

CITY OF DAVIS
2009-2010 HOME INVESTMENT PARTNERSHIPS PROGRAM APPLICATION

Organization Name: Sacramento Mutual Housing Association

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Total Proposal Request: \$600,000 (Note: The city of Davis has already committed \$5.95 million in combined HOME and redevelopment funds to the project. If granted, the requested funds would decrease the amount of redevelopment funds needed.)

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 Eligible Activities Category: Rental Housing Development

National Objective Compliance/Low and Mod Benefit: 7 units at 30% AMI; 18 units at 35% AMI; 21 units at 50% AMI; 22 units at 60% AMI

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:

225 Total number of beneficiaries in proposed project

225 Number of beneficiaries in proposed project to be served with **HOME**

funds

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

\$2,666 Cost (\$) per **HOME** beneficiary (HOME Request/HOME Beneficiaries)

PROJECT NARRATIVE

a. Need

The City of Davis has identified affordable housing for low and very-low income households and housing accessible to those with disabilities as critical needs. Yolo Mutual Housing Association (YMHA) and Sacramento Mutual Housing Association (SMHA) responded to this need in 2006 with the proposal of Owendale II (now re-named New Harmony), an affordable housing development which would compliment YMHA's existing Owendale Mutual Housing. The New Harmony development will provide housing for low and very low income households, and increase the supply of accessible housing by creating a community that is 100% visitable and adaptable for full accessibility, with a minimum of 20% of the total units to be designed for accessibility.

The goal of Mutual Housing is to encourage the involvement of all residents in the operation and community life of their specific housing developments, as well as the broader community. YMHA and SMHA are committed to working together to develop New Harmony Mutual Housing as a community asset, a source of pride and personal growth for the residents, and an addition to the stock of high quality, affordable housing in the City of Davis.

Previous Support from the City of Davis: The City of Davis has made substantial funding commitments to the New Harmony project, including a loan for the acquisition of a portion of the land, a land donation, and a predevelopment loan of \$250,000. In April, 2008 the City Council voted to provide \$5,950,000 in combined redevelopment and HOME funds for construction and permanent financing. This amount includes a 2008-2009 HOME commitment of \$468,560 and a 2009-2010 commitment of \$522,104.

Accomplishments: With the 2008-2009 allocation of HOME funds, SMHA and YMHA completed the entitlement process for New Harmony and obtained the necessary environmental clearance, a re-zone and design review approval in March 2009. These funds also allowed us to complete the construction documents, which have been submitted to the City building department for plan check. SMHA and YMHA had planned to apply for state funding from the MHP program in 2009, but due to the state budget crisis the funds were frozen. SMHA and YMHA developed an alternate plan to finance the project with 9% tax credits and submitted an application in June 2009. The application was ultimately not successful, as the project did not score full points in the amenities section. The 2010 regulations include several changes to the amenities section, and in the 2010 round New Harmony will score full points on the application. Due to the high number of applications, the final awards are determined by a tie-breaker which is based upon leveraged funds. We anticipate having a highly competitive tie-breaker score due to the substantial funding commitments from the City of Davis. We will apply for credits in March 2010 and anticipate receiving an award in June. Construction is anticipated to begin in October 2010.

Current Funding Request: The current request of \$600,000 will contribute to the city's total commitment of \$5,950,000 already committed to the project. The City funding will bridge the gap between the externally available funding sources and the total project budget, based on current estimates and information. The currently requested funds would be utilized for the construction and permanent financing of New Harmony.

b. Benefit

New Harmony is a 69 unit affordable large multifamily project with nine 1-bedroom units; thirty-three 2-bedroom units, and twenty-seven 3-bedroom units. Twenty-five units will be available to families earning 35% AMI and below, twenty-one units will be affordable to households earning 50% AMI and

below, and twenty-two units will be affordable to households earning 60% AMI and below. One unit will be reserved for the on-site manager. The Mutual Housing model provides a strong child and young adult supportive services component, and provides residents with the opportunity to participate in governance and decision-making through resident councils at the individual developments, and through direct representation on the organizational board of directors. The project location has excellent transportation access, and will provide the opportunity for residents to commute to work via bicycle and public transit. New Harmony will include a community center of over 3,000 sq. feet, which will serve the residents as well as neighboring Owendale residents. The grounds will be landscaped primarily with native plants and fruit trees which will be situated to allow a large open green space for recreation. A community garden, children's garden, basketball hoop, and children's play area are also planned. Energy efficiency and green building practices are integral to this development, and the project will seek certification through the Build It Green program. Indoor air quality is a key component of the green features; units will include upgraded HVAC systems with passive electrostatic filters. Low and no-VOC paints and finishes will be used to maintain a healthy indoor environment. A solar PV system will provide power for the community building and common areas. Other green features include water conservation through low-flow fixtures, energy efficient appliances, and low-impact site development including landscaping with native plants, bioswales, and rain gardens for stormwater management.

c. Other Resources and Collaboration

The HOME funds and other city funding invested in the project will be leveraged with over \$16,000,000 in additional funding. Outside funding sources will include tax credit equity, deferred developer fees, and a solar rebate from the California Electric Commission. Please see attached development and operating budgets. YMHA and SMHA will continue to seek additional opportunities as they arise.

