

From: [Michelle Wigder](#)
To: [Sarah Bontrager](#)
Cc: [Paul Salib](#); [Eli Wise](#); [Seth Sterneck](#)
Subject: Clarification Regarding City Funding _Aspen Grove Villas
Date: Monday, June 28, 2021 2:17:08 PM
Attachments: [Commitment - Unit Affordability Adjustments.docx.pdf](#)

[EXTERNAL EMAIL]

Good afternoon Sarah,

Hope all is well and you enjoyed your weekend.

We reviewed the comments regarding our submitted application and noticed that although we prepared a commitment letter regarding the Unit Affordability Adjustment it was missed in our final version.

If you can please accept the attached as additional clarification for our application on project Aspen Grove Villas.

Thank you so much as always for your help and the opportunity to be considered for funding.

Best,

Michelle Wigder

CRP Affordable Housing and Community Development

O: 646-545-6712

M: 718-751-5138

Email: mwigder@crpaffordable.com



May 11th, 2021

Sarah Bontrager
Housing and Public Services Manager
City of Elk Grove
8401 Laguna Palms Way
Elk Grove, CA 95758

Reference: Response to Request for Proposal for the Construction, Development and Operation of an Affordable Housing Project. Application for 4% Low Income Housing Tax Credits.

Project: Commitment to Unit Affordability Adjustments – Aspen Grove Villas, 8668 Poppy Ridge Road, Elk Grove, CA 95757

Dear Ms. Bontrager,

Please accept this letter as our commitment to making unit affordability adjustments, provided that the required adjustments are within the guidelines of the TCAC and CDLAC regulations.

More specifically:

- We are committed 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.
- Additionally, we are committed 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.)

We are therefore requesting the 10% bonus points being awarded for the project's commitment to unit affordability adjustments.

Should you require any additional information, please do not hesitate to contact me at psalib@crpaffordable.com.

Sincerely,

DocuSigned by:

Paul Salib

4B2ABD89EF604C6...

Paul Salib

Authorized Signatory

From: [Peter Enzminger](#)
To: [Inez Scott](#)
Subject: June 30 2021 AHC Mtg - public comment
Date: Wednesday, June 30, 2021 9:42:57 AM
Attachments: [image001.png](#)
[20210629 Oak Rose - Response Letter.pdf](#)

[EXTERNAL EMAIL]

Hello,

The attached was submitted to Ms Bontrager and the committee members yesterday, but I also wanted to enter it into the record.

We'd particularly like to highlight that the project does not require a zone change, and that since submitting our response to the RFP, we have received an award of Project Based Vouchers from SHRA. We are excited to be working with the City of Elk Grove and grateful for the opportunity! In this unprecedented housing and homelessness crisis, we desperately need more units for the unhoused, and we appreciate the Committee's consideration!

Thanks,

Peter Enzminger

Assistant Director of Development

Excelerate Housing Group

3910 Cover Street

Long Beach, CA 90808

(562) 268-2700 ext 103

peter@EHGhousing.com



From: [Peter Enzminger](#)
To: [Sarah Bontrager](#)
Subject: Oak Rose - response letter
Date: Tuesday, June 29, 2021 11:56:00 AM
Attachments: [image001.png](#)
[20210629 Oak Rose - Response Letter.pdf](#)

[EXTERNAL EMAIL]

Sarah,

Per our conversation yesterday, please see attached comment letter from EHG. We appreciate you passing this along to the committee members. Please feel free to reach out with any questions.

Thanks,

Peter Enzminger

Assistant Director of Development

Excelerate Housing Group

3910 Cover Street

Long Beach, CA 90808

(562) 268-2700 ext 103

peter@EHGhousing.com

EHG_Logo_Box_FINAL





June 29, 2021

Re: Oak Rose Apartments Proposal Review

Dear Sarah:

Thank you for the opportunity to apply for funding from the City of Elk Grove, and for an opportunity to respond to the preliminary rubrics and staff summaries. We would like to do 3 things with this letter: (1) request for point adjustments to the scored sections, (2) provide clarifications of the staff report, and (3) provide additional information and project financing updates.

REQUEST FOR POINT ADJUSTMENT

Bonus – Unit Affordability Adjustments (Request for 10 points):

Staff Comments: “Developer did not commit to adjusting unit affordability as allowed within the guidelines of the TCAC and CDLAC regulations.”

Clarification and request for points: 100% of the units have Section 8 Housing Choice Vouchers. As such, SHRA automatically performs an annual adjustment to tenant rent so that tenants always pay 30% of their income in rent. Under the Section 8 program, unit affordability does not need to be adjusted for a tenant to pay 30% of their income. All vacancies at the project would be of equal affordability to a prospective tenant due to the voucher. Therefore, the project automatically meets the criterion requested for bonus points. *We are requesting an additional 5 points as the project meets all criteria in this is category and is deserving of the full 10 points.*

Bonus – Commitment to Addressing Homelessness (Request for 5 points):

Staff Comments: “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.”

