

AFFORDABLE HOUSING DEVELOPMENT PROPOSAL REVIEW

Proposer: **CRP Affordable Housing & Community Development – Aspen Grove Villas** Reviewer:

Evaluation Criteria	Maximum Score	Reviewer Score	Staff Comments to Assist in Review
<p>Development and Management Capacity</p> <ul style="list-style-type: none"> • Experience developing, owning, and operating affordable housing projects similar to the one proposed. • Record of developing successful housing within California and specifically the Sacramento region. • Strength, stability, and experience of team members individually and working as a team. • Assessment by references. 	25		<ul style="list-style-type: none"> • CRP is a subsidiary of Castellan Real Estate Partners, a fully-integrated real estate development firm. • Has more than 2,300 units in 75 projects. Only two affordable projects (168 units) are in construction; four more (376 units) have received tax credit financing. • Nearest projects are in Los Angeles and Imperial County. • Relatively new to affordable housing; most of their affordable projects are still in the financing or planning phases. • Some of the team has worked together on projects underway now. <ul style="list-style-type: none"> ○ Nonprofit partner, Central Valley Coalition for Affordable Housing, has significant experience in affordable housing, but has recently come under scrutiny for executive compensation practices.
<p>Project Financial Feasibility</p> <ul style="list-style-type: none"> • Status of funds from other sources (such as fee waivers, payment of infrastructure costs, Low Income Housing LIHTCs, tax-exempt bonds, and lender financing). For conceptual projects, the developer’s track record of receipt of LIHTC and other funding source will be considered. • Cost reasonableness. • Competitiveness to receive LIHTC (if applicable). • Amount of per-unit and per-project funding requested. • Proposed cost savings sharing in a percentage equal to the City’s contribution to the total project financing. • Likelihood of the project being constructed within the next 24 months. 	25		<ul style="list-style-type: none"> • Overall request: \$1,875,000. • 4% tax credit project. • Cost per unit is \$464,661; cost per residential square foot is \$538.20. • City subsidy per unit is \$25,000, a significant decrease from Gardens at Quail Run (\$52,631) and Villages at Bilby (\$32,000). • Developer fee, less the foregone amount of \$1.15 million, is \$3.05 million, or 8.8% of total project cost. This is below than the City’s allowable maximum of 10%. • Financing is tax credit equity, permanent loan (\$7.6 million), City loan, deferred developer fee (\$550K), and seller land note (\$725K). Developer is also foregoing a portion of developer fee. • Failed to address cost savings sharing. • Proposed a residual receipts loan payment. 50% of receipts would go to deferred developer fee and remainder would be split proportionately between City and seller of land. Project a payment of \$17K to City in Year 1 and \$115K in Year 15. • Construction completion projected for December 2023, which is likely achievable if project is awarded funding in the September 2021 4% funding round. • Did not submit a detailed operating costs in the pro forma.
<p>Project Design and Community Benefit</p> <ul style="list-style-type: none"> • Project enhances and complements the surrounding neighborhood. • Project location provides tenants with easy access to major bus routes, shopping, and social service providers. 	25		<ul style="list-style-type: none"> • Project is 75 units (1 - 3BD) on a portion of a 13-acre site in SEPA along Poppy Ridge Rd. A second phase of the project would add 51 affordable units, and another project (Mountain Elk Villas) with 174 units is planned for the remainder of the 13 acres. • 31 units are at 80% AMI. (The developer included two inconsistent unit counts in the proposal; staff analysis is done on unit counts consistent with developer’s

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<ul style="list-style-type: none"> Proposes support services for the low-income residents through a provider with a proven record of success. Offers on-site tenant amenities for low-income residents and surrounding communities that would not normally be available. Site plans and unit plans suitable for targeted population. <p><i>For respondents proposing conceptual projects, this factor shall be evaluated based on information from a prior, recent project similar to the one anticipated in this proposal.</i></p>			<p>market study.)</p> <ul style="list-style-type: none"> Three three-story, walk-up buildings with separate community center building; 144 parking spots. Amenities include a swimming pool, community building, barbeque area, and children’s play area. Portion of site to be developed is vacant and would be adjacent to single-family homes. Currently not much development in area. Nearest middle/high school about 1 mile away; nearest elementary school is 1.5 miles away. Very limited shopping/dining options, though some would likely be built nearby. May be challenged to meet TCAC maximum site amenities points. Project is in highest opportunity area for TCAC. No nearby existing affordable or market-rate apartment complexes. Unit plans show standard layouts. Indicated would meet services threshold of 15 hours per week, and services budget seems adequate to support that level of services.
<p>Ability to Meet Community Housing Needs</p> <ul style="list-style-type: none"> Includes 29%+ of affordable units for extremely low-income households. AND/OR Includes 58%+ of affordable units for very low-income households. 	15	15	<ul style="list-style-type: none"> 14% of units for extremely low-income households. 58% of units for very low-income households.
<p>Project Readiness</p> <ul style="list-style-type: none"> Evidence of private or public lender commitment to the project. Zoning or development approval has been obtained or is supported and/or readily achievable. Evidence of clear title, appraised value, and environmental acceptability of the identified site. Preliminary design sketches, site and unit layout, and landscape plan. <p><i>For respondents proposing conceptual projects, this factor shall be evaluated based on information from a prior, recent project similar to the one anticipated in this proposal. Evidence of clear title, appraised value, and</i></p>	10		<ul style="list-style-type: none"> Has executed purchase agreement for property. Projected closing date is March 2022. Submitted lender commitments for private loan. Anticipate building the project on a portion of a 13-acre parcel, with the remainder being developed as two additional phases, one with 51 affordable units and another with 174 units (not clear if these are anticipated as affordable). Parcel would likely need to be subdivided to accommodate each of the phases. Existing zoning allows for density of 20.1-30 units/acre. Not clear which portion of the site is planned to be used for this project. Depending on acreage used for this phase, project may require a density bonus. Timeline to submit for 4% tax credits in September 2021 may not be achievable. Anticipate CEQA exemption because plan is consistent with Housing Element EIR.

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<i>environmental acceptability is not required.</i>			
<p>BONUS – Unit Affordability Adjustments</p> <ul style="list-style-type: none"> Commitment to performing annual income recertifications and adjusting unit affordability accordingly. In effect, this means that a household initially living in a 30% AMI unit and whose household income rises to 50% AMI would have their rent adjusted to the 50% AMI level, and the next available unit would be made available to a household earning 30% AMI. Developer commitment to placing tenant-based Housing Choice Voucher (HCV or Section 8) holders into units with the highest income level (generally 60% units), when such units are available, and, when such units are not available, adjusting unit affordability as soon as possible. (This policy is not intended to prioritize HCV holders over other households, but rather to ensure that the units targeted to households with the lowest incomes are available to those without HCV subsidy.) 	10	0	<ul style="list-style-type: none"> Developer did not commit to adjusting unit affordability as allowed within the guidelines of the TCAC and CDLAC regulations. Developer did not commit to placing Section 8 voucher holders into units with the highest income levels.
<p>BONUS – Commitment to Addressing Homelessness</p> <ul style="list-style-type: none"> Commitment to working with the City to address homelessness, including by implementing a policy moving homeless Elk Grove households to the top of the waitlist for any vacant unit for which they are qualified. 	5		<ul style="list-style-type: none"> Developer committed to working with the City to address homelessness, but not by moving qualified Elk Grove homeless households to the top of the waitlist. Instead they have applied for project-based Section 8 vouchers through SHRA, and it is not clear whether these will be awarded. This would likely serve people experiencing homelessness regionally rather than locally.
<p>BONUS – Maximizing Funding Sources</p> <ul style="list-style-type: none"> Usage of funding sources in addition to or in lieu of tax credit financing and/or a per-unit subsidy of less than \$35,000. 	5	5	<ul style="list-style-type: none"> Financial projections show a per-unit subsidy of \$25,339. Plan to use deferred developer fee, forgone developer fee, and seller land note as sources of funding. The project does not anticipate receiving water/sewer fee credits.
<p>BONUS – Innovation in Project Design</p> <ul style="list-style-type: none"> Innovation in design or project type, such as a mixed-use development or a project containing permanent supportive housing. 	5		<ul style="list-style-type: none"> Both project type and design are standard and common in Elk Grove and within the industry. Project proposes to achieve a GOLD rating in the Green Point Build It Green program.

