furnishings	15,000	-	15,000	15,000
	Insurance & Bonds	86,000	-	86,000	86,000
	other	-	-	-	-
	Total New Const. Costs	5,775,278	-	5,775,278	5,775,278
<i>ARCHITECTURAL FEES</i>				-	-
	Design	280,000	-	280,000	280,000
	Supervision	30,000	-	30,000	30,000
	Total Architectural Costs	310,000	-	310,000	310,000
				-	-
	SURVEY & ENGINEERING	6,000	-	6,000	6,000
				-	-
<i>CONST. INTEREST & FEES</i>				-	-
	Const. Loan Interest	198,750	-	198,750	198,750
	Construction Loan Fee	53,000	-	53,000	53,000
	Predevelopment Loan Interest	22,375	-	22,375	22,375
	Other	-	-	-	-
	Taxes	18,000	-	18,000	18,000
	Other	-	-	-	-
	Title and Recording	19,000	-	19,000	19,000
	Construction Inspection Fees	22,500	-	22,500	22,500
	Legal	10,000	-	10,000	10,000
	Total Const. Interest & Fees	343,625	-	343,625	343,625
<i>PERMANENT FINANCING</i>				-	-
	Commitment Fee	48,950	-	48,950	48,950
	Finance Fee	14,750	-	14,750	14,750

	Application Fee	500	-	500	500
	Title and Recording	8,700	-	8,700	8,700
	FHA Risk Share Review Fee	10,000	-	10,000	10,000
	Legal	5,000	-	5,000	5,000
	CHFA Bridge Loan Interest	117,463	-	117,463	117,463
				-	-
	Risk-Share Environmental Reviews	-	-	-	-
	Other	-	-	-	-
	Total Perm. Financing Costs	205,363	-	205,363	205,363
<i>LEGAL FEES</i>				-	-
	Borrower Legal Fee	65,000	-	65,000	65,000
	Other	-	-	-	-
	Other	-	-	-	-
	Total Attorney Costs	65,000	-	65,000	65,000
				-	-
<i>RESERVES</i>				-	-
	Rent up reserve	72,511	-	72,511	72,511
	Marketing reserve	48,038	-	48,038	48,038
	Operating Expense reserve	48,038	-	48,038	48,038
	LOC Expenses	10,000	-	10,000	10,000
	Other	-	-	-	-
	Total Reserve Costs	178,587	-	178,587	178,587
<i>CONTRACT COSTS</i>				-	-
	Appraisal	8,500	-	8,500	8,500
	Market Study	4,500	-	4,500	4,500
	PNA	-	-	-	-
	Total Contract Costs				

		13,000	-	13,000	13,000
<i>CONTINGENCY</i>				-	-
	Hard Cost Contingency	288,764	-	288,764	288,764
	Soft Cost Contingency	60,869	-	60,869	60,869
	Total Contingency Costs	349,633	-	349,633	349,633
				-	-
<i>OTHER</i>				-	-
	TCAC App/Alloc/Monitor Fees	37,500	-	37,500	37,500
	Environmental Audit	9,000	-	9,000	9,000
	Permit Processing Fees	220,000	-	220,000	220,000
	Local Dev. Impact Fees	660,000	-	660,000	660,000
	Soils Report	5,000	-	5,000	5,000
		-		-	-
	Post Construction Audit	9,000	-	9,000	9,000
	Other	-	-	-	-
	Total Other Costs	940,500	-	940,500	940,500
				-	-
	PROJECT COSTS	8,825,986	3,300,000	5,525,986	8,825,986
			-	-	-
<i>DEVELOPER COSTS</i>					
	Developer Overhead/Profit	262,500	-	262,500	262,500
	Consultant	305,000	-	305,000	305,000
	Project Administration	-	-	-	-
	Consultant/Processing Agent	-	-	-	-
	Total Developer Costs	567,500	-	567,500	567,500
	TOTAL PROJECT COST	9,393,486	3,300,000	6,093,486	9,393,486

*** Please revise this form and annotate budget items as needed**