REQUEST FOR COUNCIL/ HOUSING AUTHORITY ACTION

CITY COUNCIL MEETING DATE:

JULY 2, 2019

TITLE:

APPROVE A PRE-COMMITMENT OF $3,971,440 OF AFFORDABLE HOUSING FUNDS AND AUTHORIZE NEGOTIATIONS OF A SIXTY-TWO YEAR GROUND LEASE TO THE RELATED COMPANIES OF CALIFORNIA AND A COMMUNITY OF FRIENDS FOR THE DEVELOPMENT OF THE CROSSROADS AT WASHINGTON PROJECT LOCATED AT 1126 AND 1146 E. WASHINGTON AVENUE (APNs 398-092-13 AND 398-092-14) {STRATEGIC PLAN NO. 5, 3C}

CITY MANAGER EXECUTIVE DIRECTOR

RECOMMENDED ACTION

CITY COUNCIL

Authorize the City Manager and the Clerk of the Council to execute a pre-commitment letter with The Related Companies of California ("Related") and A Community of Friends ("ACOF") as the service provider for $3,971,440 in affordable housing funds consisting of $963,951 in Neighborhood Stabilization Program funds and $3,007,489 in HOME Investment Partnerships Program funds, for the development of the Crossroads at Washington affordable housing project located at 1126 and 1146 E. Washington Avenue, Santa Ana, CA 92701, (APNs 398-092-13 and 398-092-14), subject to non-substantive changes approved by the City Manager and City Attorney.

HOUSING AUTHORITY

1. Authorize the Executive Director of the Housing Authority and the Recording Secretary to execute a pre-commitment letter with The Related Companies of California ("Related") and A Community of Friends ("ACOF") as the service provider to enter into negotiations for a sixty-two (62) year ground-lease of 1126 E. Washington Ave for the development of the Crossroads at Washington affordable housing project located at 1126 and 1146 E. Washington Avenue, Santa Ana, CA 92701, (APNs 398-092-13 and 398-092-14), subject to non-substantive changes approved by the Executive Director of the Housing Authority and Authority General Counsel.

80B-1
2. Authorize the Executive Director of the Housing Authority and the Recording Secretary to enter into negotiations on a Tenants in Common agreement, or similar document, and any other required actions necessary to draft that Tenants in Common agreement with the County of Orange for the joint ownership and development of the Crossroads at Washington affordable housing project located at 1126 and 1146 E. Washington Avenue, Santa Ana, CA 92701 (APNs 398-092-13 and 398-092-14).

3. Authorize the Executive Director of the Housing Authority and the Recording Secretary to enter into negotiations on a Joint Powers Agreement, or similar document, and any other required actions necessary for the properties to be held as Tenants in Common with the County of Orange for the joint ownership and development of the Crossroads at Washington affordable housing project located at 1126 and 1146 E. Washington Avenue, Santa Ana, CA 92701 (APNs 398-092-13 and 398-092-14).

COMMUNITY REDEVELOPMENT AND HOUSING COMMISSION RECOMMENDATION

At its regular meeting on May 22, 2019, the Community Redevelopment and Housing Commission (CRHC) recommended approval of the actions above by a vote of 8:0 (Garcia absent).

DISCUSSION

On June 19, 2018, the City Council authorized the Community Development Agency (CDA) to release a FY 2018 – 2019 Request for Proposals (RFP # 18-056) to develop affordable rental and ownership project(s) in the City of Santa Ana.

On July 2, 2018, CDA issued RFP # 18-056 for Affordable Housing Development. The RFP was published on both the City and Housing Authority’s websites; a public notice was published in the OC Register on July 2, 2018; an e-mail was sent out by Orange County’s largest affordable housing membership associations including the Kennedy Commission, 2-1-1 Orange County, and Southern California Association of Nonprofit Housing; and an electronic letter was e-mailed to interested developers and nonprofit organizations who had previously requested to be informed of development opportunities on CDA’s RFP Process Database.

The first deadline for the City’s RFP # 18-056 for Affordable Housing Development closed on Wednesday, August 15, 2018 at 5:00 p.m. The City received thirteen (13) proposals prior to the deadline. The affordable housing developers that submitted a proposal are:
After the deadline, staff conducted a minimum threshold review of each proposal to ensure the proposal complied with all of the minimum requirements in the RFP. Following the minimum threshold review, staff formed a Review Panel that consisted of the Executive Director of the City's Public Works Agency with his designee, the Executive Director of the Planning and Building Agency with his designee, the Executive Director of the Community Development Agency, and the Housing Division Manager. The Veterans Affairs Medical Center of Long Beach, the County of Orange, Keyser Marston Associates, and MDG Associates served as advisors to the Review Panel.

In compliance with the City's Affordable Housing Funds Policies and Procedures, the Review Panel used the proposal Scoring and Selection Criteria from the RFP to conduct their review and analysis of each proposal. In addition to the Scoring and Selection Criteria from the RFP, the Review Panel also reviewed the proposed project design for appropriateness for the proposed target group, compatibility with surrounding uses, cost effectiveness of construction, and appropriateness of the design and construction for low maintenance and long term durability.

On October 30, 2018, the Review Panel met and interviewed all of the developers who submitted a proposal. LINC Housing requested to be removed from consideration prior to their scheduled interview and therefore their proposal was removed from consideration. On November 14, 2018, the Review Panel met a second time to discuss and deliberate upon the scoring and selection of the proposals. Following this deliberative selection process, the Review Panel agreed upon the final scores below based on an average of the Individual Reviewer Scores:

<table>
<thead>
<tr>
<th>Affordable Housing Developer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cesar Chavez Foundation</td>
</tr>
<tr>
<td>Chelsea Investment Corporation</td>
</tr>
<tr>
<td>Community Development Partners – 2 Proposals</td>
</tr>
<tr>
<td>Community HousingWorks</td>
</tr>
<tr>
<td>Habitat for Humanity of Orange County</td>
</tr>
<tr>
<td>HomeAid Orange County</td>
</tr>
<tr>
<td>Jamboree Housing – 2 Proposals</td>
</tr>
<tr>
<td>National Community Renaissance &amp; Mercy House Living Centers</td>
</tr>
<tr>
<td>Orange Housing Development Corporation &amp; C&amp;C Development, LLC</td>
</tr>
<tr>
<td>Related California</td>
</tr>
<tr>
<td>LINC Housing Corporation</td>
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</table>
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<table>
<thead>
<tr>
<th>Housing Authority Land Asset Requested / HUD-VASH Vouchers / Non-Housing Authority Land Asset</th>
<th>Developer Name</th>
<th>Project Name</th>
<th>FINAL SCORE (Average of individual Reviewer Scores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1126 &amp; 1146 E. Washington Avenue</td>
<td>Orange Housing Development Corporation and C&amp;C Development, LLC</td>
<td>1126-1146 E. Washington Site</td>
<td>92</td>
</tr>
<tr>
<td></td>
<td>Related California</td>
<td>The Crossroads at Washington</td>
<td>91</td>
</tr>
<tr>
<td></td>
<td>Jamboree Housing</td>
<td>REVO Apartments</td>
<td>87</td>
</tr>
<tr>
<td></td>
<td>Cesar Chavez Foundation</td>
<td>Santa Ana Place</td>
<td>84</td>
</tr>
<tr>
<td></td>
<td>Community HousingWorks</td>
<td>Transformer</td>
<td>80</td>
</tr>
<tr>
<td></td>
<td>Community Development Partners</td>
<td>Washington Plaza, GRFLD, Lacy Walk</td>
<td>77</td>
</tr>
<tr>
<td></td>
<td>Chelsea Investment Corporation</td>
<td>Cielo</td>
<td>76</td>
</tr>
<tr>
<td>836 N. Lacy/330 N. Lacy</td>
<td>Habitat for Humanity of Orange County</td>
<td>Lacy Street Project</td>
<td>82</td>
</tr>
<tr>
<td></td>
<td>Community Development Partners</td>
<td>Washington Plaza, GRFLD, Lacy Walk</td>
<td>77</td>
</tr>
<tr>
<td>801, 809 &amp; 809 1/2 E. Santa Ana Blvd.</td>
<td>HomeAid Orange County</td>
<td>Frances Xavier Residence</td>
<td>90</td>
</tr>
<tr>
<td></td>
<td>Community Development Partners</td>
<td>Washington Plaza, GRFLD, Lacy Walk</td>
<td>77</td>
</tr>
<tr>
<td>HU-DASH Vouchers (As the Primary Source of Financing)</td>
<td>Jamboree Housing</td>
<td>Budget Inn Site</td>
<td>86</td>
</tr>
<tr>
<td></td>
<td>Community Development Partners</td>
<td>Westview House</td>
<td>81</td>
</tr>
<tr>
<td>Non-Housing Authority Land Asset</td>
<td>National Community Renaissance and Mercy House Living Centers</td>
<td>Santa Ana United Methodist Church Site</td>
<td>93</td>
</tr>
</tbody>
</table>

For the development of the Housing Authority-owned land asset at 1126 and 1146 E. Washington Ave, the adjacent parcel (APN 398-092-13) to the Housing Authority’s parcel (APN 398-092-14) is owned by the County of Orange ("County"). Therefore on December 4, 2018, the Review Panel sent a letter to the County and requested their staff to review the top three highest scoring proposals for the combined site and advise the City on their recommendation for a final developer of the combined Housing Authority-owned and County-owned parcel. Specifically, the Review Panel recommended the County select from Orange Housing Development Corporation / C&C Development (92 points), Related California (91 points) or Jamboree Housing (87 points) as the final developer of the combined site. The County’s award recommendation is contingent upon final approval by the Board.
of Supervisors and the award recommendation for the Housing Authority's parcel is also contingent upon final approval by the City Council / Housing Authority. The Review Panel recommended that the County follow a transparent, deliberative selection and review process to include, at a minimum, conducting in-person interviews with all three developers by their selection team.