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Evaluation Criteria	Maximum Score	Reviewer Score	Staff Comments to Assist in Review
TOTAL SCORE (including bonus)	125		

Reviewer Signature

Date

AFFORDABLE HOUSING DEVELOPMENT PROPOSAL REVIEW

Proposer: **Excelerate Housing Group – Oak Rose Apartments**

Reviewer:

Evaluation Criteria	Maximum Score	Reviewer Score	Staff Comments to Assist in Review
<p>Development and Management Capacity</p> <ul style="list-style-type: none"> • Experience developing, owning, and operating affordable housing projects similar to the one proposed. • Record of developing successful housing within California and specifically the Sacramento region. • Strength, stability, and experience of team members individually and working as a team. • Assessment by references. 	25		<ul style="list-style-type: none"> • Development firm was created in 2019, but staff have prior experience in affordable housing development, including with Skid Row Housing Trust and Abode Communities in Los Angeles. Staff experience concentrated in housing for people experiencing homelessness. • Developer has not yet successfully completed any projects, though staff have in prior employment. They have a pipeline of seven projects in the financing or planning phases. • Development team is currently working together on a 67-unit permanent supportive housing project in Sacramento. • Development team has limited experience working together, but each have experience in affordable housing. • Strong service provider: Hope Cooperative has a long history of providing case management and mental health services in the Sacramento area. They currently supporting seven permanent supportive housing or transitional housing projects in Sacramento County.
<p>Project Financial Feasibility</p> <ul style="list-style-type: none"> • Status of funds from other sources (such as fee waivers, payment of infrastructure costs, Low Income Housing LIHTCs, tax-exempt bonds, and lender financing). For conceptual projects, the developer’s track record of receipt of LIHTC and other funding source will be considered. • Cost reasonableness. • Competitiveness to receive LIHTC (if applicable). • Amount of per-unit and per-project funding requested. • Proposed cost savings sharing in a percentage equal to the City’s contribution to the total project financing. • Likelihood of the project being constructed within the next 24 months. 	25		<ul style="list-style-type: none"> • Overall request: \$3,000,000. • 4% tax credit project. Also anticipates Multifamily Housing Program funding and project-based Section 8 vouchers. • Cost per unit is \$515,654; cost per residential square foot is \$1,391. Costs are much higher than recent family projects. • City subsidy per unit is \$45,455, a decrease from Gardens at Quail Run (\$52,631) but significantly more than Villages at Bilby (\$32,000). • Developer fee of \$3.5 million is 10.1% of total project cost. This is above the City’s allowable maximum of 10%, but could be brought in line with minor budget adjustments. • Financing is tax credit equity, HCD Multifamily Housing Program (\$13.4 million), permanent loan (\$842K), City loan, and deferred developer fee (\$1.3 million). • Failed to address cost savings sharing. • Proposed a residual receipts loan payment, but only after paying deferred developer fee. Residual receipts would be split evenly between the sponsor and the City. Project no payment to City until Year 13. • Plan to pay off permanent loan in eight years. Fast repayment lengthens the amount of time until the City sees loan payments. • Projected vacancy rate of 7.5% is well above that of other affordable housing in the City. A lower vacancy rate will increase project income.

Proposer: **Excelerate Housing Group – Oak Rose Apartments**

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<p>Project Design and Community Benefit</p> <ul style="list-style-type: none"> Project enhances and complements the surrounding neighborhood. Project location provides tenants with easy access to major bus routes, shopping, and social service providers. Proposes support services for the low-income residents through a provider with a proven record of success. Offers on-site tenant amenities for low-income residents and surrounding communities that would not normally be available. Site plans and unit plans suitable for targeted population. <p><i>For respondents proposing conceptual projects, this factor shall be evaluated based on information from a prior, recent project similar to the one anticipated in this proposal.</i></p>	25		<ul style="list-style-type: none"> Construction completion projected for October 2024. Operating costs include an evening and weekend clerk for security (29 hours/week). Project is 67 units (66 studios and one 2BD) on a 1.2 acre parcel in Old Town. All affordable units are at or below 50% AMI. Most are concentrated at the 30% and 40% AMI levels. Two three-story buildings, one with an elevator; 9 parking spots. Amenities include a community room and separate resident lounge, semi-private courtyard, and four private offices for on-site service provision. Portion of site to be developed is vacant and would be mostly adjacent to the future library and an existing market-rate apartment complex. Design focuses on integrating with a pedestrian environment and has streetside office spaces. Plan to construct around existing oak tree. Excellent proximity to shopping, services, and transit. Unlikely to serve many children, so proximity to schools is not an important factor. Project is in high opportunity area for TCAC. Near a few smaller market-rate apartment complexes and one public housing project. Units are very small (340 square feet). In a less competitive rental market, unit sizes could make renting difficult. Lack of parking (9 spaces for 66 units plus property management and social services staff), while allowed under law, may have impacts on surrounding properties/streets, including future library site. Did not explicitly state number of hours of service provision weekly, but permanent supportive housing provides comprehensive services that would meet requirements. Social services provider is experienced and respected.
<p>Ability to Meet Community Housing Needs</p> <ul style="list-style-type: none"> Includes 29%+ of affordable units for extremely low-income households. AND/OR Includes 58%+ of affordable units for very low-income households. 	15	15	<ul style="list-style-type: none"> 52% of units for extremely low-income households. 100% of units for very low-income households.
<p>Project Readiness</p> <ul style="list-style-type: none"> Evidence of private or public lender commitment to the project. Zoning or development approval has been obtained or is supported and/or readily 	10		<ul style="list-style-type: none"> Has executed purchase agreement for property. Projected closing date is no later than October 2021. Did not submit a lender commitment but did submit supporting documentation indicating developer’s president has established relationships with lenders. Project would need a rezone to HDR and a density bonus, both of which are

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<p>achievable.</p> <ul style="list-style-type: none"> Evidence of clear title, appraised value, and environmental acceptability of the identified site. Preliminary design sketches, site and unit layout, and landscape plan. <p><i>For respondents proposing conceptual projects, this factor shall be evaluated based on information from a prior, recent project similar to the one anticipated in this proposal. Evidence of clear title, appraised value, and environmental acceptability is not required.</i></p>			<p>subject to Council approval. Neighborhood opposition to rezone is likely.</p> <ul style="list-style-type: none"> Did not submit title report or appraisal. Anticipate CEQA exemption. Will need NEPA clearance for SHRA funding. Conceptual plans show modern design.
<p>BONUS – Unit Affordability Adjustments</p> <ul style="list-style-type: none"> Commitment to performing annual income recertifications and adjusting unit affordability accordingly. In effect, this means that a household initially living in a 30% AMI unit and whose household income rises to 50% AMI would have their rent adjusted to the 50% AMI level, and the next available unit would be made available to a household earning 30% AMI. Developer commitment to placing tenant-based Housing Choice Voucher (HCV or Section 8) holders into units with the highest income level (generally 60% units), when such units are available, and, when such units are not available, adjusting unit affordability as soon as possible. (This policy is not intended to prioritize HCV holders over other households, but rather to ensure that the units targeted to households with the lowest incomes are available to those without HCV subsidy.) 	10	5	<ul style="list-style-type: none"> Developer did not commit to adjusting unit affordability as allowed within the guidelines of the TCAC and CDLAC regulations. Developer did not commit to placing Section 8 voucher holders into units with the highest income levels. However, developer anticipates receiving project-based Section 8 vouchers for all 66 units.
<p>BONUS – Commitment to Addressing Homelessness</p> <ul style="list-style-type: none"> Commitment to working with the City to address homelessness, including by implementing a policy moving homeless Elk 	5		<ul style="list-style-type: none"> Developer committed to addressing homelessness, but not by moving qualified Elk Grove homeless households to the top of the waitlist. Instead they anticipate project-based Section 8 vouchers through SHRA, meaning the units would be filled through the coordinated entry process. This would likely serve people experiencing homelessness regionally rather than locally.