Clarification and request for points: Service Provider Hope Cooperative has deep ties with other providers in the Elk Grove region and have several staff who reside within the City. They have the experience to collaborate with these entities and relevant City agencies to ensure that the unhoused Elk Grove residents are registered in the CES system (see resume for Erin Johansen, who is current Board Chair of the Continuum of Care, and Hope Cooperative experience narratives) and part of the pool of applicants. Secondly, all RFP applicants utilizing the tax credit program are subject to the same Federal and Fair Housing laws; all applicants utilizing Section 8 vouchers for homeless units are subject to the

same programmatic restrictions. The limitations on meeting the City's requested policy apply equally to the RFP applicant pool. Lastly, given that the project is 100% homeless housing, the project will likely serve more Elk Grove homeless residents than those projects with fewer dedicated homeless units and with fewer PBVs. Oak Rose is deserving of all 5 points in this category.

CLARIFICATIONS

Project Readiness:

Staff Comments: "Project would need a rezone to HDR and a density bonus, both of which are subject to Council approval. Neighborhood opposition to rezone is likely."

Clarification: A re-zone would not be required, as the site's location in the Old Town Special Planning Area allows for 30u/acre. This was confirmed by the planning department. The project would utilize AB 1763 to realize a density bonus, yielding the final by-right unit count of 67 units. Please see Sec 7 of the application.

Project Financial Feasibility:

Staff Comments: "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."

Clarification: The perm debt structure and the vacancy rate are typical for PSH projects, which are a specialized type of affordable housing with a different risk profile; even a 10% vacancy rate is typical for underwriting homeless units. As such, the underwriting criteria is not the same for general affordable and PSH projects. A longer loan term would not increase cash flow for the city as the NOI would be flow to debt service.

Project Design & Community Benefit:

Staff Comments: "Units are very small (340 square feet). In a less competitive rental market, unit sizes could make renting difficult."

Clarification: Unit sizes are appropriate for target population of 1-2 person households experiencing homelessness. They include amenities such as ADA bathroom and full kitchen and are fully furnished. The Rent Comp Study does not indicate any market issues with rentability or demand:

"The requested proposed HUD rent for studio units in Elk Grove is \$1,166 and the market rate adjusted rent is \$1,425, a difference of 18.18%. This rent differential exceeds the required 10% differential by 8.18% and ensures that the HUD rents are achievable in the Elk Grove market."
(p1)

“Vacancies for conventional apartment units in Elk Grove range from 0% to 2%. There are no waiting lists for market rate projects in the Primary Market Area. Sacramento rents are soaring and vacancies even more rare as people from the Bay Area are moving with greater frequency to Sacramento, in response to the COVID-19 pandemic.” (p2)

While the TCAC rents are 18% below market, 100% of units have Project-Based Vouchers, making the distance between actual tenant rent and market even greater, and the units highly desirable.

Staff Comments: “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.”

Clarification: The target population is 100% one or two -person households who have experienced homelessness, and who earn well below 50% AMI—most of the units are restricted between 25% AMI-40% AMI. EHG staff extremely experienced in operating 100% PSH in urban and suburban markets and do not anticipate a parking demand for this project, beyond staff parking. Lastly, the project’s location within walking distance of transit, groceries, shopping, and a pharmacy indicates that residents are likely to meet their daily needs without an automobile.

ADDITIONAL INFORMAITON

Section 8 vouchers – award received, attached.

Cost Savings – Once the project completes its cost certification, 100% of any project surplus will be used to pay down the City Loan.

Thank you for your time, and feel free to reach out with any questions. I can be reached at 562-268-2700 x103 or at peter@ehghousing.com.

Sincerely,



Peer Enzminger
Asst Director of Development



June 18, 2021

Excelerate Housing Group
Attn: Dana Trujillo
3910 Cover Street
Long Beach, CA 90808

VIA email: dana@ehghousing.com

**Re: Project-Based Vouchers for Homeless Families / Individuals – RFP #2113-DS
Award of Project Based Vouchers for Oak Rose**

Dana Trujillo:

Thank you for submitting an application in response to the Request for Proposals (RFP) issued by the Sacramento Housing and Redevelopment Agency (SHRA) to provide affordable housing to homeless families / individuals. SHRA is pleased to inform you that based on your proposal and an inspection of the site; we are awarding Sixty - Six (66) project-based vouchers to Oak Rose.