In January and February 2019, the County followed a transparent deliberative process and conducted in-person interviews with the three developers. On March 7, 2019, the County met with the City and provided their recommendation for the developer of the combined site. The County advised the City that the three developers had submitted revised proposals to the County than what they had originally provided to the City's Review Panel. Therefore, following the recommendation by the County, the City's Review Panel requested the revised proposals from the three developers that had been submitted to the County. The revised proposals were provided to the City on March 21, 2019. The City's real estate advisor, Keyser Marston Associates (KMA), completed a preliminary review of the three revised proposals for the City. Following KMA's analysis, the City's Review Panel met again on April 10, 2019 and recommended the Related Companies of California with A Community of Friends as the developer of the combined City and County-owned parcels at 1126 and 1146 E. Washington Avenue (APNs 398-092-13 and 398-092-14). The City and County met again on April 17, 2019 to finalize the recommendation for joint development of the site, pending review and approval by the County of Orange Board of Supervisors.

Based on the scores above and the deliberative selection and review process followed by the City and County, the Review Panel recommends the following award for this project:

| Developer: | The Related Companies of California and A Community of Friends |
| Project Name: | 1126 and 1146 E. Washington Ave – the “Crossroads at Washington” |
| Award Recommendation: | |
| Sixty-Two (62) Year Ground Lease Agreement for 1126 and 1146 E. Washington Site (APNs 398-092-13 and 398-092-14) - Appraised Value of APN #398-092-14 Owned by Housing Authority as of Oct 25, 2018 | $3,080,000 |
| HOME Investment Partnerships Program (HOME) funds | $3,007,489 |
| Neighborhood Stabilization Program (NSP) funds | $963,951 |
| Total Financial Award | $7,051,440 |
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The pre-loan commitment letter with The Related Companies of California with A Community of
Friends as the service provider for $3,971,440 in affordable housing funds consisting of $963,951 in
Neighborhood Stabilization Program funds and $3,007,489 in HOME Investment Partnerships
Program funds, and a sixty-two (62) year ground-lease of 1126 E. Washington Ave, for the
development of the Crossroads at Washington affordable housing project located at 1126 and 1146
E. Washington Ave, Santa Ana, CA 92701, (APNs 398-092-13 and 398-092-14) provides the
enforceable funding commitment from the City (Exhibit 1). Among various other conditions, the pre-
commitment letter is conditional on the developer securing any and all permits and discretionary
approvals that may be required for the Project by the City, Housing Authority, and County. The pre-
commitment does not obligate the City or any department thereof to approve any application or
request for or take any other action in connection with any planning approval, permit or other action
necessary for the construction of the project.

In compliance with the City's Affordable Housing Funds Policies and Procedures, KMA has
conducted a preliminary financial gap analysis to confirm the underwriting for the Crossroads at
Washington, the financial gap, and other programmatic requirements related to the funding sources
(Exhibit 2). KMA reviewed the developer’s estimates and projections of rents, expenses, reserves
and development costs in accordance with industry-standard underwriting guidelines. Following this
gap analysis and the procurement and deliberative process described above, staff recommends the
full amount of the award to the City Council / Housing Authority for final approval.

Project Description
Following the competitive multi-stage Request for Proposal (RFP) process that included an extensive
RFP response, supplemental proposals, presentations and two interviews, The Related Companies
of California (“Related”) in partnership with A Community of Friends (“ACOF”) is being recommended
by the City of Santa Ana staff as the developers to co-develop an affordable housing community on
the 1126 & 1146 E. Washington Avenue site (the Project) that was part of the City of Santa Ana RFP
# 18-056. The proposed name for the project is the Crossroads at Washington.

Drawing from more than 60 years of combined experience in the successful development and
ongoing property management of affordable and supportive housing communities, Related and
ACOF are ideally suited to collaborate on the Washington Avenue Site with the City of Santa Ana to
develop an enriched, transit-oriented community that will support housing for extremely low income
families and special needs populations in the City of Santa Ana. The collaboration between Related
and ACOF brings complementary experiences in developing, building, and managing housing for
families and special needs populations; success in competing and receiving local, state, federal, and
private financing; and experience from the development of a large portfolio of award-winning
affordable housing developments. All these benefits ensures the greatest results for the residents
and surrounding community.

As an experienced developer, Related draws on both their market rate and affordable communities
to produce their award-winning housing developments. Related has completed over 11,000 units of
top-quality affordable and mixed income multifamily rental housing throughout California since its
inception in 1989. Over the course of 30 years, Related has partnered with over 25 community-
based nonprofits and over 20 municipal agencies to help communities realize their affordable housing needs and redevelopment goals. Related brings a diverse portfolio in project size of 20 to 500 units and product type, new construction and acquisition/rehab. Related successfully led and completed the entitlements process on 91 tax credit financed developments, 65 of which were new construction projects. Related’s fully integrated development team includes in-house capabilities for all stages of the development process including planning, entitlements, architecture, finance, construction and property management. Related is well versed in leveraging public funding sources and navigating regulatory complexities. In the past five years alone, Related has received over 30 awards, ranging from “Best Affordable Project” to “Real Estate Deal of The Year.”

ACOF is one of the most experienced developers of supportive, special needs and veterans housing in Southern California, with a track record spanning 30 years and over 2,000 completed units of supportive housing. As a developer, ACOF has also demonstrated its expertise in affordable housing development by structuring and securing over $536 million in financing from all levels of government. ACOF has been a service provider since 1996 and currently provides supportive services in 22 developments for over 700 tenants. ACOF provides an array of intensive supportive services and connects tenants to the full range of services they need to gain increased independence and remain stably housed. Integrated services are provided on an ongoing, individualized and flexible basis in concert with tenants’ needs and priorities, both individually and in group settings.

Related has partnered with ACOF as its non-profit partner for the Project to provide the services and expertise for serving the special needs units. ACOF is one of the most experienced developers of permanent supportive housing in Los Angeles County and Southern California, with a long track record of delivering high quality supportive housing for people who were formerly homeless. ACOF has completed 50 housing developments of supportive housing for homeless individuals and families.

Related is proposing to develop a new transit-oriented affordable housing community on 2.28 acres located at 1126 and 1146 Washington Avenue and the County of Orange parcel directly to the South of 1126 and 1146 Washington Avenue. The site is currently vacant, and positioned within walking distance from the Santa Ana Regional Transportation Center – a key transit hub for not only Orange County, but all of Southern California. The Project site is on two (2) contiguous undeveloped parcels, one fronting E. Washington Avenue on the northern half of the site (Housing Authority-owned Parcel) and one parcel directly south of the City Parcel (County-owned Parcel). The five original buildings located on the site were demolished in the 1990s by CalTrans during a freeway-widening project. As a vacant and undeveloped site, there is an opportunity to imagine a newly designed site that will truly meet the needs of the local community. The entire site is designated District Center (DC) in the City of Santa Ana 1998 General Plan and zoned Transit Village (TV) in the Transit Zoning Code.

The proposed Project includes the development of one residential building, subdivided into three (3) residential portions, with 86 units surrounding two interior, landscaped courtyard/amenity spaces (Exhibit 3). Developed at an overall density of 37.7 units per acre, there will be 16 studios, 26 one-bedroom units, 22 two-bedroom units, 17 three-bedroom units, and 5 four-bedroom units. All units will be flat apartments located on the first, second, and third floors. Currently, the building has been designed to buffer courtyards, open green areas, and pool area from highway noise and visual
pollution. In addition, a proposed sound wall is being positioned along the eastern property line adjacent to the US Interstate 5 ramp. Approximately 3,500 square foot of interior community amenities and leasing offices is designed to accommodate supportive and management services. One vehicular entry point to the site is provided off E. Washington Avenue. The entry point has a small driveway roundabout with deliberate urban greening features, to reduce vehicle speeds and create a welcoming and aesthetically pleasing entrance and pickup/drop-off area for pedestrians, bike riders, and motor vehicles alike. Careful consideration for the character and scale of the surrounding neighborhood and buildings were taken into account, to ensure that the project architecture and massing blends-in with the existing surrounding uses.

The Project proposes a Mission Revival architectural style to complement adjoining neighborhoods and buildings. In particular, the design is envisioned to complement nearby buildings – similar to the Santa Ana Regional Transportation Center and the Triada at the Station District Apartments (developed by Related) – which are part of Santa Ana’s extensive history of prominent architecture. The Project includes amenities ranging from a children’s tot lot to a public plaza fronting E. Santa Ana Boulevard – that acts as a passive and active space at the southern entrance onto the site. Each outdoor common area is intended to act as a retreat from the surrounding urban landscape. Overall, the layout of the buildings and common areas are designed to create several unique areas to best utilize outdoor space. Outdoor amenities include a pool, tot-lot, dog wash, and a BBQ and picnic area.