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<p>Grove households to the top of the waitlist for any vacant unit for which they are qualified.</p>			
<p>BONUS – Maximizing Funding Sources</p> <ul style="list-style-type: none"> Usage of funding sources in addition to or in lieu of tax credit financing and/or a per-unit subsidy of less than \$35,000. 	5	5	<ul style="list-style-type: none"> Financial projections show a per-unit subsidy of \$45,455. Plan to project-based Section 8 vouchers and the Multifamily Housing Program in addition to 4% tax credits. The project does not anticipate receiving water/sewer fee credits.
<p>BONUS – Innovation in Project Design</p> <ul style="list-style-type: none"> Innovation in design or project type, such as a mixed-use development or a project containing permanent supportive housing. 	5		<ul style="list-style-type: none"> Permanent supportive housing would be a new project type within Elk Grove. There is no other site-based permanent supportive housing in the City. The conceptual design is different than any other affordable housing project within the City and emphasizes a semi-private courtyard, shared resident spaces, and incorporating environmental factors in design.
TOTAL SCORE (including bonus)	125		

Reviewer Signature

Date

AFFORDABLE HOUSING DEVELOPMENT PROPOSAL REVIEW

Proposer: **For the Future / Eden Housing – Elk Grove Apartments** Reviewer:

Evaluation Criteria	Maximum Score	Reviewer Score	Staff Comments to Assist in Review
<p>Development and Management Capacity</p> <ul style="list-style-type: none"> • Experience developing, owning, and operating affordable housing projects similar to the one proposed. • Record of developing successful housing within California and specifically the Sacramento region. • Strength, stability, and experience of team members individually and working as a team. • Assessment by references. 	25		<ul style="list-style-type: none"> • Eden Housing has long history in affordable housing, with over 11,000 affordable units, mostly in Northern California. Large and well-respected developer. • For the Future is a for-profit firm that partners with nonprofits to develop affordable housing, beginning in 2010. • Team has significant experience with development of family, senior, and special needs housing. • Eden Housing’s nearest projects are in Sacramento (1), Lodi (1), and Vacaville (8). • Not clear if development team has worked together previously, but all members have experience in affordable housing.
<p>Project Financial Feasibility</p> <ul style="list-style-type: none"> • Status of funds from other sources (such as fee waivers, payment of infrastructure costs, Low Income Housing LIHTCs, tax-exempt bonds, and lender financing). For conceptual projects, the developer’s track record of receipt of LIHTC and other funding source will be considered. • Cost reasonableness. • Competitiveness to receive LIHTC (if applicable). • Amount of per-unit and per-project funding requested. • Proposed cost savings sharing in a percentage equal to the City’s contribution to the total project financing. • Likelihood of the project being constructed within the next 24 months. 	25		<ul style="list-style-type: none"> • Overall request: \$3,000,000. • 9% tax credit project. Also anticipates receiving 33 project-based Section 8 vouchers. • Cost per unit is \$618,288; cost per residential square foot is \$1,056. Costs are much higher than other recent family projects. • City subsidy per unit is \$61,224, an increase from Gardens at Quail Run (\$52,631) and nearly twice that of Villages at Bilby (\$32,000). • Developer fee of \$1.9 million is 6.3% of total project cost. This is well below the City’s allowable maximum of 10% and significantly lower than that proposed by other projects. • Financing is tax credit equity, permanent loan (\$2.7 million), City loan, and deferred developer fee (\$534K). • Failed to address cost savings sharing. • Proposal is unclear on how/when the City would receive repayment. Provided that payment of deferred developer fee is prioritized, there would be no payments to the City in the first 15 years. • Construction completion projected for March 2023, which is quick but may be achievable given the small project size and developer’s established relationships.
<p>Project Design and Community Benefit</p> <ul style="list-style-type: none"> • Project enhances and complements the surrounding neighborhood. • Project location provides tenants with easy access to major bus routes, shopping, and social service providers. • Proposes support services for the low-income 	25		<ul style="list-style-type: none"> • Project is 50 units (49 1BD and one 2BD) on a 1.2 acre parcel in the Lakeside/Stonelake area. • Roughly two-thirds of the units will serve extremely low-income households exiting homelessness; the remainder will be workforce housing for those earning 60% of AMI. • One three-story building with an elevator; 36 parking spots. • Amenities include a community room, computer lab, and some private offices for

Proposer: **For the Future / Eden Housing – Elk Grove Apartments**

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<p>residents through a provider with a proven record of success.</p> <ul style="list-style-type: none"> Offers on-site tenant amenities for low-income residents and surrounding communities that would not normally be available. Site plans and unit plans suitable for targeted population. <p><i>For respondents proposing conceptual projects, this factor shall be evaluated based on information from a prior, recent project similar to the one anticipated in this proposal.</i></p>			<p>on-site service provision.</p> <ul style="list-style-type: none"> Portion of site to be developed is vacant and would be adjacent to a private preschool, a hotel, and retail uses. A second phase (likely additional affordable housing) would be built to the east. Nearby dining options and parks, but limited shopping and services. Transit operates on weekdays with 1-1.5 hour headways. Unlikely to serve many children, so proximity to schools is not an important factor. Project is in highest opportunity area for TCAC. Near a large market-rate apartment complex. The only other affordable housing complex in the Laguna West/Stonelake area is senior housing (Renwick Square). Plan to offer comprehensive social services, including case management, through a partnership with a local social services provider. Focus on housing stability, economic empowerment, education, and health and wellness. Anticipate 1.0 FTE services coordinator/case manager. Did not submit unit plans but site plan appears appropriate for population to be served.
<p>Ability to Meet Community Housing Needs</p> <ul style="list-style-type: none"> Includes 29%+ of affordable units for extremely low-income households. AND/OR Includes 58%+ of affordable units for very low-income households. 	15		<ul style="list-style-type: none"> 66% of units for extremely low-income households. 66% of units for very low-income households (includes ELI households).
<p>Project Readiness</p> <ul style="list-style-type: none"> Evidence of private or public lender commitment to the project. Zoning or development approval has been obtained or is supported and/or readily achievable. Evidence of clear title, appraised value, and environmental acceptability of the identified site. Preliminary design sketches, site and unit layout, and landscape plan. <p><i>For respondents proposing conceptual projects, this factor shall be evaluated based on information from a prior, recent project similar to the one anticipated in this proposal. Evidence of clear title, appraised value, and</i></p>	10		<ul style="list-style-type: none"> Developer has full ownership of site. Application has been submitted to Planning and is under review. Site is zoned appropriately for proposed use. Property may have some easement issues. Did not submit a lender commitment but developer has established relationships with lenders. Did not submit appraisal. Anticipate CEQA exemption. Site was included in the Housing Element EIR. Will need NEPA clearance for SHRA funding.

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<i>environmental acceptability is not required.</i>			
<p>BONUS – Unit Affordability Adjustments</p> <ul style="list-style-type: none"> Commitment to performing annual income recertifications and adjusting unit affordability accordingly. In effect, this means that a household initially living in a 30% AMI unit and whose household income rises to 50% AMI would have their rent adjusted to the 50% AMI level, and the next available unit would be made available to a household earning 30% AMI. Developer commitment to placing tenant-based Housing Choice Voucher (HCV or Section 8) holders into units with the highest income level (generally 60% units), when such units are available, and, when such units are not available, adjusting unit affordability as soon as possible. (This policy is not intended to prioritize HCV holders over other households, but rather to ensure that the units targeted to households with the lowest incomes are available to those without HCV subsidy.) 	10	3	<ul style="list-style-type: none"> Developer did not commit to adjusting unit affordability as allowed within the guidelines of the TCAC and CDLAC regulations. Developer did not commit to placing Section 8 voucher holders into units with the highest income levels. However, developer anticipates receiving project-based Section 8 vouchers for 33 units.
<p>BONUS – Commitment to Addressing Homelessness</p> <ul style="list-style-type: none"> Commitment to working with the City to address homelessness, including by implementing a policy moving homeless Elk Grove households to the top of the waitlist for any vacant unit for which they are qualified. 	5		<ul style="list-style-type: none"> Developer committed to addressing homelessness, but not by moving qualified Elk Grove homeless households to the top of the waitlist. Instead they anticipate project-based Section 8 vouchers through SHRA, meaning the units would be filled through the coordinated entry process. This would likely serve people experiencing homelessness regionally rather than locally.
<p>BONUS – Maximizing Funding Sources</p> <ul style="list-style-type: none"> Usage of funding sources in addition to or in lieu of tax credit financing and/or a per-unit subsidy of less than \$35,000. 	5	0	<ul style="list-style-type: none"> Financial projections show a per-unit subsidy of \$61,224. Plan to use project-based Section 8 vouchers. The project does not anticipate receiving water/sewer fee credits.
<p>BONUS – Innovation in Project Design</p> <ul style="list-style-type: none"> Innovation in design or project type, such as a mixed-use development or a project containing permanent supportive housing. 	5		<ul style="list-style-type: none"> Permanent supportive housing would be a new project type within Elk Grove. There is no other site-based permanent supportive housing in the City. Project design is fairly standard for type of use.