Because these vouchers are under the purview of HUD, your award is contingent on meeting project-based voucher (PBV) regulations related to (but not limited to) environmental clearance, oversight, review and subsidy layering requirements (see Title 24 Part 983 of the Code of Federal Regulations).

The Housing Authority and Excelerate Housing Group, must enter into an Agreement to Enter into a Housing Assistance Payment (AHAP). **Under no circumstances** will any construction work begin prior to signing the AHAP. Per HUD regulations, construction begins with excavation or site preparation (including the clearing of land).

The initial contract term for this Project-Based Voucher assistance will be twenty (20) years and under no circumstances will work commence on the project site until the AHAP is signed.

Please contact Laila Darby, Housing Choice Voucher Director at (916) 440-1384 or ldarby@shra.org if you have any questions or comments regarding this commitment.

Respectfully,

Darrin Samford
Compliance/Procurement Analyst



From: [Giornalista, Kristine](#)
To: [Jason Lindgren](#); [Sarah Bontrager](#)
Cc: [Margaret Miller](#); [Campbell, Tom](#)
Subject: RE: Elk Grove - Affordable Housing RFP - Cornerstone Village
Date: Tuesday, June 29, 2021 11:54:08 AM
Attachments: [image004.png](#)
[image005.png](#)
[image006.png](#)
[image007.png](#)
[image003.png](#)
[Cornerstone Village Supplemental Info 2021-06-29.pdf](#)

[EXTERNAL EMAIL]

Hi Jason and Sarah,

The development team for the Cornerstone Village project would like to clarify several items noted in the summary and evaluation materials for the June 30 Affordable Housing Committee Meeting. Please see attached for supplemental information.

Sarah, thank you for forwarding this to the Councilmembers.

As always, let us know if you have any questions. We look forward to the AHC meeting tomorrow.

Sincerely,

Kristine Giornalista
Senior Director of Real Estate Development
Bethesda
600 Hoffmann Dr., Watertown, WI 53094
608.361.8014 cell
[BethesdaLC.org](#)



*Connecting people of all abilities
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From: Giornalista, Kristine
Sent: Monday, June 14, 2021 1:03 PM
To: Jason Lindgren <jlindgren@elkgrovecity.org>; Sarah Bontrager <sbontrager@elkgrovecity.org>
Cc: Margaret Miller <mmiller@jSCO.net>
Subject: RE: Elk Grove - Affordable Housing RFP - Cornerstone Village

Dear Jason and Sarah,

I'm emailing to see if the City of Elk Grove has any questions for The John Stewart

Company/Bethesda Cornerstone Village on the proposed affordable housing development at 9270 Bruceville Road.

The RFP states this will go before the City Council for consideration on August 25. Is there an interim date you've established to determine which project(s) will move from the staff review phase to the AHC/loan application stage? Note that I'm reference the "project selection process" on page 10-11 of the RFP.

We are excited about the project and are eager to answer any questions you may have. Thanks again for considering our project!

Kristine Giornalista
Senior Director of Real Estate Development
Bethesda
600 Hoffmann Dr., Watertown, WI 53094
608.361.8014 cell
BethesdaLC.org



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From: Jason Lindgren <jlindgren@elkgrovecity.org>
Sent: Wednesday, May 19, 2021 5:34 PM
To: Giornalista, Kristine <Kristine.Giornalista@bethesdalc.org>
Cc: Sarah Bontrager <sbontrager@elkgrovecity.org>; Margaret Miller <mmiller@jsco.net>;
Campbell, Tom <Tom.Campbell@bethesdalc.org>
Subject: RE: Elk Grove - Affordable Housing RFP - Cornerstone Village

Good Afternoon,

I am confirming receipt of your email and confirming that I was able to download the PDFs of the submittal.

If you have any questions or concerns regarding this matter, feel free to contact me, 478-2286, jlindgren@elkgrovecity.org.



Jason Lindgren | Office of the City Clerk
City Clerk

City of Elk Grove

8401 Laguna Palms Way, Elk Grove, CA 95758
t 916.478.2286 f 916.627.4400
TTY/TDD 888.435.6092
elkgrovecity.org

Sign Up For City Email Updates

From: Giornalista, Kristine <Kristine.Giornalista@bethesdalc.org>

Sent: Wednesday, May 19, 2021 3:25 PM

To: Jason Lindgren <jlindgren@elkgrovecity.org>

Cc: Sarah Bontrager <sbontrager@elkgrovecity.org>; Margaret Miller <mmiller@jsco.net>;
Campbell, Tom <Tom.Campbell@bethesdalc.org>

Subject: Elk Grove - Affordable Housing RFP - Cornerstone Village

[EXTERNAL EMAIL]

Dear Mr. Lindgren,

The John Stewart Company and Bethesda Cornerstone Village are pleased to submit a response to the City of Elk Grove's RFP for Affordable Housing. We are proposing Cornerstone Village, an inclusive, 84-unit community at 9720 Bruceville Road. The community will provide family housing integrated with supportive housing for adults with a developmental disability, as well as adults who have experienced homelessness.

