

**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><b>Development and Management Capacity</b></p> <ul style="list-style-type: none"> <li>• Experience developing, owning, and operating affordable housing projects similar to the one proposed.</li> <li>• Record of developing successful housing within California and specifically the Sacramento region.</li> <li>• Strength, stability, and experience of team members individually and working as a team.</li> <li>• Assessment by references.</li> </ul>	25		<ul style="list-style-type: none"> <li>• Has more than 10,000 units in 180 projects, many funded with 9% tax credits.</li> <li>• Developed three affordable housing projects in Elk Grove: Avery Gardens (2015), Bow Street (2019), and Gardens at Quail Run (opening April 2021).</li> <li>• Stable team that has worked together on previous projects.               <ul style="list-style-type: none"> <li>○ Nonprofit partner, Riverside Charitable, has not been their partner on previous projects but has partnered with other developers on six EG projects.</li> </ul> </li> <li>• Plan to use affiliated architectural/engineering and construction firms.</li> </ul>
<p><b>Project Financial Feasibility</b></p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Cost reasonableness.</li> <li>• Competitiveness to receive LIHTC (if applicable).</li> <li>• Amount of per-unit and per-project funding requested.</li> <li>• Proposed cost savings sharing in a percentage equal to the City’s contribution to the total project financing.</li> <li>• Likelihood of the project being constructed within the next 24 months.</li> </ul>	25		<ul style="list-style-type: none"> <li>• Overall request: \$4 million; \$2 million each if project is developed in two phases. (Balance of analysis assumes \$4 million loan and one project.)</li> <li>• Cost per unit is \$377,771 (22% increase from Gardens at Quail Run); cost per residential square foot is \$477.49 (28% increase from Gardens at Quail Run).</li> <li>• City subsidy per affordable unit is \$32,000, a significant decrease from Gardens at Quail Run (\$52,631).</li> <li>• Developer fee of \$4,380,000 is 9.2% of total project costs.</li> <li>• Construction completion projected for January 2023 is possible based on speed of construction of Gardens at Quail Run.</li> <li>• Financing is tax credit equity, permanent loan (\$5 million), and City loan.</li> <li>• Tax credits not yet secured, but developer expects project to be competitive. Projects a 37% for tiebreaker score.</li> <li>• Failed to address cost savings sharing specifically, but did <b>not</b> agree to provision on prior projects.</li> </ul>
<p><b>Project Design and Community Benefit</b></p> <ul style="list-style-type: none"> <li>• Project enhances and complements the surrounding neighborhood.</li> <li>• Project location provides tenants with easy access to major bus routes, shopping, and social service providers.</li> <li>• Proposes support services for the low-income residents through a provider with a proven</li> </ul>	25		<ul style="list-style-type: none"> <li>• Project site is 126 units (1 - 3BD) on a 5.5 acre site in SEPA along the Big Horn transit corridor.</li> <li>• Project proposed as two phases: 64 units and 62 units. Would apply as one project if enough tax credit funding is available for Capital Region; otherwise would be consecutive 9% applications.</li> <li>• Eight three-story, walk-up buildings with attached community center building; surface and tuck under parking (141 surface, 80 tuck under spaces).</li> <li>• Amenities include a swimming pool, community building with a fitness center</li> </ul>

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<p>record of success.</p> <ul style="list-style-type: none"> <li>Offers on-site tenant amenities for low-income residents and surrounding communities that would not normally be available.</li> <li>Site plans and unit plans suitable for targeted population.</li> </ul> <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>and computers, and children’s play area.</p> <ul style="list-style-type: none"> <li>Portion of site to be developed is vacant and would be adjacent to single-family homes and a park (both proposed).</li> <li>Currently not much development in area. Nearest middle/high school about 0.9 miles away; nearest elementary school is 1.4 miles away. Very limited shopping/dining options, though some would likely be built nearby.</li> <li>Project is in highest opportunity area for TCAC.</li> <li>No nearby existing affordable or market-rate apartment complexes; nearest is Seasons (senior affordable).</li> <li>Committed to providing at least 15 hours a week of on-site social service programming, which may include a free afterschool program.</li> <li>Unit plans not submitted.</li> </ul>
<p><b>Ability to Meet Community Housing Needs</b></p> <ul style="list-style-type: none"> <li>Includes 29%+ of affordable units for extremely low-income households. AND/OR</li> <li>Includes 58%+ of affordable units for very low-income households.</li> </ul>	15		<ul style="list-style-type: none"> <li>11% of units for extremely low-income households.</li> <li>67% of units for very low-income households.</li> </ul>
<p><b>Project Readiness</b></p> <ul style="list-style-type: none"> <li>Evidence of private or public lender commitment to the project.</li> <li>Zoning or development approval has been obtained or is supported and/or readily achievable.</li> <li>Evidence of clear title, appraised value, and environmental acceptability of the identified site.</li> <li>Preliminary design sketches, site and unit layout, and landscape plan.</li> </ul> <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"> <li>Has executed purchase agreement for property. Agreement may need to be extended if project moves forward.</li> <li>Parcel is not yet legally created. Purchase agreement is contingent on seller obtaining a large lot map by September 1, 2021.</li> <li>Existing zoning allows for density proposed.</li> <li>Plan to submit for 9% tax credits in July 2021 seems achievable.</li> <li>Anticipate CEQA exemption provided site aligns with what is included in the Housing Element EIR.</li> </ul>
<p><b>BONUS – Unit Affordability Adjustments</b></p> <ul style="list-style-type: none"> <li>Commitment to performing annual income recertifications and adjusting unit affordability</li> </ul>	10		<ul style="list-style-type: none"> <li>Developer committed to adjusting unit affordability as allowed within the bounds of tax credit financing regulations.</li> <li>Developer did not commit to placing Section 8 voucher holders into units with</li> </ul>

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<p>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"> <li>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.)</li> </ul>			<p>the highest income levels.</p>
<p><b>BONUS – Commitment to Addressing Homelessness</b></p> <ul style="list-style-type: none"> <li>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.</li> </ul>	5		<ul style="list-style-type: none"> <li>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.</li> </ul>
<p><b>BONUS – Maximizing Funding Sources</b></p> <ul style="list-style-type: none"> <li>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.</li> </ul>	5		<ul style="list-style-type: none"> <li>Financial projections show a per-unit subsidy of \$32,000, and no planned usage of funding sources outside of tax credits and City funds. The project does not anticipate receiving water/sewer fee credits.</li> </ul>
<p><b>BONUS – Innovation in Project Design</b></p> <ul style="list-style-type: none"> <li>Innovation in design or project type, such as a mixed-use development or a project containing permanent supportive housing.</li> </ul>	5		<ul style="list-style-type: none"> <li>Both project type and design are standard and common in Elk Grove and within the industry.</li> </ul>
<p><b>TOTAL SCORE (including bonus)</b></p>	125		

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Reviewer Signature

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Date