

CITY OF DAVIS

2009-2010 HOME INVESTMENT PARTNERSHIPS PROGRAM APPLICATION /RDA

Organization Name: Community Housing Opportunities Corporation

Street Address: 1490 Drew Ave. Suite 160 Davis, CA 95618

Mailing Address: Same

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Phone Number: 530-757-4444 x104

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Contact: Stephanie Browning Address: CHOC address Phone: 530-757-4444x104
(Be sure to list the best contact to get information to the organization as quickly as possible.)

Total Proposal Request: 2,000,000

Is the applicant claiming status as a Non-Profit Community Housing Development Organization (CHDO)? (Applicants will be required to provide qualifying documentation)

Yes No

HOME/RDA Eligible Activities Category: Home Buyer Program
(See List A)

National Objective Compliance/Low and Mod Benefit: 80% AMI
(See List B)

City Council Identified Critical Needs: (See List C)

- 1) Development of affordable homes
- 2) _____
- 3) _____

Beneficiary Information:

- 29 Total number of beneficiaries in proposed project
- 21 Number of beneficiaries in proposed project to be served with HOME/RDA funds
- 72% Percentage of the HOME beneficiaries with low, low/moderate income
- _____ Cost (\$) per HOME beneficiary (HOME Request/HOME Beneficiaries)

PROJECT NARRATIVE

a. Need

CHOC is developing Mace Parke in response to the high demand for housing affordable to those who live and work in the City of Davis. The median single-family home price in Davis is \$539,500. For condominium units, the median sales price is \$341,500. In order to afford homes of these prices, a family's income must exceed \$100,000. Furthermore, in order to afford a \$550,000 home, the minimum annual household income required approaches \$175,000. (Housing Element Update prepared by Bay Area Economics Sept. 2007).

With the AMI in Yolo County being \$71,000 and the housing market in Davis requiring an income exceeding \$100,000, many people who rent and work in Davis are unable to achieve their dream of homeownership. Additionally, 40% of the people who work in Davis are forced to commute in from outlying areas. By creating the opportunity of homeownership in Davis, CHOC is delivering the dream of homeownership while also drastically reducing commuting costs and, as importantly, the adverse affects to the environment

b. Benefit

Accessibility: Of the single-family detached residences,, 5 of the 17 are accessible and the rest are designed as visit-able.

Of the 12 condominiums above the office space, 100% are accessible. Of the 29 homes proposed, 21 will be offered at 80% AMI with the remaining 8 offered at 120% AMI.

c. Other Resources and Collaboration

Funding will come from a variety of sources including HCD CalHome (\$1,260,000 granted in Sept. 08), CalHFA, private lenders and purchaser mortgages.

d. Organizational Capacity

Since 1984 CHOC had produced over 1,360 units of affordable housing. In Davis alone, CHOC developed 515 of the 1,800 affordable housing units that were built in the City.

CHOC is proud to have developed housing that serves a diverse population - low-income families, agricultural workers, adults with mental illness, seniors and first time home-owners. This reflects our value that, regardless of income level, access to decent affordable housing should be an entitlement.

CHOC has sponsored more than \$75 million of affordable rental housing development in Yolo, Sacramento, Solano and Butte Counties. Our rental housing provides homes to more than approximately **4000 adults and children**. Our single family housing developments have paved the way to homeownership (including through an **I.D.A. program**) and the benefits of asset appreciation for **95 families**. Thirty new Mobile Homes, 29 home ownership units and 86 multi-family units are in our development pipeline in Yolo and Sacramento Counties.

Our homeownership programs include development and construction of new homes as well as assisting local communities in implementing down-payment assistance and first-time home-buyer programs.

SCOPE OF SERVICES

a. Project Description (Activity Summary: Describe the activities of the proposed budget)

The development includes twenty-nine (29) residential for-sale homes (seventeen (17), two-story, single-family, (6 – 2 bed/ 6 – 3 bed/5 – 4bed) detached homes) and (twelve (12), for-sale units (8 - 1 bed/ 4 – 2 bed mix) with elevator access and stacked above 9,764 sf office space. There will be 44 surface parking spaces to accommodate the mixed-use buildings needs. Each single-family home will have a garage with 2 tandem spaces. Of the single-family detached residences, 5 of the 17 units are accessible and the rest are designed as visit-able. Of the 12 units stacked above the office space, 100% are accessible.