Our proposal can be accessed on ShareFile at this link: [Cornerstone Village – Elk Grove](#)

If you have any questions, please contact our primary project liaison, Margaret Miller, Senior Vice President of Development, at (415) 345-4400 or mmiller@jsco.net. We look forward to working with the City of Elk Grove.

Sincerely,

Kristine Giornalista

Senior Director of Real Estate Development

Bethesda

600 Hoffmann Dr., Watertown, WI 53094

608.361.8014 cell

BethesdaLC.org





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June 29, 2021

Jason Lindgren, City Clerk
City of Elk Grove
8401 Laguna Palms Way
Elk Grove, CA 95758

**Re: Cornerstone Village – Elk Grove
Supplemental Information to RFP Response**

Dear Mr. Lindgren,

In advance of the Affordable Housing Committee meeting on June 30, the development team of the John Stewart Company (“JSCo”) and Bethesda Cornerstone Village (“BCV”) would like to clarify several items noted on the Project Comparison and Affordable Housing Development Proposal Review Form for the Cornerstone Village development.

- **Development Costs.** Our estimated development costs, which are higher than recent projects completed in Elk Grove, are driven by spikes in construction material costs. Based on a project in Sacramento recently priced by JSCo, we are budgeting \$375 per gross square foot and \$351,179 per unit for hard construction costs. The elevated construction material costs are a product of the COVID-19 pandemic. The [National Association of Home Builders’ analysis](#) of data from the Bureau of Labor Statistics showed that building material prices rose by 9.8% nationally between March 2020 and March 2021. It is not clear if and when material prices will decrease, so we are using conservative numbers in our estimate. We are committed to bringing down construction costs as much as market conditions allow.
- **SHRA Funding.** The development team met with the Sacramento Housing and Redevelopment Authority (SHRA) and they confirmed that the SHRA does not have any capital dollars available for projects in the City of Elk Grove. Note the SHRA affirmed that this project is eligible to apply to the SHRA for project-based Housing Choice Vouchers.

We anticipate replacing the \$1,933,390 SHRA funds with a larger Multifamily Housing Program (MHP) loan from the California Department of Housing Community Development (HCD), up to the maximum allowed. We also anticipate that we would have lower annual bond monitoring costs if SHRA was not the bond issuer, which would increase the permanent mortgage amount.

We plan on applying for additional resources from the State of California, which could include State HOME funds. The HCD NOFA calendar updated in June indicates that there will be a NOFA for State HOME funds in September, following by awards in December 2021. Finally, HCD has just released draft guidelines for the 2022 funding NOFA that would permit developers to apply for multiple HCD loan programs for the same units. With

this change in policy, we would be eligible to apply for programs such as No Place Like Home for the MHP units that are serving formerly homeless households. Please see the attached Revised Sources of Funds.

- **Residual Receipts & GP Partnership Management Fee.** The development team is open to negotiating an equitable structure for the residual receipt payments to the City of Elk Grove. We anticipate HCD will require residual receipts to be split pro rata with other funding sources that are cash-flow contingent. We also are open to resizing the GP Partnership Management Fee. As noted above, the SHRA bond administrative fee of \$25,000 will no longer be an expense.
- **Zoning.** The development team held a pre-application meeting with the City of Elk Grove's Planning Division in April 2021. To achieve the proposed density of up to 27 dwelling units per acre, we discussed pursuing density bonuses available to affordable housing that are in line with State law.
- **Bank Lender Commitment.** We did not intend to include a commitment letter for the first mortgage at this time. The development team has a long track record of securing financing for tax-exempt bond projects, and we fully anticipate receiving competitive terms for the first mortgage later in the development process.
- **City Subsidy Per Affordable Unit.** The Project Comparison sheet shows our City subsidy per unit at \$35,373. Our intention is to stay at or below \$35,000 per affordable unit to earn the five bonus points for "Maximizing Funding Sources." We included the manager's unit when calculating our request. We are willing to reduce our request if the calculation needs to exclude the manager's unit.

We look forward to hearing the discussion at the Affordable Housing Committee meeting. Thank you again for considering our proposal to create inclusive residential living in the vibrant City of Elk Grove!