Parking
Parking is located along the western property line to take advantage of the only regular geometry on the site, resulting in a very efficient layout to maximize parking spaces. This pattern allows for direct resident access to the buildings. Parking will be softened by “fingers of landscape” and a linear tree line separating parking from the apartments/courtyard. A vehicular gate will provide a degree of security. Car-share/electric charging spaces will be located near the gate. The proposed Site Plan includes approximately 110 surface parking spaces, of which 42 spaces would be tandem spaces, which will be assigned to the three-bedroom and four-bedroom apartments. Residents will not be charged for parking. As a transit-oriented development, the project is at the start of the OC Streetcar and directly across the street from the Santa Ana Regional Transportation Center. A total of 110 parking spaces will be sufficient for this type of transit-oriented development.
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Resident Services
As previously described, ACOF provides an array of intensive supportive services and connects
tenants to the full range of services they need to gain increased independence and remain stably
housed. Integrated services are provided on an ongoing, individualized and flexible basis in concert
with tenants' needs and priorities, both individually and in group settings. Examples of the resident
services ACOF can provide at the Project include the following:

Case Management and Service Coordination
  Tenant Outreach and Engagement
  Employment and Training Services
  Housing Outplacement
  Independent Living and Life Skills Support
  Benefits and Education Assistance
  Substance Abuse and Treatment Assistance
  and Referrals
  Educational Assistance and Referrals
  Financial Literacy and Money Management
  Classes
  Childcare Assistance and Referrals
  Family and General Legal Referrals
  Domestic Violence Support and Referrals

Food Security and Food Bank Access
  Green Education
  Individualized Service Plans
  Employment & Training
  Peer Advocacy
  Social Activities/Recreational
  Referrals
  Community Building Activities (including
  social activities, health and fitness activities,
  neighborhood watch committee)
  Linkages and Referrals to Mainstream
  Resources (including healthcare, family and
  individual therapy, and mental health)
  Health and Wellness Programs

Unit Mix
The Project will be 100% affordable to households earning no more than 30 percent of Area Median
Income (AMI) of which 43 units will be set-aside for Permanent Supportive Housing, with one
exempt 2-bedroom managers unit. The large bedroom units align with the City's priorities and
needs while the Permanent Supportive Housing units meets the County's priorities. The proposed
unit mix and rent restrictions are as follows:

<table>
<thead>
<tr>
<th>Bedroom Size</th>
<th>30% AMI (PSH)</th>
<th>30% AMI</th>
<th>Manager's Unit</th>
<th>Total Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Studios</td>
<td>16</td>
<td></td>
<td></td>
<td>16</td>
</tr>
<tr>
<td>One-Bedroom</td>
<td>26</td>
<td></td>
<td></td>
<td>26</td>
</tr>
<tr>
<td>Two-Bedroom</td>
<td>1</td>
<td>20</td>
<td>1</td>
<td>22</td>
</tr>
<tr>
<td>Three-Bedroom</td>
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<td>17</td>
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</tr>
<tr>
<td>Four-Bedroom</td>
<td></td>
<td>5</td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>TOTAL</td>
<td>43</td>
<td>42</td>
<td>1</td>
<td>86</td>
</tr>
</tbody>
</table>

City and County-Owned Parcel Land Use Issues and Proposed Solution
The 1126 and 1146 E. Washington Avenue site is comprised of two adjacent parcels (APNs 398-092-13 and 398-092-14), one of which is owned by the Housing Authority of the City of Santa Ana (APN 398-092-14) and the other owned by the County of Orange (APN 398-092-13). Developing one affordable housing project across two parcels with differing ownership presents unique challenges from a development, legal and lending perspective. Through preliminary conversations
with Related’s title company, tax credit investor, and legal counsel, it was confirmed that splitting the buildings through the existing parcel line would require extensive discussions for approval. As a result, in order to develop the site plan as-is, parcel line changes would be necessary in order to make the development amendable to key stakeholders in the Project. The following options were explored during the proposal process:

1) Separate parcels (same site plan) – Two options were explored to retain the separate ownership of the parcels. With the first option (1a), the parcel line would be changed and the City and County would enter a covenant and agree that both lots are considered “tied” and hold property as one (1) parcel. With the second option (1b), the parcel lines would be changed to divide the property, and the buildings and units would be separated through a building firewall(s) in a manner that would allow the property to be divided into two different and independent properties. The two options were reviewed by City of Santa Ana’s Planning and Building Agency which advised that they will not consider lot tie agreements of parcels with separate owners for the purpose of the development with buildings that cross property lines as it is prohibited in the California Building Code. Firewalls will only serve to separate a building with fire resistance ratings at the property line and a “lot tie” and many easements would still be required. Retaining separate ownership of the parcels would also pose challenges with the authority for jurisdiction over the review and issuance of permits which would complicate the development and permit process.

2) Separate parcels (different site plan with separate buildings) – In this option, the Project would be redesigned to account for two individual buildings and site plans. Additional agreements between the City and County allowing an easement from the County parcel through the City parcel would be required. Additional variances to reduce setback requirements imposed on each parcel and between buildings to minimize design impact and maximize units would also be required. This option would create two separate projects which would also affect the competitiveness of the Project in applying for 9% Low Income Housing Tax Credit financing due to the smaller size of each individual project.

3) Consolidated Parcels (same site plan) – In this option, ownership of the City and County parcels would be consolidated under one ownership. Two options were explored. In the first option (3a), the City or County would sell the land to the other landowner (City/County) and the Parcels will be under one ownership. In the second option (3b), the City and County would execute a “grant deed” for joint ownership of the parcels. Joint title to the property would be held as “Tenants In Common.”

Following discussion with the County, City and County staff recommend to develop the properties under joint ownership. Consolidating ownership of the site retains the integrity of the site plan and does not require a redesign or complicate the development, permitting or lending processes. City and County staff recommend that each landowner (the City and the County) enter into negotiations on a “grant deed” to merge the ownership of the parcels into one joint ownership by the City and County, and to convey an interest in the respective parcels into a jointly held “tenants in common” ownership structure, with title for the joint property to be held as Tenants in Common (TIC). This TIC structure would be comprised of an ownership arrangement in which the two jurisdictions would jointly own a single parcel formed from APN Nos. 398-092-13 and 398-092-14, and title would be held individually to the extent of each party’s proportional interest in the combined two parcels.
This TIC ownership structure could help to simplify ground leasing and developing a jointly held property. The percentage ownership for each landowner will be determined based on the percentage of the current acreage between the two parcels. The Housing Authority’s parcel is 1.456 acres and the County’s parcel is .83 acres. One ground lease agreement with both landowners can then be entered into with Related for the development of the site. During the development process the parcels will be combined into one, creating a single APN number, which will allow more flexibility on site development.

Following approval by the City Council / Housing Authority, staff will work with the County to bring the Project to the Board of Supervisors for selection of Related and ACOF as the Project developer and approval of a ground-lease agreement and joint powers agreement arrangement with the City. Staff will draft and negotiate a Tenants in Common agreement, a Joint Powers Agreement, or similar document, and any other required actions necessary to draft that Tenants in Common agreement with the County of Orange for the joint ownership and development of the Crossroads at Washington. The approval of the Tenants in Common agreement and Joint Powers Agreement will be contingent upon final approval by the City Council and the County Board of Supervisors. The final project will require review of the site plan by an interdepartmental team of staff and may require review and approval by the Planning Commission.

**STRATEGIC PLAN ALIGNMENT**

Approval of this item supports the City’s efforts to meet Goal # 5 - Community Health, Livability, Engagement & Sustainability, Objective #3 (Facilitate diverse housing opportunities and support efforts to preserve and improve the livability of Santa Ana neighborhoods), and Strategy C (Provide that Santa Ana residents, employees, artists and veterans receive priority for affordable housing created under the City’s Housing Opportunity Ordinance or with City funding to the extent allowed under state law).