Proposer: **For the Future / Eden Housing – Elk Grove Apartments**

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TOTAL SCORE (including bonus)	125		

Reviewer Signature

Date

AFFORDABLE HOUSING DEVELOPMENT PROPOSAL REVIEW

Proposer: **John Stewart Co / Bethesda – Cornerstone Village**

Reviewer:

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<p>Development and Management Capacity</p> <ul style="list-style-type: none"> • Experience developing, owning, and operating affordable housing projects similar to the one proposed. • Record of developing successful housing within California and specifically the Sacramento region. • Strength, stability, and experience of team members individually and working as a team. • Assessment by references. 	25		<ul style="list-style-type: none"> • John Stewart Co has significant experience in developing affordable housing. Developed more than 6,000 units in northern CA. Has six projects in Sacramento, many built in the last 10 years. • Overall, development team is strong and has extensive affordable housing experience, including a long history of serving adults with intellectual and developmental disabilities (I/DD). • Bethesda (service provider for adults with I/DD) would be new to Sacramento region but has an established model.
<p>Project Financial Feasibility</p> <ul style="list-style-type: none"> • Status of funds from other sources (such as fee waivers, payment of infrastructure costs, Low Income Housing LIHTCs, tax-exempt bonds, and lender financing). For conceptual projects, the developer’s track record of receipt of LIHTC and other funding source will be considered. • Cost reasonableness. • Competitiveness to receive LIHTC (if applicable). • Amount of per-unit and per-project funding requested. • Proposed cost savings sharing in a percentage equal to the City’s contribution to the total project financing. • Likelihood of the project being constructed within the next 24 months. 	25		<ul style="list-style-type: none"> • Overall request: \$2,936,000. • 4% tax credit/Multifamily Housing Program project. Also anticipates utilizing many other funding sources, as noted below. • Cost per unit is \$566,778; cost per residential square foot is \$642. Costs are higher than other recent family projects. • City subsidy per unit is \$34,952, a decrease from Gardens at Quail Run (\$52,631) and in line with that of Villages at Bilby (\$32,000). • Developer fee of \$2.5 million is 5.3% of total project cost. This is well below the City’s allowable maximum of 10% and significantly lower than that proposed by other projects. (The developer will also forego an additional \$2.3 million in developer fee that they would otherwise be eligible to take.) • Financing is tax credit equity, permanent loan (\$5.7 million), City loan, SHRA loan (\$1.9 million), CA Dept of Developmental Services loan (\$2.1 million), and Federal Home Loan Bank AHP loan (\$840K). • Not sure what the likelihood of receiving SHRA funding is; no Elk Grove projects have previously been funded by SHRA. • Proposed to share cost savings proportionately with the City. • Residual receipts are split between developer (50%) and four public funders (12.5% each). Strategy seems unfair given City is the largest loan. This would result in the City receiving somewhere between \$0 and \$8K per year. • SHRA annual admin fee of \$25,000 is excessive. GP partnership management fee of \$25,000 annually is also much higher than other projects. • Budget assumes substantial income from rental subsidies (about 35% of income). This assumption cuts the ability of the property to overperform financially. • Construction completion projected for February 2024, in part because of the

Evaluation Criteria	Maximum Score	Reviewer Score	Staff Comments to Assist in Review
<p>Project Design and Community Benefit</p> <ul style="list-style-type: none"> Project enhances and complements the surrounding neighborhood. Project location provides tenants with easy access to major bus routes, shopping, and social service providers. Proposes support services for the low-income residents through a provider with a proven record of success. Offers on-site tenant amenities for low-income residents and surrounding communities that would not normally be available. Site plans and unit plans suitable for targeted population. <p><i>For respondents proposing conceptual projects, this factor shall be evaluated based on information from a prior, recent project similar to the one anticipated in this proposal.</i></p>	25		<p>number of funding sources used.</p> <ul style="list-style-type: none"> Project is 84 units on a 3.2 acre parcel currently housing Light of the Valley Church. Church would remain on separate but integrated parcel. Includes 21 units for I/DD and 9 for homeless, integrated throughout the project. Remainder of units would be regular affordable housing. One three-story building with an elevator and seven three-story walk-up buildings; 97 parking spots (Light of the Valley has an additional 60 parking spots). Amenities include a clubhouse, outdoor courtyard, and some private offices for on-site service provision. Infill site would be redeveloped around existing church building and cell phone tower. Adjacent to public housing and single-family homes. A mixed-income apartment complex and middle school are across the street. Good proximity to shopping, services, and transit. Community Integrated Work Program, which provides work and behavioral day programs for people with I/DD, is located within 2.5 miles by bus. Project is in high opportunity area for TCAC. Nearby multifamily uses are 20 units of public housing and a 196-unit affordable/market-rate apartment complex. Social services to be coordinated by a FT resident life coordinator. Unit sizes are generous and would likely rent well even in a softer rental market. Unit and site plans appear appropriate for population to be served. Developer has support from Light of the Valley Church and Alta California Regional Center.
<p>Ability to Meet Community Housing Needs</p> <ul style="list-style-type: none"> Includes 29%+ of affordable units for extremely low-income households. AND/OR Includes 58%+ of affordable units for very low-income households. 	15	15	<ul style="list-style-type: none"> 67% of units for extremely low-income households. 82% of units for very low-income households (includes ELI households).
<p>Project Readiness</p> <ul style="list-style-type: none"> Evidence of private or public lender commitment to the project. Zoning or development approval has been obtained or is supported and/or readily achievable. Evidence of clear title, appraised value, and 	10		<ul style="list-style-type: none"> Has executed purchase agreement for property with expiration date of February 2023. Site is zoned for residential use, but would need either a rezone or a density bonus in line with State law. Property will also need to be subdivided. Plan to build around existing church and cell phone tower (which would be on legally separate parcels) and some existing trees on the property. Indicated they have a bank lender commitment but did not provide commitment

Evaluation Criteria	Maximum Score	Reviewer Score	Staff Comments to Assist in Review
<p>environmental acceptability of the identified site.</p> <ul style="list-style-type: none"> Preliminary design sketches, site and unit layout, and landscape plan. <p><i>For respondents proposing conceptual projects, this factor shall be evaluated based on information from a prior, recent project similar to the one anticipated in this proposal. Evidence of clear title, appraised value, and environmental acceptability is not required.</i></p>			<p>letter.</p> <ul style="list-style-type: none"> Anticipate CEQA exemption under SB35. Will need NEPA clearance for SHRA funding.
<p>BONUS – Unit Affordability Adjustments</p> <ul style="list-style-type: none"> Commitment to performing annual income recertifications and adjusting unit affordability accordingly. In effect, this means that a household initially living in a 30% AMI unit and whose household income rises to 50% AMI would have their rent adjusted to the 50% AMI level, and the next available unit would be made available to a household earning 30% AMI. Developer commitment to placing tenant-based Housing Choice Voucher (HCV or Section 8) holders into units with the highest income level (generally 60% units), when such units are available, and, when such units are not available, adjusting unit affordability as soon as possible. (This policy is not intended to prioritize HCV holders over other households, but rather to ensure that the units targeted to households with the lowest incomes are available to those without HCV subsidy.) 	10	10	<ul style="list-style-type: none"> Developer committed to adjusting unit affordability as allowed within the guidelines of the TCAC and CDLAC regulations. Developer committed to placing Section 8 voucher holders into units with the highest income levels.
<p>BONUS – Commitment to Addressing Homelessness</p> <ul style="list-style-type: none"> Commitment to working with the City to address homelessness, including by implementing a policy moving homeless Elk Grove households to the top of the waitlist for any vacant unit for which they are qualified. 	5	5	<ul style="list-style-type: none"> Developer committed to addressing homelessness, including by moving qualified Elk Grove homeless households to the top of the waitlist. They also anticipate setting aside nine units for people experiencing homelessness, to be filled through the coordinated entry process.