Sincerely,



Margaret Miller
Senior Vice President
The John Stewart Company
1388 Sutter Street, 11th Floor
San Francisco, CA 94109
(415) 345-4400
mmiller@jsc.com



Thomas G. Campbell
Second Vice President
Bethesda Cornerstone Village, LLC
600 Hoffmann Drive
Watertown, WI 53094
(414) 828-6697
Tom.Campbell@bethesdalc.org

Cc: Sarah Bontrager, Housing and Public Services Manager

Project Name: Cornerstone Village - Elk Grove

Name of Lender/Source	Term (months)	Amort. Term (months)	Interest Rate	Payment Type	Lien Position	Annual Debt Service (residential)	Annual Debt Service (commercial)	Amount of Funds
1) Bank Loan	204	420	4.660%	Residual	1	\$339,703		\$5,858,000
2) HCD MHP	660	NA	3.000%	Residual	2	\$65,100		\$15,500,000
3) HCD - State HOME / NPLH	660	NA	3.000%	Deferred	3			\$1,274,390
4) City of Elk Grove	660	NA	4.000%	Residual	4			\$2,936,000
5) DDS Multifamily	660	NA	3.000%	Other	5			\$2,100,000
6) AHP	660	NA	0.000%	Other	6			\$840,000
7) GP Capital	NA	NA	0.000%	Residual	NA			\$100
8) Contributed Developer Fee	NA	NA	NA	(select)	NA			\$2,346,741
Total Permanent Financing:								\$30,855,231
Total Tax Credit Equity:								\$16,754,114
Total Sources of Project Funds:								\$47,609,345

1) Lender/Source: Bank Loan - No lender identified as yet
 Street Address:
 City:
 Contact Name:
 Phone Number:
 Type of Financing: Conventional first mortgage
 Is the Lender/Source Committed? No

2) Lender/Source: HCD MHP
 Street Address: 2020 West El Camino Ave Suite 150
 City: Sacramento, CA 95833
 Contact Name: Jennifer Seeger
 Phone Number: (916) 263-2771
 Type of Financing: Residual Receipts Loan
 Is the Lender/Source Committed? No

3) Lender/Source: SHRA
 Street Address: 801 12th Street
 City: Sacramento, CA 95814
 Contact Name: Christine Weichert, Director
 Phone Number: (916) 440-1353
 Type of Financing: Residual Receipts Loan
 Is the Lender/Source Committed? No

4) Lender/Source: City of Elk Grove
 Street Address: 8401 Laguna Palms Way
 City: Elk Grove, CA 95758
 Contact Name: Kimberly Spears
 Phone Number: (916) 683-7111
 Type of Financing: Residual Receipts Loan
 Is the Lender/Source Committed? No

5) Lender/Source: State of CA Dept. of Developmental Services
 Street Address: 1600 9th Street
 City: Sacramento, CA 95814
 Contact Name: Nancy Bargmann
 Phone Number: (916) 654-2292
 Type of Financing: Residual Receipts Loan
 Is the Lender/Source Committed? No

6) Lender/Source: AHP - No Sponsor Bank selected yet
 Street Address:
 City:
 Contact Name:
 Phone Number:
 Type of Financing:
 Is the Lender/Source Committed? No

1) Lender/Source: GP Capital
 Street Address: 1388 Sutter Street
 City: San Francisco, CA
 Contact Name: Margaret Miller
 Phone Number: (415) 345-4400
 Type of Financing: Equity
 Is the Lender/Source Committed? Yes

2) Lender/Source: Enterprise Housing Credit Investments
 Street Address: 70 Corporate Center/11000 Broken Lnd Pkwy
 City: Columbia, MD 21004
 Contact Name: Philip Porter
 Phone Number: (410) 772-2594
 Type of Financing: Tax Credit Equity - 4% tax credits
 Is the Lender/Source Committed? No

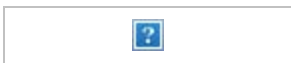
From: [Stephan Daues](#)
To: [Sarah Bontrager](#)
Subject: RE: [EXTERNAL] RE: Elk Grove Affordable Housing RFP - June 30 Meeting
Date: Monday, June 28, 2021 5:47:09 PM
Attachments: [image001.png](#)
[image002.jpg](#)
[image003.png](#)
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[image010.jpg](#)
[image004.png](#)
[2113-DS - Award letter - Mercy Housing - 8480 EG-Forin Road.pdf](#)
[LOI EG 8484 and 8490 EG Florin fully signed 6.19.21.pdf](#)

[EXTERNAL EMAIL]

Hello Sarah, I have two important updates with documents that I think would be worth sharing with you and the committee as part of the selection process. Importantly, these are both items that were indicated as in process in our initial submission. The first is that our application to SHRA for 15 Project-Base Vouchers for homeless families has been awarded. Please see the attached award letter. The 2nd update is that we have come to an agreement on terms with the adjacent southern parcel. See the attached executed LOI. A fully executed Purchase and Sale Agreement will be available in approximately 1 week. As indicated in our initial submission the addition of the adjacent land creates multiple funding opportunities. With the current status of the state HCD MHP 2021 NOFA, there may even be an opportunity to submit for the larger application this year still if the City loan commitment can proceed in August/September and if we do not require any exceptions to the City site plan and design development standards. We look forward to working thru those issues if we are chosen to move forward.