It is intended that the Project will operate as a community land trust (CLT), which is an ownership structure whereby a non-profit or governmental entity, is formed to hold title as a trust on the land that all of the units are built on and each of the homes (buildings only) are then sold to qualified buyer households. The owner of each unit holds an undivided land lease interest with the trust organization for the property underneath his/her unit, typically with a lease extending as many as ninety-nine years. The ground lease provides a mechanism for oversight of the resale conditions of the units; the trust will be made aware of unit transfers, will be an added enforcement of the owner-occupancy and resale requirements, and provide assistance if any owner should go into default on his/her property.

The residential units achieve affordability due to the fact that only the buildings are sold to the households. The land is not conveyed although the ground lease secures the leasehold interest for the buyers. CHOC is working on template documents for review with the Redevelopment Agency for approval. We anticipate that some form of a master ground lease will incorporate assessments and equitably shared with the residents and office users to pay the costs of the common areas maintenance.

Eligibility for households shall be based on 80% AMI for 21 of the homes and 120% AMI for the remaining 8. The units will be sold using the City's adopted incentive system, providing highest priorities to households that include a member of the local workforce.

b. Target Group

Sales prices for 21 of the homes will serve lower income families and the remaining 8 will serve moderate income families.

c. Outreach

CHOC shall market the homes to prospective buyers through advertisements, signs, newspaper articles and targeted outreach activities, all subject to the City of Davis' review and approval. CHOC shall implement the approved Affirmative Fair Marketing plan as determined by the City Council and adopted in the City's Buyer Selection Guidelines. CHOC shall continue to maintain a waiting list of prospective, eligible buyers of which priority shall be established by a lottery conducted by CHOC and subject to the City's review. CHOC shall also perform outreach to local real estate agents, mortgage brokers, and lenders. Highest priority will be given to households that include a member of the local workforce.

PERFORMANCE SCHEDULE

(Prepare a Work Plan for implementation/completion of the services and activities identified in the Scope of Services.)

Work Plan (Identify activities and completion dates)

<u>List Activity</u>	<u>Completion Date</u>
Planning Commission Approval	Completed
Apply for building permits	June 2009
Set up Community Land Trust	July 2009
Site construction start	November 2009
Homes for sale	June 2011

PERFORMANCE MEASUREMENTS

ACTIVITY <small>(What the program does to fulfill its mission)</small>	INDICATOR <small>(The direct products of program activities) Service #s</small>	OUTCOME <small>(Benefits that result from the program)</small>
Construction of 21 single-family residences and 17 condos serving low and moderate income Davis families.	Complete 29 for-sale homes for low and moderate Davis families.	Increased number of "affordable" for-sale homes. First 4-bedroom affordable for-sale homes in Davis. Improved quality of life for Davis families and workforce.
Down payment assistance for low and moderate income homebuyers.	Lower mortgage amounts for all qualifying purchasers.	Increased homeownership opportunities for low and moderate income Davis families/residents.

**CITY OF DAVIS
HOME INVESTMENT PARTNERSHIPS PROGRAM/RDA**

BUDGET SUMMARY FOR PROPOSED CAPITAL PROJECT*

<i>Budget Category</i>	Proposed Project	Other Sources	Total
Land Improvements		\$827,958	\$827,958
Land Acquisition	0	0	0
Design			
Consulting Fees	91563	358,150	449,713
Other Costs			
Construction			
Hard Costs		5,580,014	5,580,014
Contractor's Fee and OH	396,181		396,181
Ins. And Bonds	144,284		144,284
Development			
Developer Fee		782,288	782,288
Construction Management	154,146	0	154,146
City and Planning Fees	1,013,290	0	1,013,290
DRE costs	36,390	0	36,390
Financing costs		869,960	869,960
Wrap Insurance	154,146	0	154,146
HOA Set up		29,000	29,000
Marketing	10,000		10,000
Reserves		22,351	22,351
Contingency		466,468	466,468
TOTAL PROJECT BUDGET	2,000,000	8,936,189	10,936,189

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

REQUIREMENTS: All applicants are requested to submit a copy of their Operating Budget.