d. Organizational Capacity

SMHA and YMHA are jointly developing the New Harmony Mutual Housing Community. Both organizations develop and operate housing following the mutual housing model. In 2008, YMHA became an affiliate of SMHA, though YMHA retains its own organizational structure and has a board with a Davis-resident majority of Directors. Rachel Iskow is now the executive director of both organizations. Combined the two nonprofits are housing over 2,500 low-income people in the region, in fifteen mutual housing communities. Each of SMHA's and YMHA's communities benefit from the support of a multilingual team of resident services staff and community organizers, who provide and/or facilitate a broad range of resident services and leadership development activities, including financial education and multicultural organizing

Rachel Iskow, Executive Director of SMHA and YMHA, has twenty five years experience in community development and nonprofit leadership, including multi-family housing development, community organizing, and administration of nonprofit corporations. She has been E.D. of SMHA for 15 years. Prior to working with SMHA, she oversaw the development and operation of multifamily development for a large nonprofit regional housing developer. Her development experience includes new construction and rehabilitation. Ms. Iskow holds an M.A. in Urban Planning from the University of California at Los Angeles, and a B.A. from the University of California at Berkeley.

Wendy Carter, Project Manager, coordinates the planning, financing and construction of new mutual housing developments in Sacramento and Yolo counties. Ms. Carter joined SMHA in April 2007, and has been involved in the New Harmony project since the early planning stages. Prior to

joining SMHA, Ms. Carter co-founded Alchemist Community Development Corporation, a non-profit organization dedicated to promoting neighborhood improvement in Sacramento's urban communities with focus on the Alkali Flat neighborhood. She holds a M.S. in Community Development from UC Davis and a B.A. from Cornell University.

SCOPE OF SERVICES

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

The \$600,000 in HOME funds will be used for construction and permanent financing for New Harmony. The funds will ensure that New Harmony has sufficient funds to show feasibility to state and private funding sources, and to ensure successful completion of the construction and lease-up process.

Project Team:

Developer/Owners: Yolo and Sacramento Mutual Housing Associations

Architect: Kuchman Architects, PC

Engineering: Cunningham Engineering

Landscape Design: Cunningham Engineering

Sustainability Consultant: Jim Zanetto

Mechanical Engineering: Turley & Associates

Electrical Engineering: Capitol City Design

General Contractor: TBD

Management Company: Jon Berkley Management

b. Target Group

The New Harmony development will provide 69 units of housing for low and very low income households and a range of family sizes. Twenty-five units will be available to families earning 35% AMI and below, twenty-one units will be affordable to households earning 50% AMI and below, and twenty-two units will be affordable to households earning 60% AMI and below. The design of the building, which includes stacked flats with full elevator access to all second and third floor units and the inclusion of at least one fully ADA accessible bathroom in all units, will ensure that all units are, at a minimum, visitable. In addition, the project team is committed to building a minimum of 20% of the units to be fully ADA accessible, and all units easily adapted for full ADA accessibility in order to accommodate resident needs.

c. Outreach

YMHA, SMHA, and City staff have been active in conducting neighborhood outreach to inform neighbors and seek input regarding design of the site and buildings. Several general neighborhood meetings and one meeting specifically geared towards the residents of the Owendale Mutual Housing Community, which is adjacent to the site, have been held. The design team has gone to great length to ensure that the community concerns and preferences were addressed through the development's design.

YMHA and SMHA will work in collaboration with the City of Davis to ensure that the units are marketed according to City policy. In addition, marketing outreach to the community will target local employees, local social service providers, community establishments, and local print media. Outreach will support affirmative fair housing marketing rules and methods and direct outreach in all necessary languages. In addition to English, our combined staff speaks Spanish, Russian, Vietnamese, Chinese, Mien, and Hmong.

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>
Application to TCAC for 9% Tax Credits	March 2010
Revise Construction Documents per City Comments	April 2010
Award of 9% Tax Credits	June 2010
Obtain bids for Construction Contract	July 2010
Syndication of 9% Tax Credits	August 2010
Close Construction loan	October 2010
Begin Construction	October 2010
Complete Construction	November 2011
Begin Leasing	November 2011
Lease-Up Complete	February 2012

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>
Application for 9% Credits	Receipt from TCAC	Ability to compete in first 2010 funding round
Revise Construction Documents	Receipt of revised plans by City building department	Ability to obtain building permits
Begin Construction	Construction in progress	Complete site work
Award of 9% Tax Credits	Award letter from TCAC	Ability to fully finance project
Complete Construction	Certificate of Occupancy	Completion of buildings, provision of 69 new units of affordable housing
Begin Leasing	City of Davis lottery process and marketing	Low-income households have the opportunity to apply to live at New Harmony
Lease-Up Complete	All units leased	Individuals and families move in to New Harmony

**CITY OF DAVIS
HOME INVESTMENT PARTNERSHIPS PROGRAM**

BUDGET SUMMARY FOR PROPOSED PROJECT*
N/A See Attached

Budget Category	Proposed Project "HOME Portion"	Other Sources	Total
A. Salaries and Wages			
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			

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