Proposer: **John Stewart Co / Bethesda – Cornerstone Village**

Evaluation Criteria	Maximum Score	Reviewer Score	Staff Comments to Assist in Review
BONUS – Maximizing Funding Sources <ul style="list-style-type: none"> Usage of funding sources in addition to or in lieu of tax credit financing and/or a per-unit subsidy of less than \$35,000. 	5	5	<ul style="list-style-type: none"> Financial projections show a per-unit subsidy of \$34,952. Plan to use a wide range of funding sources, including several that haven't been previously used on Elk Grove projects (such as FHLB AHP and CA Department of Developmental Services). The project does not anticipate receiving water/sewer fee credits.
BONUS – Innovation in Project Design <ul style="list-style-type: none"> Innovation in design or project type, such as a mixed-use development or a project containing permanent supportive housing. 	5		<ul style="list-style-type: none"> The project incorporates 25% of its units to serve people with intellectual and developmental disabilities. There is no other site-based affordable housing in the City specifically dedicated to this population, though staff has often heard the need for it. Infill project that makes use of underutilized church land. Project design is fairly standard for type of use.
TOTAL SCORE (including bonus)	125		

Reviewer Signature

Date

AFFORDABLE HOUSING DEVELOPMENT PROPOSAL REVIEW

Proposer: **Mercy Housing – Unnamed**

Reviewer:

Evaluation Criteria	Maximum Score	Reviewer Score	Staff Comments to Assist in Review
<p>Development and Management Capacity</p> <ul style="list-style-type: none"> • Experience developing, owning, and operating affordable housing projects similar to the one proposed. • Record of developing successful housing within California and specifically the Sacramento region. • Strength, stability, and experience of team members individually and working as a team. • Assessment by references. 	25		<ul style="list-style-type: none"> • Mercy Housing is a nonprofit and one of the largest developers of affordable housing in CA. Largest nonprofit owner of affordable housing in US. • Has more than 10,000 affordable units in 148 projects, including family, senior, and special needs/supportive housing projects. Additional 6,000 units in the development pipeline. • Has 22 projects in Sacramento area, including four in Folsom and three in Roseville. • Several of their projects have won design awards. • Locally based, with office in Sacramento. • Solid track record of obtaining tax credits, MHP, AHSC, and other funding sources. • Integrated property management and resident services teams.
<p>Project Financial Feasibility</p> <ul style="list-style-type: none"> • Status of funds from other sources (such as fee waivers, payment of infrastructure costs, Low Income Housing LIHTCs, tax-exempt bonds, and lender financing). For conceptual projects, the developer’s track record of receipt of LIHTC and other funding source will be considered. • Cost reasonableness. • Competitiveness to receive LIHTC (if applicable). • Amount of per-unit and per-project funding requested. • Proposed cost savings sharing in a percentage equal to the City’s contribution to the total project financing. • Likelihood of the project being constructed within the next 24 months. 	25		<ul style="list-style-type: none"> • Overall request: \$4,000,000. • 9% tax credit project. (Note: Developer is also in process of acquiring adjacent site, and if successful would likely look to develop a 4% tax credit project over both sites. Analysis here is presented on a 9% project on the property for which they have site control.) • Cost per unit is \$489,119; cost per residential square foot is \$501. • City subsidy per unit is \$66,667, a significant increase from Gardens at Quail Run (\$52,631) and much higher than Villages at Bilby (\$32,000), both of which were or are anticipated to be 9% tax credit projects. • Developer fee is \$2.2 million, or 7.5% of total project cost. This is below than the City’s allowable maximum of 10% and competitive compared to other proposals. • Financing is tax credit equity, permanent loan (\$1.4 million), City loan, and Federal Home Loan Bank AHP loan (\$590K). • Failed to address cost savings sharing. • Proposed a residual receipts loan payment. Residual receipts would be split between developer (50%) and soft lenders, including the City (50%). Projections show payments dropping over time (max \$28K) as operating expenses outpace rent increases. • Construction completion projected for November 2023, which is realistic given the developer’s track record.
<p>Project Design and Community Benefit</p> <ul style="list-style-type: none"> • Project enhances and complements the surrounding neighborhood. 	25		<ul style="list-style-type: none"> • Project is 50 units (2 - 3BD) on a portion of a 2.2-acre site on Elk Grove Florin Rd south of a shopping center on Calvine Rd. Units are a mix of flats and townhomes.

Evaluation Criteria	Maximum Score	Reviewer Score	Staff Comments to Assist in Review
<ul style="list-style-type: none"> Project location provides tenants with easy access to major bus routes, shopping, and social service providers. Proposes support services for the low-income residents through a provider with a proven record of success. Offers on-site tenant amenities for low-income residents and surrounding communities that would not normally be available. Site plans and unit plans suitable for targeted population. <p><i>For respondents proposing conceptual projects, this factor shall be evaluated based on information from a prior, recent project similar to the one anticipated in this proposal.</i></p>			<ul style="list-style-type: none"> Developer is attempting to purchase an adjacent 2.17-acre site, on which an additional 51 units could be built. Plan to make 15 units available to people experiencing homelessness, supported by project-based Section 8 vouchers from SHRA. Application for vouchers has been submitted. Five two- and three-story walk-up buildings oriented around a courtyard; 90 parking spots. Amenities include a community room and children’s play area. Site currently contains some outbuildings, which would be demolished. Close to shopping, including Belair market, dining, and transit. Nearest elementary school is 0.7 miles away; nearest middle/high school is about a 2.6-mile walk. Project is in high opportunity area for TCAC. Two existing affordable apartment complexes (Stoneridge and Crossings) are located just south of site. Unit plans not provided, but square footages show they are in line with other affordable housing in Elk Grove. Plan to provide one full-time resident services coordinator and one full-time case manager. Budget allocated to support this is generous.
<p>Ability to Meet Community Housing Needs</p> <ul style="list-style-type: none"> Includes 29%+ of affordable units for extremely low-income households. AND/OR Includes 58%+ of affordable units for very low-income households. 	15	15	<ul style="list-style-type: none"> 31% of units for extremely low-income households. 69% of units for very low-income households.
<p>Project Readiness</p> <ul style="list-style-type: none"> Evidence of private or public lender commitment to the project. Zoning or development approval has been obtained or is supported and/or readily achievable. Evidence of clear title, appraised value, and environmental acceptability of the identified site. Preliminary design sketches, site and unit layout, and landscape plan. <p><i>For respondents proposing conceptual projects, this</i></p>	10		<ul style="list-style-type: none"> Has executed purchase agreement for property. Projected closing no later than April 20, 2022. Did not submit lender commitments for private loan but their development history suggests this will not be a problem. Property is appropriately zoned. No subdivision of site necessary. If adjacent site is acquired and developed jointly, lot consolidation may be required. Did not submit appraisal but confident price will be supported. Anticipate CEQA exemption because plan is consistent with Housing Element EIR. Will need NEPA clearance for SHRA funding.

Proposer: **Mercy Housing - Unnamed**

Evaluation Criteria	Maximum Score	Reviewer Score	Staff Comments to Assist in Review
<p><i>factor shall be evaluated based on information from a prior, recent project similar to the one anticipated in this proposal. Evidence of clear title, appraised value, and environmental acceptability is not required.</i></p>			
<p>BONUS – Unit Affordability Adjustments</p> <ul style="list-style-type: none"> • Commitment to performing annual income recertifications and adjusting unit affordability accordingly. In effect, this means that a household initially living in a 30% AMI unit and whose household income rises to 50% AMI would have their rent adjusted to the 50% AMI level, and the next available unit would be made available to a household earning 30% AMI. • Developer commitment to placing tenant-based Housing Choice Voucher (HCV or Section 8) holders into units with the highest income level (generally 60% units), when such units are available, and, when such units are not available, adjusting unit affordability as soon as possible. (This policy is not intended to prioritize HCV holders over other households, but rather to ensure that the units targeted to households with the lowest incomes are available to those without HCV subsidy.) 	10	10	<ul style="list-style-type: none"> • Developer committed to adjusting unit affordability as allowed within the guidelines of the TCAC and CDLAC regulations. • Developer committed to placing Section 8 voucher holders into units with the highest income levels.
<p>BONUS – Commitment to Addressing Homelessness</p> <ul style="list-style-type: none"> • Commitment to working with the City to address homelessness, including by implementing a policy moving homeless Elk Grove households to the top of the waitlist for any vacant unit for which they are qualified. 	5	5	<ul style="list-style-type: none"> • Developer committed to working with the City to address homelessness, including by moving qualified Elk Grove homeless households to the top of the waitlist. They also have applied for project-based Section 8 vouchers through SHRA for 15 units to be set aside for people experiencing homelessness (probably families based on unit sizes), though it is not clear whether these will be awarded.
<p>BONUS – Maximizing Funding Sources</p> <ul style="list-style-type: none"> • Usage of funding sources in addition to or in lieu of tax credit financing and/or a per-unit subsidy of less than \$35,000. 	5		<ul style="list-style-type: none"> • Financial projections show a per-unit subsidy of \$66,667. • Plan to use Federal Home Loan Bank Affordable Housing Program as a source of funding. This has not been used in Elk Grove previously. • The project does not anticipate receiving water/sewer fee credits.