**CITY OF DAVIS
HOME INVESTMENT PARTNERSHIPS PROGRAM**

BUDGET SUMMARY FOR PROPOSED PROJECT*

Budget Category	Proposed Project "HOME Portion"	Other Sources	Total
A. Salaries and Wages B. Fringe Benefits C. Consultant/Contract Services	This page is not applicable.		
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			

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

REQUIREMENTS: All applicants are requested to submit a copy of their Operating Budget.

Development Costs Acquisition, Residential and Commercial Mace Ranch V Line Item	Total Units		Use		% Total		Total (SF)		CONSTRUCTION SOURCES & USES						
	Single-Family	Multi-Family	Res.	Comm.	77%	23%	32,638	9,709	2	3	1	4	1		Lien Position
									1,908,000	\$ 1,260,000	\$ 5,853,813	\$ 3,214,830	\$ 2,867,624	\$ -	\$ 15,104,267
									-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Lease #1 (sf)	2,672	Multi-Family (sf)			11,931	1,908,000	\$ 1,260,000	\$ 5,853,813	\$ 3,214,830	\$ 2,867,624	\$ -	\$ 15,104,267	
		CHOC Office (sf)	7,037	Single-Family (sf)			20,707								
	Budgeted	Cost/	Cost/	Res.	Res. GBA/	Comm.	Comm. GBA/			Const. Loan	Davis	Const. Loan	Deferred		
	Amount	Unit	SF	Specific	SF	Specific	SF	RDLP	CalHome	Res Portion	RDA	Comm Portion	Fee	Totals	
A. Site Acquisition:															
Land Dedication	-														-
Total Acquisition Cost	-														-
B. Land Improvements:															
Construction Costs	979,393	33,772	23	754,845	23.13	224,548	23.13	754,845						224,548	979,393
Contractor's Fee 5%	48,970	1,689	1	37,742	1.16	11,227	1.16	37,742						11,227	48,970
Overhead and Profit	20,567	709	0	15,852	0.49	4,716	0.49	15,852						4,716	20,567
Insurance	13,636	470	0	10,510	0.32	3,126	0.32	10,510						3,126	13,636
Bond Premium	11,688	403	0	9,008	0.28	2,680	0.28	9,008						2,680	11,688
Total Land Improvements	1,074,254	37,043	25	827,958	25.37	246,297	25.37	827,958						246,297	1,074,254
C. General Conditions:															
Soft Costs	478,436		11	368,744	11.30	109,692	11.30	368,744						109,692	478,436
Profit 5%	23,922		1	18,437	0.56	5,485	0.56	18,437						5,485	23,922
Overhead 2%	10,047		0	7,744	0.24	2,304	0.24	7,744						2,304	10,047
Insurance	6,661		0	5,134	0.16	1,527	0.16	5,134						1,527	6,661
Bond Premium	5,710		0	4,401	0.13	1,309	0.13	4,401						1,309	5,710
Total General Conditions Cost	524,776		12	404,459	12.39	120,317	12.39	404,459						120,317	524,776
D. Single-Family Costs:															
Construction	3,475,523	204,443	168	3,475,523	108.49	-	-	23,307	831,600	2,620,616					3,475,523
Contractor's Fee 5%	173,776	10,222	8	173,776	5.32	-	-	-	-	173,776					173,776
Overhead and Profit	72,986	4,293	4	72,986	2.24	-	-	-	-	72,986					72,986
Insurance	48,390	2,846	2	48,390	1.48	-	-	-	-	48,390					48,390
Bond Premium	41,477	2,440	2	41,477	1.27	-	-	-	-	41,477					41,477
Total Single-Family Costs	3,812,162	224,244	184	3,812,162	116.80			23,307	831,600	2,967,245					3,812,162
E. Multi-Family Costs:															
Construction	1,735,747	144,646	145	1,735,747	53.18	-	-	-	428,400	1,307,347					1,735,747
Contractor's Fee 5%	86,787	7,232	7	86,787	2.66	-	-	-	-	86,787					86,787
Overhead and Profit	36,451	3,038	3	36,451	1.12	-	-	-	-	36,451					36,451
Insurance	24,167	2,014	2	24,167	0.74	-	-	-	-	24,167					24,167
Bond Premium	20,715	1,726	2	20,715	0.63	-	-	-	-	20,715					20,715
Total Multi-Family Costs	1,903,867	158,656	160	1,903,867	58.33				428,400	1,475,467					1,903,867
F. Office Space - Other															
Construction	451,278	15,581	169	-	-	451,278	46.48	-	-	-				451,278	451,278
Contractor's Fee 5%	22,564	778	8	-	-	22,564	2.32	-	-	22,564				22,564	22,564
Overhead and Profit	9,477	327	4	-	-	9,477	0.98	-	-	9,477				9,477	9,477
Insurance	6,283	217	2	-	-	6,283	0.65	-	-	6,283				6,283	6,283
Bond Premium	5,386	186	2	-	-	5,386	0.55	-	-	5,386				5,386	5,386
Total Office Space - Other	494,988	17,069	185			494,988	50.98							494,988	494,988
G. Office Space - CHOC															
Construction	1,392,278		143	-	-	1,392,278	143.40	-	-	-				1,392,278	1,392,278
Contractor's Fee 5%	69,614		7	-	-	69,614	7.17	-	-	69,614				69,614	69,614
Overhead and Profit	29,238		3	-	-	29,238	3.01	-	-	29,238				29,238	29,238
Insurance	19,385		2	-	-	19,385	2.00	-	-	19,385				19,385	19,385
Bond Premium	16,616		2	-	-	16,616	1.71	-	-	16,616				16,616	16,616
Total Office Space - CHOC	1,527,130		157			1,527,130	157.29							1,527,130	1,527,130