Thanks,
Stephan

Stephan Daues
REGIONAL DIRECTOR OF HOUSING DEVELOPMENT | Sacramento



Mercy Housing California
2512 River Plaza Drive, Suite 200 | Sacramento, CA 95833
t|916.414.4440 | mercyhousing.org



From: Sarah Bontrager <sbontrager@elkgrovecity.org>
Sent: Monday, June 28, 2021 1:51 PM
Subject: [EXTERNAL] RE: Elk Grove Affordable Housing RFP - June 30 Meeting

EXTERNAL EMAIL - Please use caution with email links or attachments.

We're looking forward to discussing proposals on Wednesday! In case you have not already found them, meeting materials are posted [here](#).

Thanks,
Sarah

From: Sarah Bontrager
Sent: Wednesday, June 23, 2021 3:35 PM
Subject: Elk Grove Affordable Housing RFP - June 30 Meeting

Thank you for submitting a proposal under the City of Elk Grove's affordable housing development RFP. We received seven proposals covering a range of housing types.

The Affordable Housing Committee will consider the proposals at their meeting on **Wednesday, June 30 at 2pm**. The meeting will be held virtually. I've attached the meeting agenda, which includes instructions on how to register. Meeting materials will be available on the City's website in advance of the meeting (most likely posted Friday or Monday).

Thanks,



Sarah Bontrager | Development Services - Housing
Housing and Public Services Manager

City of Elk Grove
8401 Laguna Palms Way, Elk Grove, CA 95758
t 916.627.3209
TTY/TDD 888.435.6092
elkgrovecity.org

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June 18, 2021

Mercy Housing
Attn: Stephan Daues
2512 River Plaza Drive, Ste 200, Sacramento, CA 95833
8480 Elk Grove Florin Road

VIA Email: sdaues@mercyhousing.org

**Re: Project-Based Vouchers for Homeless Families / Individuals – RFP #2113-DS
Award of Project Based Vouchers for 8480 Elk Grove-Florin Road**

Mr Daues:

Thank you for submitting an application in response to the Request for Proposals (RFP) issued by the Sacramento Housing and Redevelopment Agency (SHRA) to provide affordable housing to homeless families / individuals. SHRA is pleased to inform you that based on your proposal and an inspection of the site; we are awarding Fifteen (15) project-based vouchers to 8480 Elk Grove-Florin Road.

Because these vouchers are under the purview of HUD, your award is contingent on meeting project-based voucher (PBV) regulations related to (but not limited to) environmental clearance, oversight, review and subsidy layering requirements (see Title 24 Part 983 of the Code of Federal Regulations).

The Housing Authority and Mercy Housing, must enter into an Agreement to Enter into a Housing Assistance Payment (AHAP). **Under no circumstances** will any construction work begin prior to signing the AHAP. Per HUD regulations, construction begins with excavation or site preparation (including the clearing of land).

The initial contract term for this Project-Based Voucher assistance will be twenty (20) years and under no circumstances will work commence on the project site until the AHAP is signed.

Please contact Laila Darby, Housing Choice Voucher Director at (916) 440-1384 or ldarby@shra.org if you have any questions or comments regarding this commitment.

Respectfully,

Darrin Samford
Compliance/Procurement Analyst





June 18, 2021

Gil Albiani

Keller Williams Realty

RE: Letter of Intent to Purchase

2.17 acre property

8484 and 8490 Elk Grove Florin Road

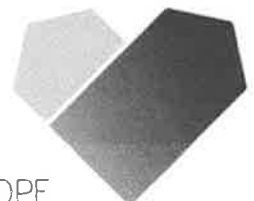
ELK GROVE, CA 95624

Dear Mr. Albiani:

Mercy Housing California ("MHC") is interested in pursuing the acquisition of the approximately 2.17-acre property located at 8484 and 8490 Elk Grove Florin Road ELK GROVE, CA 95624.

This Letter of Intent summarizes the basic terms and conditions upon which MHC would be willing to enter into a binding agreement (the "Agreement") to purchase the Property.