Proposer: **Mercy Housing - Unnamed**

Evaluation Criteria	Maximum Score	Reviewer Score	Staff Comments to Assist in Review
BONUS – Innovation in Project Design <ul style="list-style-type: none">Innovation in design or project type, such as a mixed-use development or a project containing permanent supportive housing.	5		<ul style="list-style-type: none">Project includes 15 units of permanent supportive housing for people experiencing homelessness. The City has no site-based permanent supportive housing.No building design was presented.
TOTAL SCORE (including bonus)	125		

Reviewer Signature

Date

AFFORDABLE HOUSING DEVELOPMENT PROPOSAL REVIEW

Proposer: **Mutual Housing – Old Town Courtyard**

Reviewer:

Evaluation Criteria	Maximum Score	Reviewer Score	Staff Comments to Assist in Review
<p>Development and Management Capacity</p> <ul style="list-style-type: none"> • Experience developing, owning, and operating affordable housing projects similar to the one proposed. • Record of developing successful housing within California and specifically the Sacramento region. • Strength, stability, and experience of team members individually and working as a team. • Assessment by references. 	25		<ul style="list-style-type: none"> • Nonprofit affordable housing developer since 1988. Based in Sacramento. • Has more than 1,100 affordable units in 19 projects in Sacramento and Yolo Counties. Two projects under development and additional projects in the development pipeline. • Development team has extensive experience with affordable housing and has worked together on prior projects. • Solid track record of obtaining tax credits, MHP, AHSC, and other funding sources.
<p>Project Financial Feasibility</p> <ul style="list-style-type: none"> • Status of funds from other sources (such as fee waivers, payment of infrastructure costs, Low Income Housing LIHTCs, tax-exempt bonds, and lender financing). For conceptual projects, the developer’s track record of receipt of LIHTC and other funding source will be considered. • Cost reasonableness. • Competitiveness to receive LIHTC (if applicable). • Amount of per-unit and per-project funding requested. • Proposed cost savings sharing in a percentage equal to the City’s contribution to the total project financing. • Likelihood of the project being constructed within the next 24 months. 	25		<ul style="list-style-type: none"> • Overall request: \$5,000,000. • 4% tax credit and Multifamily Housing Program project. • Cost per unit is \$398,130; cost per residential square foot is unknown. (Developer did not submit unit square footages.) • City subsidy per unit is \$50,000, a slight decrease from Gardens at Quail Run (\$52,631) but higher than Villages at Bilby (\$32,000). • Developer fee is \$2.8 million, or 7% of total project cost, excluding the amount the developer will contribute back to the project (\$2.1 million). This is below than the City’s allowable maximum of 10% and competitive compared to other proposals. • Financing is tax credit equity, MHP loan (\$14.6 million), and City loan. Developer is also deferring a portion of their developer fee (\$928K) and contributing \$2.1 million of the developer fee back to the project. The project cannot support payments on a bank loan and none is proposed. • Failed to address cost savings sharing. • Proposed a residual receipts loan payment. Residual receipts would be split between developer (50%) and soft lenders, including MHP and City (50%). Projections show no residual receipts payment will be available. • Construction completion projected for April 2024, which is realistic given the developer’s track record.
<p>Project Design and Community Benefit</p> <ul style="list-style-type: none"> • Project enhances and complements the surrounding neighborhood. • Project location provides tenants with easy access to major bus routes, shopping, and 	25		<ul style="list-style-type: none"> • Project is 100 units (1 - 2BD) located on a to-be-determined site in Old Town. • Developer has an adequate track record of securing land. • One three-story elevator building oriented around a courtyard; 50 parking spots. • Amenities include a community room and outdoor courtyard. • Old Town location would be close to shopping, services, and transit. As a senior

Proposer: **Mutual Housing – Old Town Courtyard**

Evaluation Criteria	Maximum Score	Reviewer Score	Staff Comments to Assist in Review
<p>social service providers.</p> <ul style="list-style-type: none"> Proposes support services for the low-income residents through a provider with a proven record of success. Offers on-site tenant amenities for low-income residents and surrounding communities that would not normally be available. Site plans and unit plans suitable for targeted population. <p><i>For respondents proposing conceptual projects, this factor shall be evaluated based on information from a prior, recent project similar to the one anticipated in this proposal.</i></p>			<p>project, proximity to schools is not a consideration.</p> <ul style="list-style-type: none"> Potential sites in Old Town would likely need to be rezoned to accommodate this project. Neighborhood opposition is less likely for a senior housing product, but the proposed density (50+ units per acre) may be a concern. Project would likely be in high opportunity area for TCAC. Old Town contains several small market-rate apartment complexes and one public housing site. The City owns property in Old Town that will likely be developed as affordable housing. Site and unit plans not provided. Plan to assign a community organizer as well as social work and nursing interns. Budget to support this is unclear.
<p>Ability to Meet Community Housing Needs</p> <ul style="list-style-type: none"> Includes 29%+ of affordable units for extremely low-income households. AND/OR Includes 58%+ of affordable units for very low-income households. 	15	15	<ul style="list-style-type: none"> 50% of units for extremely low-income households. 99% of units for very low-income households.
<p>Project Readiness</p> <ul style="list-style-type: none"> Evidence of private or public lender commitment to the project. Zoning or development approval has been obtained or is supported and/or readily achievable. Evidence of clear title, appraised value, and environmental acceptability of the identified site. Preliminary design sketches, site and unit layout, and landscape plan. <p><i>For respondents proposing conceptual projects, this factor shall be evaluated based on information from a prior, recent project similar to the one anticipated in this proposal. Evidence of clear title, appraised value, and environmental acceptability is not required.</i></p>	10		<ul style="list-style-type: none"> Does not have site control. Plans to begin looking for property to purchase if awarded funding from City. Readiness factors would be evaluated prior to purchase of land. Did not submit lender commitments for private loan but their development history suggests this will not be a problem.
<p>BONUS – Unit Affordability Adjustments</p> <ul style="list-style-type: none"> Commitment to performing annual income 	10	10	<ul style="list-style-type: none"> Developer committed to adjusting unit affordability as allowed within the guidelines of the TCAC and CDLAC regulations.

Proposer: **Mutual Housing – Old Town Courtyard**

Evaluation Criteria	Maximum Score	Reviewer Score	Staff Comments to Assist in Review
<p>recertifications and adjusting unit affordability accordingly. In effect, this means that a household initially living in a 30% AMI unit and whose household income rises to 50% AMI would have their rent adjusted to the 50% AMI level, and the next available unit would be made available to a household earning 30% AMI.</p> <ul style="list-style-type: none"> Developer commitment to placing tenant-based Housing Choice Voucher (HCV or Section 8) holders into units with the highest income level (generally 60% units), when such units are available, and, when such units are not available, adjusting unit affordability as soon as possible. (This policy is not intended to prioritize HCV holders over other households, but rather to ensure that the units targeted to households with the lowest incomes are available to those without HCV subsidy.) 			<ul style="list-style-type: none"> Developer committed to placing Section 8 voucher holders into units with the highest income levels.
<p>BONUS – Commitment to Addressing Homelessness</p> <ul style="list-style-type: none"> Commitment to working with the City to address homelessness, including by implementing a policy moving homeless Elk Grove households to the top of the waitlist for any vacant unit for which they are qualified. 	5	5	<ul style="list-style-type: none"> Developer committed to working with the City to address homelessness, including by moving qualified Elk Grove homeless households to the top of the waitlist.
<p>BONUS – Maximizing Funding Sources</p> <ul style="list-style-type: none"> Usage of funding sources in addition to or in lieu of tax credit financing and/or a per-unit subsidy of less than \$35,000. 	5		<ul style="list-style-type: none"> Financial projections show a per-unit subsidy of \$50,000. Plan to use Multifamily Housing Program as a source of funding. The project does not anticipate receiving water/sewer fee credits.
<p>BONUS – Innovation in Project Design</p> <ul style="list-style-type: none"> Innovation in design or project type, such as a mixed-use development or a project containing permanent supportive housing. 	5		<ul style="list-style-type: none"> Project type (senior housing) is standard and four such projects exist in Elk Grove. However, the proposed project offers deep affordability (30% and 40% of AMI) and there is a very limited supply of these units locally and a high need for them. No building design was presented.
<p>TOTAL SCORE (including bonus)</p>	125		