**FISCAL IMPACT**

The various agreements, including the loan payment, are estimated to be finalized for City Council / Housing Authority approval in FY 2020-21. Upon future approval of the loan agreements, funds will be budgeted and available as shown below:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Accounting Unit - Account #</th>
<th>Fund Description</th>
<th>Accounting Unit, Account Description</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td>FY 20-21</td>
<td>13018780-69152</td>
<td>HOME Program</td>
<td>Loans &amp; Grants</td>
<td>$3,007,489</td>
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<tr>
<td>FY 20-21</td>
<td>14218760-69152</td>
<td>Neighborhood Stabilization Program 1</td>
<td>Loans &amp; Grants</td>
<td>$ 788,000</td>
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<tr>
<td>FY 20-21</td>
<td>14218761-69152</td>
<td>Neighborhood Stabilization Program 2</td>
<td>Loans &amp; Grants</td>
<td>$ 131,000</td>
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<td>FY 20-21</td>
<td>14218762-69152</td>
<td>Neighborhood Stabilization Program 3</td>
<td>Loans &amp; Grants</td>
<td>$  44,951</td>
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<tr>
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<td></td>
<td></td>
<td><strong>Total Loans</strong></td>
<td><strong>$3,971,440</strong></td>
</tr>
</tbody>
</table>
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APPROVED AS TO FUNDS AND ACCOUNTS:

Steven A. Mendoza
Executive Director
Community Development Agency

Kathryn Downs, CPA
Executive Director
Finance and Management Services Agency

Exhibits:
1. Pre-Commitment Letter with Related and ACOF
2. Preliminary Financial Gap Analysis by Keyser Marston Associates
3. Proposed Project Renderings / Preliminary Site Plan

80B-12
June 18, 2019

Liane Takano
Southern California Director
The Related Companies of California
18201 Von Karman Avenue, Suite 900
Irvine, CA 92612

Dora Leong Gallo
Chief Executive Officer
A Community of Friends
3701 Wilshire Blvd., Suite 700
Los Angeles, CA 90010

Re: Crossroads at Washington
1126 and 1146 E. Washington Avenue, Santa Ana, CA 92701
Pre-Commitment Letter for: NSP Loan, HOME Loan, and Lease Agreement

Dear Ms. Takano and Ms. Gallo,

The Related Companies of California and A Community of Friends (collectively referred to as the “Developer”) requested financial assistance in connection with the proposed development of an eighty-six (86) unit affordable housing complex, with eighty-five (85) units restricted to extremely-low income households, to be located at 1126 and 1146 E. Washington Avenue, Santa Ana, CA 92701 (APNs 398-092-13 and 398-092-14) (“Project”).

The site consists of two adjacent parcels. The Housing Authority of the City of Santa Ana (“Housing Authority”) owns one parcel at 1126 E. Washington Ave. (APN 398-092-14) totaling approximately 1.43 acres of land area (“Housing Authority Parcel”). The County of Orange (“County”) owns an adjacent parcel (APN 398-092-13) totaling approximately .85 acres of land area (“County Parcel”). The Housing Authority and County will work together to merge their respective parcels with joint ownership for purposes of master leasing the parcels to the Developer to construct the Project over a single parcel (“Property”).
The City of Santa Ana ("City") and the Housing Authority have reviewed the Developer's request for assistance, and at the City Council/Housing Authority meeting on June 18, 2019, the City Council and Housing Authority Board authorized and approved issuance of this pre-commitment letter evidencing the preliminary award of (collectively, the "City Assistance"): 

- A loan in the maximum amount of $963,951.00 from the Neighborhood Stabilization Program ("NSP") held by the City for the Project ("NSP Loan");

- A loan in the maximum amount of $3,007,489.00 from the HOME Investment Partnerships Program ("HOME") held by the City for the Project ("HOME Loan"); and,

- A 62-year ground lease for the Housing Authority portion of the Property located at 1126 and 1146 E. Washington Avenue, Santa Ana, CA 92701 (APNs: 398-092-13 and 398-092-14); to be used for development of an eighty-six (86) unit affordable housing complex, with eighty-five (85) units restricted to extremely-low income households ("Ground Lease").

This letter shall evidence the City's pre-commitment of the City Assistance to the Developer for the Project subject to the conditions described below.

**NSP and HOME Loans:**

The amount of the proposed NSP and HOME Loans has been determined based upon the City's review of the Developer's request for the receipt of the City Assistance and the development proforma and projected cash flows for the Project submitted by the Developer to the City ("Proforma"). The City Manager has authority to approve revised development proformas and projected cash flows for the Project; provided, however, that the City Assistance is not increased or extended.

The NSP and HOME Loans shall include the following terms:

- The NSP Loan shall be for a maximum principal amount of $963,951.00, or as much thereof as is disbursed for hard and soft costs in constructing the Project, provided from NSP funds.

- The HOME Loan shall be for a maximum principal amount of $3,007,489.00, or as much thereof as is disbursed for hard and soft costs in constructing the Project, provided from HOME funds.

- 3% simple interest per annum.

- Repayment from 33.3% of Residual Receipts (pro-rata with payments due in connection with other financing provided by other public agencies) (after payment of operating expenses, debt service, any deferred developer fee, and partnership fees
to be described in the Agreement), with 33.4% to the County, and the remaining 33.3% to be disbursed to the Developer.

- Remaining principal and accrued interest due upon the 55th anniversary of the issuance of Certificate of Occupancy or earlier upon sale, refinancing or default. On that date, the City and Housing Authority agrees to review the performance of the Property and consider in good faith any reasonable request by Developer to modify the terms or extend the term of the City Promissory Notes. Additionally, the City will receive a pro rata share of 33.3% of the net proceeds received from any sale or refinancing of the Project, after payment of outstanding debt and payment in full of any deferred developer fee and establishment of any reserves and transaction costs.

- Cost savings from the Project, if any, will be applied first to pay down the NSP and HOME Loans, subject to compliance with the Tax Credit Allocation Committee ("TCAC") Regulations and California Health and Safety Code, as applicable.

- After all other funding sources have been secured through enforceable funding commitments, a HOME Subsidy Layering Review is required in order to formally commit HOME funds to the Project.

The HOME Loan shall also require specific HOME designated units in the Project. Based on a preliminary HOME Cost Allocation Analysis, the City must designate at least sixteen (16) units in the Project as HOME assisted-units per the following preliminary unit mix:

- Three (3) studio units;
- Five (5) one-bedroom units;
- Four (4) two-bedroom units;
- Three (3) three-bedroom units; and,
- One (1) four-bedroom unit.

As least 20% of the HOME designated units must be designated as Low HOME units. This equates to four (4) Low HOME units based on a sixteen (16) unit HOME requirement. The remainder of the HOME designated units can be restricted as High HOME units. This is subject to change based on a final HOME Cost Allocation Analysis to be completed prior to a formal commitment of HOME funds to the Project.

**Ground Lease:**

The Project will be located on the Property at 1126 and 1146 E. Washington Avenue, currently owned by the Housing Authority, as well as the adjacent parcel owned by the County (APNs: 398-092-13 and 398-092-14). The Housing Authority will be working with the County to draft and negotiate the necessary documents to join ownership so that the Project may be constructed over the combined Property under a master lease with the Housing Authority and County, as joint owners.
The ground lease payments will be structured as capitalized ground rent payments based on the appraised fair market value of the Property. The Developer estimates the current value of the Property at $5,580,000. This figure will need to be confirmed through an appraisal, but based on the Developer’s assessment, the capitalized ground rent payments are estimated as follows:

- The capitalized ground rent payment for the County parcel is estimated at $2,500,000; and,

- The capitalized ground rent payments for the Housing Authority parcel is estimated at $3,080,000.

These amounts will be secured by a promissory note on the Property and be repaid through a share of the Project’s residual receipts to be paid to the County and Housing Authority respectively.

Based on the above, the Housing Authority Board authorized a preliminary award of a 62-year lease of the Housing Authority portion of the Property to the Developer for the Project. After Developer secures a commitment from the County for a 62-year lease of the County portion of the Property, staff will return to the Housing Authority for consideration of a 62-year Ground Lease Agreement. There will only be one final Ground Lease Agreement that will have all three parties: the County, City (as tenants in common) and the Developer. The Ground Lease Agreement will be contingent on the successful development of the Project by the Developer.

General Provisions:

The City’s obligation to provide the City Assistance to the Project is subject to each of the following conditions:

- Developer must provide proof that it has secured all of its remaining financing for the development of the Project in the form of enforceable funding commitments, including, but not limited to, 9% or 4% Federal Low Income Housing Tax Credits, State Housing Tax Credits, a loan of affordable housing funds from the County of Orange, Section 8 project-based vouchers from the Orange County Housing Authority, or any other funding sources necessary in the Project’s capital stack to close on their financing, before staff will return to the City Council for consideration of the NSP and HOME Loan Agreements.

- Developer must provide proof that the County has approved or committed to approve a 62-year ground lease for the County portion of the Property located at 1126 and 1146 E. Washington Avenue, Santa Ana, CA 92701 (APNs: 398-092-13 and 398-092-14) before staff will return to the Housing Authority for consideration of the Ground Lease Agreement.

- All of the affordable units in the Project will be restricted to extremely low-income households.
The rent standards for the Project must be in compliance with the strictest of the standards imposed by TCAC and HOME Program regulations, or other funding sources contributed to the Project, as applicable.

All provided funding and Project requirements shall conform to the City's adopted Affordable Housing Funds Policies and Procedures, unless alternative requirements are expressly provided in the executed NSP and HOME Loan Agreements, Ground Lease Agreement, or any other documents related to the development of the Project.

Approval of all required entitlements and discretionary actions, to allow the construction of an 86-unit affordable housing complex to be located at 1126 and 1146 E. Washington Avenue, Santa Ana, CA 92701.

The City's obligation to provide the NSP Loan and HOME Loan is and shall remain subject to all covenants, conditions, and restrictions set forth in the Loan Agreements, and in particular City's analysis of the available funding sources and development and operating costs of the Project and the overall economic feasibility of the Project.

Review and approval of the documents evidencing the NSP Loan and HOME Loan by the City Council.

Review and approval of the documents evidencing the Ground Lease by the Housing Authority and the County.