1. **Seller:** *Arangelme Martin*
2. **Buyer:** Mercy Housing California, or a LLC or Limited Partnership in controlled by MHC.
3. **Property:** Approximately 2.17-acre property located at 8484 and 8490 Elk Grove Florin Road, CA 95624.
4. **Purchase Price:** The purchase price shall be \$1,150,000
5. **Earnest Money Deposit:** Concurrently with the full execution of the Agreement, Buyer shall deposit with a Title Company, reasonably acceptable to both Buyer and Seller (the "Title Company"), as escrow agent, a deposit of cash in the amount of \$40,000 (the "Deposit"). The Deposit shall be held by such agent in an interest bearing account with interest to Buyer pending the closing of escrow as hereinafter defined. The Deposit shall be released according to the schedule described below, and will be fully applicable to the Purchase Price.



6. **Due Diligence Period:** Buyer shall have a period (the "Due Diligence Period") of one hundred and twenty (120) days/4 months from the Effective Date of the Purchase Agreement to determine the suitability of the Property for purchase. Seller shall grant Buyer and its agents a right of entry on the Property to perform inspections, appraisals and tests of the Property and make any other investigations necessary to determine if the Property is suitable, in Buyer's sole discretion, for Buyer's intended use. In addition, Buyer shall review zoning and other governmental regulations affecting the Property and, jointly with Seller, conduct community surveys to assess local community support for the Project. In the event Buyer determines, in its sole and absolute discretion, the Property is not suitable for investment the Agreement will terminate, the earnest money will be returned to Buyer and the parties will have no further obligations to one another. Upon Buyer's approval of Due Diligence, escrow will be authorized to **release \$10,000 of the Deposit**, which will be applicable to the Purchase Price.
7. **Additional Contingency Periods and Deposit Releases:** Buyers agrees to additional release of Deposit upon achieving the following milestones:
 - a. **Securing all City of Elk Grove entitlements, including expiration of any appeal periods; \$15,000 released** to occur no later than 90 days/3 months following the Due Diligence Period Expiration (180 days/6 months from Effective Date).
 - b. **Securing all competitive state and local financing, including funds from the City of Elk Grove; Release of final \$15,000 of Deposit no later than 270 days/9 months from Effective Date of Purchase Agreement**
8. **Closing:** The Closing of the Property shall occur no later than **335 days/11 months** after the Effective Date of the Purchase Agreement.
9. **Condition of Property at Closing:** Property to be 100% vacant at Closing with all personal property removed and any and all leases duly expired or terminated.
10. **Broker:** Each party represents to the other that there are no brokers involved in this transaction on its behalf, other than Malcolm Rickards of Brown Stevens Elmore & Sparre on behalf of Buyer and KW Realty on behalf of Seller. Seller shall be responsible for all sales commission.

- 11. Escrow/Title Company:** Seller and Buyer agree to use Fidelity National Title Company.
- 12. Title:** At each Closing Seller shall convey to Buyer good, marketable and indefeasible fee simple title to the applicable Parcel by grant deed. Said title shall be free and clear of all liens and encumbrances, subject only to such exceptions as may be approved by Buyer during title review period, and any taxes not yet due and payable.
- 13. Title Insurance:** Within twenty (20) days after the full execution of the Agreement, Seller shall deliver to Buyer a current commitment for an owner's policy of title insurance issued by Title Company. Said commitment shall be reviewed and approved by Buyer during the title review period, and shall contain the express commitment of the Title Company to issue an ALTA owner's title insurance policy, subject only to those exceptions approved by Buyer during the title review period. At Closing, Seller shall pay the premium for the Buyer's CLTA owner's title policy and Buyer shall pay the premium for the upgrade to an ALTA policy. Other escrow/title fees shall be split as is customary in California.
- 14. Property Information:** At minimum, and to the extent that these items are applicable and are in the Seller's possession, the Agreement will require Seller to provide Buyer with copies of the following due diligence items concerning the Property no later than fifteen (15) business days after the full execution of the Agreement:
- Any as-built plans relating to the buildings and site improvements, including grading, erosion control, water, sewer, storm drain, street improvement, landscape and parks;
 - Any relevant correspondence with government jurisdictions;
 - All physical inspection reports;
 - The most current real property tax bills and value renditions;
 - Rent rolls and tenant files;
 - All soils and engineering reports/studies;
 - Notifications by any municipal authority or other governmental agency regarding condemnation of Property or portion thereof;
 - Copies of any service contracts, leases or other agreements affecting the Property to which Seller is a party;
 - List of all personal property affecting the Property which is owned by Seller ;
 - Any land use or occupancy restriction affecting the Property;

- Notice and documentation related to any legal proceedings initiated against the Property;
- Copies of all financing agreements and existing leases; and
- Any other materials to be specified in the Agreement

15. Confidentiality: The parties shall maintain the confidentiality of the terms and conditions of the proposed transaction and the contents of this LOI and the transaction documents, except that either part may disclose the terms hereof to its agents, consultants, attorneys, lenders, or advisors or as required by law.