Proposer: **Mutual Housing – Old Town Courtyard**

Reviewer Signature

Date

AFFORDABLE HOUSING DEVELOPMENT PROPOSAL REVIEW

Proposer: **Mutual Housing – Elk Grove Family Housing**

Reviewer:

Evaluation Criteria	Maximum Score	Reviewer Score	Staff Comments to Assist in Review
<p>Development and Management Capacity</p> <ul style="list-style-type: none"> • Experience developing, owning, and operating affordable housing projects similar to the one proposed. • Record of developing successful housing within California and specifically the Sacramento region. • Strength, stability, and experience of team members individually and working as a team. • Assessment by references. 	25		<ul style="list-style-type: none"> • Nonprofit affordable housing developer since 1988. Based in Sacramento. • Has more than 1,100 affordable units in 19 projects in Sacramento and Yolo Counties. Two projects under development and additional projects in the development pipeline. • Development team has extensive experience with affordable housing and has worked together on prior projects. • Solid track record of obtaining tax credits, MHP, AHSC, and other funding sources.
<p>Project Financial Feasibility</p> <ul style="list-style-type: none"> • Status of funds from other sources (such as fee waivers, payment of infrastructure costs, Low Income Housing LIHTCs, tax-exempt bonds, and lender financing). For conceptual projects, the developer’s track record of receipt of LIHTC and other funding source will be considered. • Cost reasonableness. • Competitiveness to receive LIHTC (if applicable). • Amount of per-unit and per-project funding requested. • Proposed cost savings sharing in a percentage equal to the City’s contribution to the total project financing. • Likelihood of the project being constructed within the next 24 months. 	25		<ul style="list-style-type: none"> • Overall request: \$5,000,000. • 4% tax credit project. • Cost per unit is \$395,216; cost per residential square foot is unknown. (Developer did not submit unit square footages.) • City subsidy per unit is \$50,000, a slight decrease from Gardens at Quail Run (\$52,631) but higher than Villages at Bilby (\$32,000). • Developer fee is \$2.6 million, or 6.7% of total project cost, excluding the amount the developer will contribute back to the project (\$2.1 million). This is below than the City’s allowable maximum of 10% and competitive compared to other proposals. • Financing is tax credit equity, bank loan (\$7 million), and City loan. Developer is also deferring a portion of their developer fee (\$1.2 million) and contributing \$2.1 million of the developer fee back to the project. • Failed to address cost savings sharing. • Could not evaluate pro forma and residual receipts payment projections. An error in the pro forma included 135 units and therefore income projections were unrealistic. Unclear if project would be feasible with corrected number of units. • Construction completion projected for July 2024.
<p>Project Design and Community Benefit</p> <ul style="list-style-type: none"> • Project enhances and complements the surrounding neighborhood. • Project location provides tenants with easy access to major bus routes, shopping, and social service providers. • Proposes support services for the low-income 	25		<ul style="list-style-type: none"> • Project is 100 units (1 - 3BD) located on a to-be-determined site in the Laguna West/Stonelake area. • Developer has an adequate track record of securing land. • Several three-story walk-up buildings oriented around a community center; 125 parking spots. Parking may not be enough for an area in transit runs infrequently. • Amenities include a community center, basketball court, two children’s play areas, and barbeque area.

Proposer: **Mutual Housing – Elk Grove Family Housing**

Evaluation Criteria	Maximum Score	Reviewer Score	Staff Comments to Assist in Review
<p>residents through a provider with a proven record of success.</p> <ul style="list-style-type: none"> Offers on-site tenant amenities for low-income residents and surrounding communities that would not normally be available. Site plans and unit plans suitable for targeted population. <p><i>For respondents proposing conceptual projects, this factor shall be evaluated based on information from a prior, recent project similar to the one anticipated in this proposal.</i></p>			<ul style="list-style-type: none"> Laguna West/Stonelake location has limited shopping, services, and transit, but good proximity to schools and parks. Project would likely be in high or highest opportunity area for TCAC. Laguna West contains several large market-rate apartment complexes. The only other affordable housing complex in the Laguna West/Stonelake area is senior housing (Renwick Square). Site and unit plans not provided. Plan to assign a resident organizer. Number of service hours and budget to support this is unclear.
<p>Ability to Meet Community Housing Needs</p> <ul style="list-style-type: none"> Includes 29%+ of affordable units for extremely low-income households. AND/OR Includes 58%+ of affordable units for very low-income households. 	15	0	<ul style="list-style-type: none"> 10% of units for extremely low-income households. 56% of units for very low-income households.
<p>Project Readiness</p> <ul style="list-style-type: none"> Evidence of private or public lender commitment to the project. Zoning or development approval has been obtained or is supported and/or readily achievable. Evidence of clear title, appraised value, and environmental acceptability of the identified site. Preliminary design sketches, site and unit layout, and landscape plan. <p><i>For respondents proposing conceptual projects, this factor shall be evaluated based on information from a prior, recent project similar to the one anticipated in this proposal. Evidence of clear title, appraised value, and environmental acceptability is not required.</i></p>	10		<ul style="list-style-type: none"> Does not have site control. Plans to begin looking for property to purchase if awarded funding from City. Readiness factors would be evaluated prior to purchase of land. Did not submit lender commitments for private loan but their development history suggests this will not be a problem. Will need NEPA clearance for SHRA funding.
<p>BONUS – Unit Affordability Adjustments</p> <ul style="list-style-type: none"> Commitment to performing annual income recertifications and adjusting unit affordability accordingly. In effect, this means that a 	10	10	<ul style="list-style-type: none"> Developer committed to adjusting unit affordability as allowed within the guidelines of the TCAC and CDLAC regulations. Developer committed to placing Section 8 voucher holders into units with the highest income levels.

Proposer: **Mutual Housing – Elk Grove Family Housing**

Evaluation Criteria	Maximum Score	Reviewer Score	Staff Comments to Assist in Review
<p>household initially living in a 30% AMI unit and whose household income rises to 50% AMI would have their rent adjusted to the 50% AMI level, and the next available unit would be made available to a household earning 30% AMI.</p> <ul style="list-style-type: none"> Developer commitment to placing tenant-based Housing Choice Voucher (HCV or Section 8) holders into units with the highest income level (generally 60% units), when such units are available, and, when such units are not available, adjusting unit affordability as soon as possible. (This policy is not intended to prioritize HCV holders over other households, but rather to ensure that the units targeted to households with the lowest incomes are available to those without HCV subsidy.) 			
<p>BONUS – Commitment to Addressing Homelessness</p> <ul style="list-style-type: none"> Commitment to working with the City to address homelessness, including by implementing a policy moving homeless Elk Grove households to the top of the waitlist for any vacant unit for which they are qualified. 	5	5	<ul style="list-style-type: none"> Developer committed to working with the City to address homelessness, including by moving qualified Elk Grove homeless households to the top of the waitlist.
<p>BONUS – Maximizing Funding Sources</p> <ul style="list-style-type: none"> Usage of funding sources in addition to or in lieu of tax credit financing and/or a per-unit subsidy of less than \$35,000. 	5		<ul style="list-style-type: none"> Financial projections show a per-unit subsidy of \$50,000. Plan to use project-based Section 8 vouchers. The project does not anticipate receiving water/sewer fee credits.
<p>BONUS – Innovation in Project Design</p> <ul style="list-style-type: none"> Innovation in design or project type, such as a mixed-use development or a project containing permanent supportive housing. 	5		<ul style="list-style-type: none"> Project type is standard and common in Elk Grove and within the industry. However, the project does reserve eight units for people experiencing homelessness. No building design was presented.
<p>TOTAL SCORE (including bonus)</p>	125		

Proposer: **Mutual Housing – Elk Grove Family Housing**

Reviewer Signature

Date

AFFORDABLE HOUSING DEVELOPMENT PROPOSAL REVIEW

Proposer: **The Pacific Companies – The Villages at Bilby**

Reviewer:

Evaluation Criteria	Maximum Score	Reviewer Score	Staff Comments to Assist in Review
<p>Development and Management Capacity</p> <ul style="list-style-type: none"> • Experience developing, owning, and operating affordable housing projects similar to the one proposed. • Record of developing successful housing within California and specifically the Sacramento region. • Strength, stability, and experience of team members individually and working as a team. • Assessment by references. 	25		<ul style="list-style-type: none"> • Has more than 10,000 units in 180 projects, many funded with 9% tax credits. • Developed three affordable housing projects in Elk Grove: Avery Gardens (2015), Bow Street (2019), and Gardens at Quail Run (opening April 2021). A fourth project, Villages at Bilby, is pursuing financing. • Stable team that has worked together on previous projects. <ul style="list-style-type: none"> ○ Nonprofit partner, Riverside Charitable, has not been their partner on previous projects but has partnered with other developers on six EG projects. • Plan to use affiliated architectural/engineering and construction firms.
<p>Project Financial Feasibility</p> <ul style="list-style-type: none"> • Status of funds from other sources (such as fee waivers, payment of infrastructure costs, Low Income Housing LIHTCs, tax-exempt bonds, and lender financing). For conceptual projects, the developer's track record of receipt of LIHTC and other funding source will be considered. • Cost reasonableness. • Competitiveness to receive LIHTC (if applicable). • Amount of per-unit and per-project funding requested. • Proposed cost savings sharing in a percentage equal to the City's contribution to the total project financing. • Likelihood of the project being constructed within the next 24 months. 	25		<ul style="list-style-type: none"> • Overall request: \$4 million. • 4% tax credit project. • Cost per unit is \$348,488; cost per residential square foot is \$454.85. • City subsidy per affordable unit is \$13,746, a significant decrease from Gardens at Quail Run (\$52,631) and Villages at Bilby (\$32,000). Reflective of project's higher rents; about 80% of units are at 60% AMI or above. • Developer fee of \$12,609,343 is 12.4% of total project costs. This is above the City's allowable maximum of 10% and the highest developer fee percentage of any proposal. • Construction completion projected for September 2023 is ambitious for a project this size. Dependent on receiving funding in September 2021 4% tax credit round. • Financing is tax credit equity, tax-exempt bonds (\$24.6 million), and City loan. No bank loan or other funding source is proposed. About \$6.2 million of the developer fee will be deferred and paid over 15 years. • Failed to address cost savings sharing. • Asset management fee is higher than other proposals, likely related to the higher number of units in the project. • Proposed a residual receipts loan payment, but only after paying deferred developer fee. Residual receipts would be split between the developer and the City. The first projected payment of the City would not occur until Year 15.
<p>Project Design and Community Benefit</p> <ul style="list-style-type: none"> • Project enhances and complements the surrounding neighborhood. • Project location provides tenants with easy access to major bus routes, shopping, and 	25		<ul style="list-style-type: none"> • Project is 294 units (Studio - 3BD) on a 8.3 acre site near the intersection of Laguna and Bruceville. • Project may be phased depending on the availability of financing. • Thirteen three-story walk-up buildings, one of which also includes a community

Proposer: **The Pacific Companies – The Villages at Bilby**

Evaluation Criteria	Maximum Score	Reviewer Score	Staff Comments to Assist in Review
<p>social service providers.</p> <ul style="list-style-type: none"> Proposes support services for the low-income residents through a provider with a proven record of success. Offers on-site tenant amenities for low-income residents and surrounding communities that would not normally be available. Site plans and unit plans suitable for targeted population. <p><i>For respondents proposing conceptual projects, this factor shall be evaluated based on information from a prior, recent project similar to the one anticipated in this proposal.</i></p>			<p>room; surface and tuck under parking (285 surface, 156 tuck under spaces).</p> <ul style="list-style-type: none"> Amenities include a swimming pool, community building with a fitness center and computers, and children’s play area. Portion of site to be developed is vacant and would be adjacent to shopping centers, market-rate multifamily housing (Bella Vista – 241 units), and single-family homes. Excellent proximity to shopping, services, and transit. Close to middle and high schools. Elementary school is 0.8 miles away. Project is in high opportunity area for TCAC. Nearby multifamily housing includes Bella Vista, Village Crossing (96 units, market-rate and affordable), and a small public housing complex. Location on Bruceville is suitable for additional multifamily housing. Committed to providing at least 15 hours a week of on-site social service programming, which may include a free afterschool program. Project design is more contemporary than developer’s other projects in Elk Grove. Unit plans not submitted, but square footages are in line with recent projects.
<p>Ability to Meet Community Housing Needs</p> <ul style="list-style-type: none"> Includes 29%+ of affordable units for extremely low-income households. AND/OR Includes 58%+ of affordable units for very low-income households. 	15	0	<ul style="list-style-type: none"> 10% of units for extremely low-income households. 21% of units for very low-income households.
<p>Project Readiness</p> <ul style="list-style-type: none"> Evidence of private or public lender commitment to the project. Zoning or development approval has been obtained or is supported and/or readily achievable. Evidence of clear title, appraised value, and environmental acceptability of the identified site. Preliminary design sketches, site and unit layout, and landscape plan. <p><i>For respondents proposing conceptual projects, this factor shall be evaluated based on information from a prior, recent project similar to the one anticipated in this</i></p>	10		<ul style="list-style-type: none"> Acquired property in 2019. Submitted application to Planning, but project is not yet approved. Existing zoning (RD-40) allows for density proposed. Design review by Planning Commission will be required. Multiple parcels will likely need to be consolidated. Timeline to submit for 4% tax credits in September 2021 may not be achievable. Anticipate CEQA exemption because plan is consistent with Housing Element EIR.

Proposer: **The Pacific Companies – The Villages at Bilby**

Evaluation Criteria	Maximum Score	Reviewer Score	Staff Comments to Assist in Review
<i>proposal. Evidence of clear title, appraised value, and environmental acceptability is not required.</i>			
<p>BONUS – Unit Affordability Adjustments</p> <ul style="list-style-type: none"> • Commitment to performing annual income recertifications and adjusting unit affordability accordingly. In effect, this means that a household initially living in a 30% AMI unit and whose household income rises to 50% AMI would have their rent adjusted to the 50% AMI level, and the next available unit would be made available to a household earning 30% AMI. • Developer commitment to placing tenant-based Housing Choice Voucher (HCV or Section 8) holders into units with the highest income level (generally 60% units), when such units are available, and, when such units are not available, adjusting unit affordability as soon as possible. (This policy is not intended to prioritize HCV holders over other households, but rather to ensure that the units targeted to households with the lowest incomes are available to those without HCV subsidy.) 	10	5	<ul style="list-style-type: none"> • Developer committed to adjusting unit affordability as allowed within the bounds of tax credit financing regulations. • Developer did not commit to placing Section 8 voucher holders into units with the highest income levels.
<p>BONUS – Commitment to Addressing Homelessness</p> <ul style="list-style-type: none"> • Commitment to working with the City to address homelessness, including by implementing a policy moving homeless Elk Grove households to the top of the waitlist for any vacant unit for which they are qualified. 	5	5	<ul style="list-style-type: none"> • Developer agreed to move qualified Elk Grove homeless households to the top of the waitlist so long as it is consistent with fair housing law and tax credit financing regulations.
<p>BONUS – Maximizing Funding Sources</p> <ul style="list-style-type: none"> • Usage of funding sources in addition to or in lieu of tax credit financing and/or a per-unit subsidy of less than \$35,000. 	5	5	<ul style="list-style-type: none"> • Financial projections show a per-unit subsidy of \$13,746, and no planned usage of funding sources outside of tax credits/bonds and City funds. • The project does not anticipate receiving water/sewer fee credits.
<p>BONUS – Innovation in Project Design</p> <ul style="list-style-type: none"> • Innovation in design or project type, such as a mixed-use development or a project containing permanent supportive housing. 	5		<ul style="list-style-type: none"> • Project type is standard and common in Elk Grove and within the industry. Project facade is more contemporary than other existing projects within Elk Grove, but overall building type (three-story walk-up) is consistent with most projects in Elk Grove.

Proposer: **The Pacific Companies – The Villages at Bilby**

Evaluation Criteria	Maximum Score	Reviewer Score	Staff Comments to Assist in Review
TOTAL SCORE (including bonus)	125		

Reviewer Signature

Date