Project funding is contingent on the successful execution of a 62-year Ground Lease Agreement by the Developer with the Housing Authority and County.

Compliance with California Health and Safety Code and applicable regulations set forth in Section 34176.

Developer, at its sole cost and expense, will be responsible for securing any and all permits and discretionary approvals that may be required for the Project by the City, Housing Authority, County, or any other federal, state, or local governmental entity having or claiming jurisdiction over the Property or Project. Notably, this pre-commitment letter shall not obligate the City or any department thereof to approve any application or request for or take any other action in connection with any planning approval, permit or other action necessary for the construction, rehabilitation, installation or operation of the Project.

This pre-commitment letter for the Project will expire on June 18, 2022.
If you have any questions or require any additional information regarding this pre-commitment letter, please contact Judson Brown, Housing Division Manager, by telephone at (714) 667-2241 or by e-mail at jbrown@santa-ana.org.

Sincerely,

On behalf of the City of Santa Ana:

______________________________
Kristine Ridge
City Manager

Attest:

______________________________
Norma Mitre
Acting Clerk of the Council

On behalf of the Housing Authority of the City of Santa Ana:

______________________________
Steven A. Mendoza
Housing Authority Executive Director

Attest:

______________________________
Norma Mitre
Acting Recording Secretary
MEMORANDUM

To: Judson Brown, Housing Division Manager
    City of Santa Ana

From: Tim Bretz
    Parker Dietz

Date: May 22, 2019

Subject: 1126-46 East Washington Ave - Preliminary Financial Gap Analysis

At your request, Keyser Marston Associates, Inc. (KMA) prepared a preliminary financial gap analysis for the project proposed to be developed at 1126 – 1146 East Washington Avenue (Site) by Related California (Developer). The Developer is proposing to construct an 86-unit apartment project with 85 units restricted to extremely-low income households (Project). One unit will be un-restricted and reserved for an on-site manager.

EXECUTIVE SUMMARY

The Site consists of two adjacent parcels. The Housing Authority of the City of Santa Ana (Housing Authority) owns one parcel totaling approximately 1.43 acres of land area (Housing Authority Parcel). The County of Orange (County) owns an adjacent parcel totaling approximately 0.85 acres of land area (County Parcel). Collectively, the Housing Authority Parcel and the County Parcel are referred to as the “Site” in this analysis. The Housing Authority and the County are working together to develop the Site with the proposed Project.

The Developer is requesting the following assistance from the City of Santa Ana (City) and the Housing Authority:

1. A long-term ground lease for the Housing Authority Parcel;
2. A loan of HOME Program (HOME) funds allocated to the City by the United States Department of Housing and Urban Development (HUD); and

3. A loan of Neighborhood Stabilization Program (NSP) funds allocated to the City by HUD.

The purpose of KMA analysis is to evaluate the Developer’s assistance request.

Estimated Financial Gap

The results of the KMA financial gap analysis are compared to the Developer’s financial proposal in the following table:

<table>
<thead>
<tr>
<th></th>
<th>KMA</th>
<th>Developer</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Development Costs</td>
<td>$38,688,000</td>
<td>$38,734,000</td>
<td>($46,000)</td>
</tr>
<tr>
<td>Outside Funding Sources</td>
<td>34,746,000</td>
<td>34,762,000</td>
<td>(16,000)</td>
</tr>
<tr>
<td>Financial Gap</td>
<td>$3,942,000</td>
<td>$3,972,000</td>
<td>($30,000)</td>
</tr>
</tbody>
</table>

As shown in the preceding table, KMA estimates the Project’s financial gap at $3.94 million. Comparatively, the Developer is requesting $3.97 million in financial assistance from the City. This represents a less than 1% differential, which can be considered inconsequential. However, it is important to note that the KMA and Developer estimates differ on a line item by line item basis.

Proposed Funding Sources

The following summarizes the proposed funding sources for the Project:

1. It is estimated that the Project will receive forty-three (43) Section 8 Project Based Vouchers (PBVs) that are allocated to the County by HUD.

2. The Project’s stabilized net operating income (NOI) supports $2.90 million in permanent financing.

3. The Developer is proposing to apply for 9% Federal Low Income Housing Tax Credits (Federal Tax Credits) that are competitively awarded by the California Tax
Credit Allocation Committee (TCAC). The net Federal Tax Credit proceeds are estimated at $18.98 million.

4. The Developer is proposing to apply for State Housing Tax Credits (State Tax Credits) that are awarded by TCAC. The net State Tax Credit proceeds are estimated at $5.0 million.

5. The Developer is proposing to apply for a loan of permanent supportive housing (OCHA PSH Loan) funds awarded by the Orange County Housing Authority (OCHA).

6. The Developer proposes to ground lease the Housing Authority and County parcels based on current fair market value of the Site. The capital ground rent payment amounts are estimated as follows:

a. A $2.50 million capitalized ground rent payment to the County; and

b. A $3.08 million capitalized ground rent payment to the Housing Authority.

**PROJECT DESCRIPTION**

The proposed scope of development can be described as follows:

1. The site is comprised of 2.28 acres, or 99,317 square feet of land area.

2. The Project's unit mix is as follows:

<table>
<thead>
<tr>
<th>Number of Units</th>
<th>Unit Size (SF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Studio Units</td>
<td>16</td>
</tr>
<tr>
<td>One-Bedroom Units</td>
<td>26</td>
</tr>
<tr>
<td>Two-Bedroom Units</td>
<td>22</td>
</tr>
<tr>
<td>Three-Bedroom Units</td>
<td>17</td>
</tr>
<tr>
<td>Four-Bedroom Units</td>
<td>5</td>
</tr>
<tr>
<td>Total / Weighted Average</td>
<td>86</td>
</tr>
</tbody>
</table>
3. Detailed project plans were not available for review. As such, KMA estimates the Project's gross building area (GBA) at 85,000 square feet, which is comprised of the following:
   a. The residential GBA is estimated at 65,900 square feet;
   b. The community building GBA is estimated at 3,500 square feet; and
   c. The circulation / common area GBA is estimated at 15,600 square feet.

4. The Project includes 110 surface parking spaces, which equates to approximately 1.28 parking spaces per unit.

5. The Project's proposed affordability mix is as follows:

<table>
<thead>
<tr>
<th>Tax Credit @ 30% Median/Moderate H&amp;SC/Low HOME</th>
<th>85</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted Manager's Unit</td>
<td>1</td>
</tr>
<tr>
<td>Total Units</td>
<td>86</td>
</tr>
</tbody>
</table>

**FINANCIAL GAP ANALYSIS**

KMA prepared a pro forma analysis to assist in evaluating the Developer's proposal. The analysis is located at the end of this memorandum, and is organized as follows:

| Table 1: Estimated Development Costs                      |
| Table 2: Stabilized Net Operating Income                  |
| Table 3: Financial Gap Calculation                        |
| Table 4: Preliminary HOME Cost Allocation                |

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1 H&SC = the California Health and Safety Code, and the "Median" represents the Orange County Median Income published by HCD. The median income published by TCAC is referred to as the TC Median.
Estimated Development Costs (Table 1)

KMA reviewed the Developer’s development cost estimates, and then independently prepared a pro forma analysis for the Project. The resulting development costs are estimated as follows:

Property Assemblage Costs

The Developer will enter into long term ground leases with the Housing Authority and the County for both the Housing Authority Parcel and the County Parcel. As proposed, the ground lease payments will be structured as capitalized ground rent payments based on the appraised fair market value of the Site. The Developer estimates the current value of the Site at $5.58 million. Thus, the capitalized ground rent payments are estimated as follows:

1. The capitalized ground rent payment for the County Parcel is estimated at $2.50 million; and
2. The capitalized ground rent payment for the Housing Authority Parcel is estimated at $3.08 million.

Direct Costs

The direct cost estimates assume that the Project will be subject to State of California and/or Federal Davis Bacon prevailing wage requirements. The direct costs applied in this analysis can be summarized as follows:

1. The Developer estimated the off-site improvement costs at $493,000. City staff should verify the scope and cost of the off-site improvements required to serve the Project.
2. The on-site improvement costs are estimated at $30 per square foot of land area, or $2.98 million.
3. The surface parking costs are estimated at $3,000 per space, or $330,000.

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2 An appraisal was not available for the fair market value of the combined Housing Authority and County Parcels. This analysis will need to be updated if the appraised value of the Site differs from the estimate used in the analysis.
4. The residential shell costs are estimated at $170 per square foot of residential GBA, or $14.43 million.

5. A $550,000 allowance for furnishings, fixtures and equipment is provided.

6. A 14% allowance for contractor fees and general requirements is provided.

7. An allowance for construction bonds / general liability insurance at 2% of construction costs is provided.

8. The third-party construction management costs are estimated at $150,000.

9. A direct cost contingency allowance equal to 5% of other direct costs is provided

KMA estimates the total direct costs at $22.95 million. This equates to $270 per square foot of GBA.

**Indirect Costs**

KMA utilized the following assumptions in estimating the indirect costs:

1. The architecture, engineering and consulting costs are estimated at 7% of direct costs.

2. The Developer estimated the public permits and fees costs at $3.05 million, or $35,500 per unit. City staff should verify the accuracy of this estimate.