Development Costs Acquisition, Residential and Commercial Mace Ranch V	Total Units		Use		% Total		Total (SF)		CONSTRUCTION SOURCES & USES							Lien Position
	Single-Family	17	Res.	77%	32,638			2	3	1	4	1				
	Multi-Family	12	Comm.	23%	9,709			1,908,000	\$ 1,260,000	\$ 5,853,813	\$ 3,214,830	\$ 2,867,624	\$ -	\$ -		
		Lease #1 (sf)	2,672	Multi-Family (sf)	11,931											
	CHOC Office (sf)	7,037	Single-Family (sf)	20,707												
Line Item	Budgeted	Cost/	Cost/	Res.	Res. GBA/	Comm.	Comm. GBA/									
	Amount	Unit	SF	Specific	SF	Specific	SF	RDLP	CalHome	Const. Loan	Davis	Const. Loan	Deferred			
										Res Portion	RDA	Comm Portion	Fee			
													Totals			
Total Construction Costs	9,337,167	437,012	724	6,948,435	212.89	2,388,731	246.03									
H. Other Development Costs:																
Developer Fee	1,015,000			782,288	23.97	232,712	23.97			782,288		232,712		1,015,000		
Construction Management Fee	200,000			154,146	4.72	45,854	4.72			166,000		34,000		200,000		
Contractor Pre-Construction Services	10,000			7,707	0.24	2,293	0.24	7,707		2,293				10,000		
Acoustical Consultant	27,500			21,195	0.65	6,305	0.65	21,195		6,305				27,500		
Architect - Design	50,000			38,536	1.18	11,464	1.18	38,536		11,464				50,000		
Architect - CD and Supervision	287,000			221,199	6.78	65,801	6.78	221,199		65,801				287,000		
Engineer - Design	14,000			10,790	0.33	3,210	0.33	10,790		3,210				14,000		
Engineer - CD and Design	58,000			44,702	1.37	13,298	1.37	44,702		13,298				58,000		
Landscape Design	7,000			5,395	0.17	1,605	0.17	5,810		1,190				7,000		
Landscape - CD	11,100			8,555	0.26	2,545	0.26	8,555		2,545				11,100		
Dry Utilities Consultant	13,250			10,212	0.31	3,038	0.31	10,212		3,038				13,250		
Environmental Assessment	11,000			8,478	0.26	2,522	0.26	8,478		2,522				11,000		
Appraisal	15,000			11,561	0.35	3,439	0.35	11,561		3,439				15,000		
Geotech Report	4,350			3,353	0.10	997	0.10	3,353		997				4,350		
Topo and Boundary Survey	5,600			4,316	0.13	1,284	0.13	4,316		1,284				5,600		
Furnishings Office	40,000			-	-	40,000	4.12	-		40,000				40,000		
Legal	60,000			46,244	1.42	13,756	1.42	60,000						60,000		
Market Study	9,000			7,470	0.23	2,063	0.21				9,000			9,000		
Prevailing Wage Monitoring	-			-	-	-	-							-		
Development Impact Fees	675,000			520,241	15.94	154,759	15.94			114,750	560,250			675,000		
City Planning Fees (Est.)	336,000			258,964	7.93	77,036	7.93			29,934	306,066			336,000		
Building Division Fees	110,000			84,780	2.60	25,220	2.60				91,375	18,625		110,000		
Construction Tax	72,000			55,492	1.70	16,508	1.70	59,760		12,240				72,000		
Other Public Agency Fees	95,000			73,219	2.24	21,781	2.24	78,850				16,150		95,000		
Public Works Fees	26,720			20,594	0.63	6,126	0.63			26,720				26,720		
Closing Costs	116,000			116,000	3.55	-	-				116,000			116,000		
Marketing	10,000			10,000	0.31	-	-				10,000			10,000		
DRE Budget Preparer	7,500			7,500	0.23	-	-	7,500						7,500		
DRE Filing Fees - Assessment Security	27,000			27,000	0.83	-	-				27,000			27,000		
DRE Final Public Report	1,890			1,890	0.06	-	-				1,890			1,890		
HOA Set-up	29,000			29,000	0.89	-	-				29,000			29,000		
Reserves	29,000			22,351	0.68	6,649	0.68				24,070	4,930		29,000		
Builder's Wrap Ins.	200,000			154,146	4.72	45,854	4.72						200,000	200,000		
Soft Cost Contingency	45,000			34,683	1.06	10,317	1.06				37,350	7,650		45,000		
Hard Cost Contingency	560,230			431,785	13.23	128,445	13.23				431,785		126,661	558,446		
Total Other Costs	4,178,140			3,233,792	99.08	944,881	97.32	602,526	-	1,289,318	1,643,786	314,067	326,661	4,176,366		
I. Financing Costs - Residential:																
Title and Recording	15,000			15,000	0.46	-	-			15,000				15,000		
Taxes	15,000			15,000	0.46	-	-			15,000				15,000		
Insurance	20,000			20,000	0.61	-	-			20,000				20,000		
RDLP Interest Fees	228,960			228,960	7.02	-	-			228,960				228,960		
Interest Fees	800,000			400,000	12.26	400,000	41			-	800,000			800,000		
Origination Fees	150,000			75,000	2.30	75,000	8			293,739	16,261			250,000		
Total Financing Costs:	1,228,960			753,960	23.10	476,000	49			512,699	816,261			1,328,960		
J. Financing Costs - Commercial:																
Issuance Costs	-			-	-	-	-							-		
Title and Recording	10,000			-	-	10,000	1					10,000		10,000		