This LOI does not constitute a binding commitment of the Seller or the Buyer with respect to the purchase and sale of the Property. Neither party shall have any such obligations unless and until an Agreement has been executed by the parties. The parties agree to negotiate in good faith to enter into an Agreement. This LOI shall terminate in thirty (30) days if Buyer and Seller have not entered into a binding Agreement, unless Buyer and Seller mutually agree to extend the negotiation period for the Agreement.

If the foregoing accurately describes your present intention concerning this transaction, please sign the enclosed counterpart of this letter and return it to the undersigned on or before Wed June 23 by 5:00 p.m., whereupon Buyer shall direct its attorneys to immediately begin the preparation of the Agreement. We look forward to hearing from you and hope we are able to move forward.

Sincerely,

Mercy Housing California

By:  Date: 6/18/21

Stephan Daues, Vice President

Accepted and Agreed to this 19 day of June, 2021

By: 

From: [Keith Bloom](#)
To: [Sarah Bontrager](#)
Subject: FW: Elk Grove Affordable Housing RFP - June 30 Meeting
Date: Monday, June 28, 2021 5:13:31 PM
Attachments: [image002.png](#)
[Elk Grove Family 4% Proforma -- Corrected Unit Mix.pdf](#)

[EXTERNAL EMAIL]

Hi Sarah—I took a quick look at the staff report for this Wednesday’s Affordable Housing Committee meeting. I was embarrassed to see that I had made a mistake in the Family proforma’s unit mix section. I compared my Excel proforma’s unit mix to that of in my RFP proposal, and while the total rental revenue in both was the same I somehow inserted the wrong unit mix in the proposal! No idea how I did that, but my apologies.

Attached is a corrected unit mix section of the 100-unit Family proforma. Again, the rental revenue in this section is consistent with the amount shown in the RFP proposal’s unit mix as well as cash flow sections. The project’s overall financial feasibility is unchanged and accurately reflected in the RFP proposal’s proforma.

Thanks.

Keith Bloom

Director of Acquisitions

[3321 Power Inn Road, Suite 320, Sacramento, CA 95826](#)

[Office: 916-453-8400 ext. 219](#)

[Cell: 916-813-3091](#)

• keith@mutualhousing.com

www.mutualhousing.com

Facebook: [MutualHousingCalifornia](#) • Twitter: [@Mutual_Matters](#)

Instagram: [@mutualhousingca](#) • [LinkedIn](#)



UNIT & AFFORDABILITY MIX -- ELK GROVE FAMILY HOUSING												
Unit Type	Tenant-Paid Rent						Rental Assistance				Total GPR/ Yr	
	# of Units	% AMI	TCAC Gross Rent/Mo	Utility Allowance	TCAC Net Rent/Mo	Total TCAC Rent/Yr	# of Units	FMR Net Rent/ Unit/Mo	Rent Asst/Unit (FMR Net - TCAC Net)	Total Rent Asst/ Yr		
1 BR	3	30%	\$ 510	\$ 70	\$ 440	\$ 15,840	6	\$ 1,260	\$ 820	\$ 59,040	74,880	
	0	30%	510	70	440	0	0	1,260	820	-	-	
	5	40%	680	70	610	36,600	0	1,260	650	-	36,600	
	8	50%	850	70	780	74,880	0	1,260	480	-	74,880	
	9	60%	1,020	70	950	102,600	0	1,260	310	-	102,600	
	25						6					
2 BR	4	30%	\$ 612	\$ 87	\$ 525	\$ 25,200	2	\$ 1,592	\$ 1,067	\$ 25,608	50,808	
	0	30%	612	87	525	0	0	1,592	1,067	-	-	
	5	40%	816	87	729	43,740	0	1,592	863	-	43,740	
	17	50%	1,020	87	933	190,332	0	1,592	659	-	190,332	
	23	60%	1,224	87	1,137	313,812	0	1,592	455	-	313,812	
	49						2					
3 BR	3	30%	\$ 706	\$ 105	\$ 601	\$ 21,636	0	\$ 2,315	\$ 1,714	\$ -	21,636	
	0	30%	706	105	601	0	0	2,315	1,714	-	-	
	5	40%	942	105	837	50,220	0	2,315	1,478	-	50,220	
	5	50%	1,178	105	1,073	64,380	0	2,315	1,242	-	64,380	
	12	60%	1,413	105	1,308	188,352	0	2,315	1,007	-	188,352	
	25						0					
2 BR	<u>1</u>	<u>Mngr</u>	\$ -	\$ -	\$ -	\$ -					-	
TOTAL	100					\$ 1,127,592	8			\$ 84,648	\$ 1,212,240	