3. The taxes, insurance, legal and accounting costs are estimated at 2.5% of direct costs.

4. An approximately $1,700 per unit allowance for marketing and leasing costs is provided.

5. The Developer Fee is set at $2.41 million, which is the maximum amount allowed to be included in the Project by TCAC.

6. An indirect cost contingency allowance equal to 5% of other indirect costs is provided.

KMA estimates the total indirect costs at $8.18 million.
Financing Costs

The financing costs for the Project are estimated as follows:

1. The construction period and absorption period interest costs are estimated at $1.21 million. This estimate is based on the following assumptions:
   a. A $24.08 million construction loan;
   b. A 4.38% interest rate;
   c. An 18-month construction period with a 60% average outstanding loan balance; and
   d. A 3-month absorption period with a 100% average outstanding loan balance.

2. The financing fees for the construction and permanent loans are estimated at 1.50 points, or $505,000.

3. A $248,000 capitalized operating reserve account is provided. This equates to approximately three months of operating expenses and debt service payments.

4. The Tax Credit fees are estimated at $115,000 based on the following:
   a. A $2,000 application fee;
   b. A $410 per unit monitoring fee; and
   c. Four percent (4%) of gross Tax Credit proceeds for one year.

KMA estimates the total financing costs at $38.69 million.

Total Development Costs

As shown in Table 1, KMA estimates the total development costs at $36.69 million, which equates to approximately $449,900 per unit. In comparison, the Developer estimates the total development costs at $38.73 million. This equates to a less than 1% differential, which can be considered an insignificant difference.
Stabilized Net Operating Income (Table 2)

The Project's funding sources include Tax Credits, HOME funds and NSP funds. In addition, the Housing Authority Parcel was purchased with Property Tax increment Housing Set-Aside (Set-Aside) Funds. These programs all publish the applicable income limits for households that are qualified to reside in the development.

TCAC and the HOME Program publish rent standards for projects that receive Tax Credits and HOME funds, respectively. Comparatively, Health and Safety Code Section 50053 defines the methodology that must be used to calculate the affordable housing costs for projects that include Set-Aside Funds. The Developer will be required to adhere to the strictest of the standards imposed by the funding sources contributed to the Project.

Achievable Rent Income

The rents used in this analysis are based on 2019 information published by TCAC and HCD, and 2018 information published by the HOME Program. For the purposes of this analysis, KMA set the HOME rents at the Low HOME standard; however, only 20% of the HOME-designated units need to be restricted to Low HOME rents. The maximum allowable rents, net of the appropriate utility allowances, are estimated as follows:

<table>
<thead>
<tr>
<th>Rent Restriction</th>
<th>30% TCAC</th>
<th>Moderate H&amp;SC</th>
<th>Low HOME</th>
<th>Applicable Rents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Studios</td>
<td>$575</td>
<td>$1,837</td>
<td>$909</td>
<td>$575</td>
</tr>
<tr>
<td>1-Bedrooms</td>
<td>611</td>
<td>2,097</td>
<td>969</td>
<td>611</td>
</tr>
<tr>
<td>2-Bedrooms</td>
<td>723</td>
<td>2,345</td>
<td>1,152</td>
<td>723</td>
</tr>
<tr>
<td>3-Bedrooms</td>
<td>825</td>
<td>2,592</td>
<td>1,321</td>
<td>825</td>
</tr>
<tr>
<td>4-Bedrooms</td>
<td>907</td>
<td>2,783</td>
<td>1,460</td>
<td>907</td>
</tr>
</tbody>
</table>

3 As of May 22, 2019, HUD had not yet published the 2019 HOME rents.
4 The monthly utility allowances are estimated at: $48 for studio units; $56 for one-bedroom units; $78 for two-bedroom units; $100 for three-bedroom units; and $125 for four-bedroom units.
The Developer will request 43 PBVs from the County for the Project. The PBV payments are equal to the difference between the tenants’ rent payments and the fair market rents (FMRs) approved by the County. The 2019 FMRs for the Project are estimated as follows:

<table>
<thead>
<tr>
<th>Studio Units</th>
<th>$1,362</th>
</tr>
</thead>
<tbody>
<tr>
<td>One-Bedroom Units</td>
<td>$1,470</td>
</tr>
<tr>
<td>Two-Bedroom Units</td>
<td>$1,807</td>
</tr>
</tbody>
</table>

**Estimated Effective Gross Income**

KMA estimates the Project’s effective gross income at approximately $1.05 million based on the following assumptions:

1. The base rental income is estimated at $705,900.
2. The PBV income is estimated at $432,100.
3. Laundry and miscellaneous income is estimated to average $6 per unit per month for a total of $6,200 per year.
4. A vacancy and collection allowance equal to 7.5% of gross affordable income is provided. This equates to $53,400.
5. A vacancy and collection allowance for Section 8 Subsidy equal to 10% of gross subsidy income is provided. This equates to $43,200.

**Estimated Operating Expenses**

The operating expenses are estimated at $705,900 based on the following assumptions:

1. The general operating expenses are estimated at $5,880 per unit per year.
2. KMA assumes the Developer will apply for the property tax abatement that is accorded to non-profit housing organizations that own and operate apartment units that are restricted to households earning less than 80% of the Median.
Developer estimates that the Project will incur $2,000 per year in property tax assessment override costs.

3. The Developer is proposing to provide social services at an estimated cost of $170,000 per year.

4. The Project will be subject to a County monitoring fee estimated at $2,400 per year.

5. The Developer provided an allowance for replacement reserve deposits at $300 per unit per year. This exceeds the minimum amount required by TCAC.

Stabilized Net Operating Income

The Project’s effective gross income is estimated at $1.05 million, and the operating expenses are estimated at $705,900. This results in an estimated stabilized net operating income of $341,700.

Financial Gap Calculation

The financial gap is estimated by deducting the available outside funding sources from the Project’s total development costs. The outside funding sources anticipated to be received by the Project are described in the following sections of this analysis.

Available Funding Sources

Permanent Loan

To estimate the maximum permanent loan that can be supported by the Project’s NOI, KMA assumed that the loan would be underwritten based on the following requirements:

1. A 120% debt service coverage ratio;

2. A 5.50% interest rate; and

3. A 15-year amortization period.

Based on these assumptions, KMA estimates that the $341,700 NOI can support a $2.90 million permanent loan.
**Federal Tax Credit Proceeds**

**Tax Credit Basis**

KMA estimates the net Federal Tax Credit proceeds at $18.99 million. This estimate is based on the following assumptions:

1. The Project’s eligible Tax Credit basis is equal to the lesser of the depreciable costs for the 86 Tax Credit units, or the threshold basis limits established by TCAC. In this case, the Project’s depreciable costs are estimated at $30.42 million, and the threshold basis limits applied by TCAC equal $33.64 million.

2. To increase the competitiveness of the Project’s Tax Credit application in the TCAC tiebreaker process, the Developer is proposing to voluntarily exclude a portion of the eligible Tax Credit basis.

3. The Project is not located in a designated “Difficult to Develop” census tract.

4. The current Tax Credit regulations set the annual Tax Credit rate at 9.0%. This rate is applied over the 10-year Tax Credit period.

5. 100% of the Project’s building area is located in units that qualify for Federal Tax Credits.

6. The net syndication value supported by the Tax Credit is ultimately determined based on competitive market conditions and on the timing of the disbursements. Based on currently available information, KMA and the Developer estimate the proceeds at $0.98 per gross Federal Tax Credit dollar.

**State Tax Credits**

Since the Project is not located in a “Difficult to Develop” census tract, the Project will apply for State Tax Credits awarded by TCAC. The net syndication value supported by the State Tax Credit is ultimately determined based on competitive market conditions and on the timing of the disbursements. Based on currently available information, KMA and the Developer estimate the State Tax Credit proceeds at $0.77 per gross State Tax Credit dollar, which equates to $5.0 million in State Tax Credit proceeds.
OCHA PSH Loan

The Developer is proposing to apply for $2.28 million in permanent supportive housing funds awarded by the Orange County Housing Authority.

County Capitalized Ground Rent Payment

The County’s Capitalized Ground Rent Payment is estimated at $2.50 million. This amount will be secured by a promissory note on the property and be repaid through a share of the Project’s residual receipts.

City Capitalized Ground Rent Payment

The City’s Capitalized Ground Rent Payment is estimated at $3.08 million. This amount will be secured by a promissory note on the property and be repaid through a share of the Project’s residual receipts.

Deferred Developer Fee

The Developer is not proposing to defer any of the Developer Fee as a permanent funding source.

Total Available Funding Sources

As shown in Table 3, the outside funding sources available to the Project are estimated at $34.75 million. In comparison, the Developer estimates the available outside funding sources at $34.76 million. This equates to an approximately $16,000 differential, which is due to a slight difference in vacancy and collection allowance assumptions between KMA and the Developer.