Development Costs Acquisition, Residential and Commercial Mace Ranch V Line Item	Total Units		Use		% Total		Total (SF)		CONSTRUCTION SOURCES & USES						
	Single-Family	Multi-Family	Res.	Comm.	77%	23%	32,638	9,709	2	3	1	4	1	Lien Position	
	Lease #1 (sf)		Multi-Family (sf)		Multi-Family (sf)		Multi-Family (sf)		1,908,000	\$ 1,260,000	\$ 5,853,813	\$ 3,214,830	\$ 2,867,624	\$ -	\$ 15,104,267
	CHOC Office (sf)		Single-Family (sf)		Single-Family (sf)		Single-Family (sf)		-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Budgeted	Cost/	Cost/	Res.	Res. GBA/	Comm.	Comm. GBA/									
Amount	Unit	SF	Specific	SF	Specific	SF			RDLP	CalHome	Const. Loan	Davis	Const. Loan	Deferred	Totals
Taxes	5,000			-	5,000	1							5,000		5,000
Insurance	15,000			-	15,000	2							15,000		15,000
Interest Fees	300,000			-	300,000	31							300,000		300,000
Origination Fees	30,000			-	30,000	3							30,000		30,000
Total Financing Costs:	360,000			-	360,000	37							360,000		360,000
Total Development Costs	16,104,267			10,936,188	4,168,612	429			1,858,248	1,260,000	6,234,729	2,460,047	3,062,798	326,661	15,202,482
									1,908,000	1,260,000	5,853,813	3,214,830	2,867,624	-	15,104,267
									49,752	-	(380,916)	754,783	(195,174)	(326,661)	(98,216)

2 11,476,311.00 0.065