Estimated Financial Gap

Based on the preceding analysis, KMA estimates the Project’s financial gap as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Development Costs</td>
<td>$38,688,000</td>
</tr>
<tr>
<td>(Less) Total Available Outside Funding Sources</td>
<td>(34,746,000)</td>
</tr>
<tr>
<td>Financial Gap</td>
<td>$3,942,000</td>
</tr>
<tr>
<td>Per Unit</td>
<td>$45,800</td>
</tr>
</tbody>
</table>
As shown in the table above, KMA estimates that the Project exhibits a $3.94 million financial gap. In contrast, the Developer is requesting $3.97 million in financial assistance from the City. This represents a $30,000 differential, which is a less than 1% difference. It is the KMA opinion that a difference of this magnitude can be considered insignificant.

CONCLUSIONS / RECOMMENDATIONS

The following summarizes the conclusions of the KMA analysis:

1. Based on the currently available information, it is KMA’s conclusion that the Developer’s request for $3.97 million in financial assistance is supported by the Project economics. However, given the preliminary nature of the proposal, if the scope of development or financing assumptions change, the KMA analysis may need to be updated accordingly.

2. The Developer initially requested to ground lease the Housing Authority Parcel for a 99-year ground lease term. At a minimum, the ground lease term must be set at 57 years to comply with TCAC’s requirements. However, based on the KMA analysis and discussions with the Developer, it was determined that a shorter ground lease term is sufficient to meet the requirements of most lenders and Tax Credit investors. As such, KMA recommends that the Housing Authority work with the Developer and the County to negotiate a ground lease term between 57 – 75 years. Additionally, the Housing Authority, County and Developer should work to negotiate the specific terms of the ground leases.

3. The City / Housing Authority should discuss the proposed residual receipts distributions with the County and the Developer.

4. It is important to note that 100% of the affordable units will be restricted to extremely low income households. As such, the only reason the Project is operationally feasible is due to the 43 PBVs proposed to be provided by the County. If the PBVs are terminated, the Project’s net operating income will go negative immediately, which could pose a risk of foreclosure if this occurs during the permanent loan term.
5. Based on a preliminary HOME Cost Allocation Analysis, the City must designate at least 15 units in the Project as HOME units per the following unit mix:
   a. Three (3) studio units;
   b. Four (4) one-bedroom units;
   c. Four (4) two-bedroom units;
   d. Three (3) three-bedroom units; and
   e. One (1) four-bedroom unit.

6. At least 20% of the HOME-designated units must be designated as Low HOME units. This equates to three Low HOME units based on a 15-unit HOME Requirement. The remainder of the HOME-designated units can be restricted as High HOME units.

7. It is important to note that the City cannot commit HOME funds to the Project until after all of the other funding sources have received formal commitments. At that time, the City must prepare a HOME Subsidy Layering Review in order to formally commit HOME funds to the Project.
### TABLE 1

**ESTIMATED DEVELOPMENT COSTS**

**1126-46 EAST WASHINGTON AVENUE**

**SANTA ANA, CALIFORNIA**

<table>
<thead>
<tr>
<th>I. Capitalized Ground Rent Payment</th>
<th>1</th>
<th>99,317 Sf Land</th>
<th>$56 /Sf Land</th>
<th>$5,580,000</th>
</tr>
</thead>
</table>

**II. Direct Costs**

<table>
<thead>
<tr>
<th></th>
<th>2</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Off-site improvements</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On-site Improvements</td>
<td></td>
<td>99,317 Sf Land</td>
<td>$30 /Sf Land</td>
<td>2,980,000</td>
</tr>
<tr>
<td>Surface Parking Costs</td>
<td></td>
<td>110 Spaces</td>
<td>$3,000 /Space</td>
<td>330,000</td>
</tr>
<tr>
<td>Residential Building Costs</td>
<td></td>
<td>85,000 Sf GBA</td>
<td>$170 /Sf GBA</td>
<td>14,433,000</td>
</tr>
<tr>
<td>Furnishings, Fixtures &amp; Equipment</td>
<td></td>
<td></td>
<td></td>
<td>550,000</td>
</tr>
<tr>
<td>Contractor Fees / General Requirements</td>
<td>14.0% Construction Costs</td>
<td>$2,553,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction Bonds/Insurance</td>
<td>2.0% Construction Costs</td>
<td>365,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction Management</td>
<td></td>
<td></td>
<td></td>
<td>150,000</td>
</tr>
<tr>
<td>Direct Cost Contingency Allowance</td>
<td>5.0% Other Direct Costs</td>
<td>1,093,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Direct Costs</td>
<td>85,000 Sf GBA</td>
<td>$270 /Sf GBA</td>
<td>$22,947,000</td>
<td></td>
</tr>
</tbody>
</table>

**III. Indirect Costs**

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Arch, Eng, &amp; Consulting</td>
<td>7.0% Direct Costs</td>
<td>$1,606,000</td>
<td></td>
</tr>
<tr>
<td>Public Permits &amp; Fees</td>
<td>86 Units</td>
<td>$35,465 /Unit</td>
<td>3,050,000</td>
</tr>
<tr>
<td>Taxes, Insurance, Legal &amp; Accounting</td>
<td>2.5% Direct Costs</td>
<td>574,000</td>
<td></td>
</tr>
<tr>
<td>Marketing &amp; Leasing</td>
<td>86 Units</td>
<td>$1,744 /Unit</td>
<td>150,000</td>
</tr>
<tr>
<td>Developer Fee</td>
<td>8.1% Eligible Basis</td>
<td>2,410,000</td>
<td></td>
</tr>
<tr>
<td>Soft Cost Contingency Allowance</td>
<td>5.0% Other Indirect Costs</td>
<td>390,000</td>
<td></td>
</tr>
<tr>
<td>Total Indirect Costs</td>
<td></td>
<td></td>
<td>$8,180,000</td>
</tr>
</tbody>
</table>

**IV. Financing Costs**

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest During Construction</td>
<td>$24,081,000 Loan Amount</td>
<td>4.38% Interest</td>
<td>1,213,000</td>
</tr>
<tr>
<td>Financing Fees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction Loan</td>
<td>$24,081,000 Loan Amount</td>
<td>1.50 Points</td>
<td>361,000</td>
</tr>
<tr>
<td>Permanent Loans</td>
<td>$2,904,000 Loan Amount</td>
<td>1.50 Points</td>
<td>44,000</td>
</tr>
<tr>
<td>Capitalized Reserves</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Reserve</td>
<td>3 Months Operating Expenses / Debt Service</td>
<td>248,000</td>
<td></td>
</tr>
<tr>
<td>TCAC Fees</td>
<td></td>
<td></td>
<td>115,000</td>
</tr>
<tr>
<td>Total Financing Costs</td>
<td></td>
<td></td>
<td>$1,981,000</td>
</tr>
</tbody>
</table>

**V. Total Development Costs**

| 86 Units                      | $449,900 /Unit               | $38,688,000 |
### TABLE 2

**STABILIZED NET OPERATING INCOME**

1126-46 EAST WASHINGTON AVENUE

SANTA ANA, CALIFORNIA

<table>
<thead>
<tr>
<th>I. Gross Income</th>
<th>1 Unit</th>
<th>$0 /Unit/Month</th>
<th>$0</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Manager's Unit</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Base Rental Income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC @ 30% Median/Low HOME/Moderate H&amp;SC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Studio Units @ (400-Sf)</td>
<td>16 Units</td>
<td>$575 /Unit/Month</td>
<td>110,400</td>
</tr>
<tr>
<td>1-Bedroom Units @ (600-Sf)</td>
<td>26 Units</td>
<td>$611 /Unit/Month</td>
<td>190,500</td>
</tr>
<tr>
<td>2-Bedroom Units @ (850-Sf)</td>
<td>21 Units</td>
<td>$723 /Unit/Month</td>
<td>182,200</td>
</tr>
<tr>
<td>3-Bedroom Units @ (1,100-Sf)</td>
<td>17 Units</td>
<td>$825 /Unit/Month</td>
<td>168,300</td>
</tr>
<tr>
<td>4-Bedroom Units @ (1,300-Sf)</td>
<td>5 Units</td>
<td>$907 /Unit/Month</td>
<td>54,400</td>
</tr>
<tr>
<td><strong>Operating Subsidy</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PBV Subsidy - TC @ 30% Median/Low HOME/Moderate H&amp;SC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Studio Units @ (400-Sf)</td>
<td>16 Units</td>
<td>$787 /Unit/Month</td>
<td>151,100</td>
</tr>
<tr>
<td>1-Bedroom Units @ (600-Sf)</td>
<td>26 Units</td>
<td>$859 /Unit/Month</td>
<td>268,000</td>
</tr>
<tr>
<td>2-Bedroom Units @ (850-Sf)</td>
<td>1 Unit</td>
<td>$1,084 /Unit/Month</td>
<td>13,000</td>
</tr>
<tr>
<td>Laundry/Miscellaneous Income</td>
<td>86 Units</td>
<td>$6 /Unit/Month</td>
<td>6,200</td>
</tr>
<tr>
<td><strong>Gross Income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Less) Vacancy &amp; Collection Allowance</td>
<td>7.5% Affordable Income</td>
<td></td>
<td>(53,400)</td>
</tr>
<tr>
<td>(Less) Vacancy &amp; Collection Allowance</td>
<td>10.0% Section 8 Subsidy</td>
<td></td>
<td>(43,200)</td>
</tr>
<tr>
<td><strong>Effective Gross Income</strong></td>
<td></td>
<td>$1,144,200</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>$1,047,600</strong></td>
<td></td>
</tr>
<tr>
<td>II. Operating Expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Operating Expenses</td>
<td>86 Units</td>
<td>$5,880 /Unit</td>
<td>$505,700</td>
</tr>
<tr>
<td>Property Taxes</td>
<td>86 Units</td>
<td>$23 /Unit</td>
<td>2,000</td>
</tr>
<tr>
<td>Services</td>
<td>86 Units</td>
<td>$1,977 /Unit</td>
<td>170,000</td>
</tr>
<tr>
<td>FSH Monitoring Fee</td>
<td>86 Units</td>
<td>$300 /Unit</td>
<td>2,400</td>
</tr>
<tr>
<td>Replacement Reserve</td>
<td>86 Units</td>
<td>$8,208 /Unit</td>
<td>25,800</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>86 Units</td>
<td>$705,900</td>
<td></td>
</tr>
<tr>
<td>III. Stabilized Net Operating Income</td>
<td></td>
<td><strong>$341,700</strong></td>
<td></td>
</tr>
</tbody>
</table>

---

1 Based on Orange County Incomes distributed by HUD/HCD in 2019. The rents are based on those published in 2018 by the HOME Program, and in 2019 by TCAC and the CA HSC Section 50053 calculation methodology. Utility Allowances per the Developer: $48 for studio units; $56 for 1-Bdrm units; $78 for 2-Bdrm units; $100 for 3-Bdrm units and $125 for 4-Bdrm units.

2 Based on Developer estimate. Assumes that the Developer will receive the property tax exemption available to non-profit housing organizations that own and operate apartment units restricted to households earning less than 80% AMI.
### TABLE 3

**FINANCIAL GAP CALCULATION**  
**1126-46 EAST WASHINGTON AVENUE**  
**SANTA ANA, CALIFORNIA**

#### I. Available Funding Sources

1. **Permanen Loan**
   - Stabilized Net Operating Income: $341,700 NOI (See Table 2)
   - Income Available for Mortgage: 1.20 DCR
   - Interest Rate/Mortgage Constant: 5.50% Interest Rate 9.81% Mortgage Constant
   - Permanent Loan: $2,904,000

2. **Federal Tax Credit Equity**
   - Gross Tax Credit Value: $19,372,000
   - Syndication Rate: $0.98 /Tax Credit Dollar
   - Net Federal Tax Credit Equity: $18,982,000

3. **State Tax Credit Equity**
   - Gross Tax Credit Value: $6,457,000
   - Syndication Rate: $0.77 /Tax Credit Dollar
   - Net State Tax Credit Equity: $4,999,000

4. **OCHA PSH Loan**
   - $2,281,000

5. **County Capitalized Ground Rent Payment**
   - $2,500,000

6. **City Capitalized Ground Rent Payment**
   - $3,080,000

7. **Deferred Developer Fee**
   - 0% Total Developer Fee
   - $0

8. **Total Available Funding Sources**
   - $34,746,000

#### II. Financial Gap Calculation

- **Total Development Costs**: $38,688,000
- **(Less) Total Available Funding Sources**: ($34,746,000)

<table>
<thead>
<tr>
<th>Total Financial Gap</th>
<th>86 Units</th>
<th>$45,800 /Unit</th>
<th>$3,942,000</th>
</tr>
</thead>
</table>

---

1. Assumes a 15-year amortization period.
2. Assumes a $21.5 million requested unadjusted eligible basis, which includes a $8.89 million voluntary basis reduction, a 100% difficult-to-develop premium, a 9.0% Tax Credit rate, and an applicable fraction of 100%.
3. Based on Developer estimates.
TABLE 4

HOME COST ALLOCATION WORKSHEET - STANDARD MODEL
1126-46 EAST WASHINGTON AVENUE
SANTA ANA, CALIFORNIA

Step 1: Determine Comparability, Select Method of Cost Allocation

Net Residential SF 65,900

Step 2: Proposed HOME Investment

$3,007,489

Step 3: Calculate Actual Cost of HOME Units

<table>
<thead>
<tr>
<th>Total Development Costs</th>
<th>$387,336,211</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ineligible Development Costs</td>
<td>(1,290,817)</td>
</tr>
<tr>
<td>Unit-Specific Upgrades</td>
<td>0</td>
</tr>
<tr>
<td>Relocation Costs</td>
<td>0</td>
</tr>
<tr>
<td>Assign Relocation Exclusively to HOME Units?</td>
<td>NA</td>
</tr>
</tbody>
</table>

Base Project Cost $568 /Sf Gross Residential SF $37,442,804

<table>
<thead>
<tr>
<th>Assign Units</th>
<th># of Bdrms</th>
<th>Unit Size</th>
<th>Cost/Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Studio</td>
<td>400</td>
<td>$227,270</td>
</tr>
<tr>
<td>2</td>
<td>Studio</td>
<td>400</td>
<td>$227,270</td>
</tr>
<tr>
<td>3</td>
<td>Studio</td>
<td>400</td>
<td>$227,270</td>
</tr>
<tr>
<td>4</td>
<td>1</td>
<td>500</td>
<td>$284,088</td>
</tr>
<tr>
<td>5</td>
<td>1</td>
<td>500</td>
<td>$284,088</td>
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<td>6</td>
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<td>9</td>
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<td>$482,950</td>
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<td>2</td>
<td>850</td>
<td>$482,950</td>
</tr>
<tr>
<td>11</td>
<td>2</td>
<td>850</td>
<td>$482,950</td>
</tr>
<tr>
<td>12</td>
<td>3</td>
<td>1,100</td>
<td>$624,994</td>
</tr>
<tr>
<td>13</td>
<td>3</td>
<td>1,100</td>
<td>$624,994</td>
</tr>
<tr>
<td>14</td>
<td>3</td>
<td>1,100</td>
<td>$624,994</td>
</tr>
<tr>
<td>15</td>
<td>4</td>
<td>1,300</td>
<td>$738,629</td>
</tr>
</tbody>
</table>

Subtotal HOME Unit Costs $6,363,572

Add: Relocation Costs Allocated Exclusively to HOME Units (if applicable) $0

Actual Cost of HOME Units $6,363,572

Step 4: Calculate Maximum Project Subsidy

<table>
<thead>
<tr>
<th>Unit Size</th>
<th># of Units</th>
<th>Max Subsidy/Unit</th>
<th>Maximum Subsidy</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 Bedroom</td>
<td>3</td>
<td>$147,074</td>
<td>$441,222</td>
</tr>
<tr>
<td>1 Bedroom</td>
<td>4</td>
<td>$168,600</td>
<td>674,400</td>
</tr>
<tr>
<td>2 Bedroom</td>
<td>4</td>
<td>$205,502</td>
<td>822,008</td>
</tr>
<tr>
<td>3 Bedroom</td>
<td>3</td>
<td>$265,229</td>
<td>795,687</td>
</tr>
<tr>
<td>4 Bedroom</td>
<td>1</td>
<td>$291,114</td>
<td>291,114</td>
</tr>
</tbody>
</table>

Maximum Project Subsidy 15 $3,024,431

Step 5: Maximum HOME Investment, Lesser of

| Proposed Investment (Step 2) | $3,007,489 |
| Actual Cost of HOME Units (Step 3) | $6,363,572 |
| Maximum Project Subsidy (Step 4) | $3,024,431 |

Maximum HOME Investment 15 HOME Units $3,007,489

---

1 The ineligible costs include: off-site improvements, capitalized reserves and furnishings.

Prepared by: Keyser Marston Associates, Inc.
Filename: 1126-46 E Washington_5 22 19; HOME; trb
THE CROSSROADS AT WASHINGTON

RFP NO. 18-056
1126 & 1146 E. WASHINGTON AVE.
## Unit Breakdown

<table>
<thead>
<tr>
<th>Description</th>
<th>86-Unit Design</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>100% of Units @ 30% AMI</td>
</tr>
<tr>
<td>Unit Mix</td>
<td># Units</td>
</tr>
<tr>
<td>Studios</td>
<td>16</td>
</tr>
<tr>
<td>One-Bedroom</td>
<td>26</td>
</tr>
<tr>
<td>Two-Bedroom</td>
<td>22</td>
</tr>
<tr>
<td>Three-Bedroom</td>
<td>17</td>
</tr>
<tr>
<td>Four-Bedroom</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>86</td>
</tr>
<tr>
<td>Common Area SF</td>
<td>± 3,500</td>
</tr>
</tbody>
</table>
TITLE CHALLENGES & SOLUTIONS

Challenges
- Easements
- Parcel Differences

Solutions
- Coordination
- Partnerships

Housing Authority
County
SITE ANALYSIS & EXISTING CONDITIONS

**Orientation**  Minimize impacts from adjacent freeway

**Easements**   Existing with building placements

**Entry**       Enhance entry experience

**Solar**       Orientation to center of community
Units: 86 units – three-story stacked flats facing interior courtyards

Amenities: Pool, community room, laundries, tot-lot, dog run/wash, leasing offices

Management: Direct access for residents and visitors

Artwork: Urban canvas on sound wall

Parking: 110 spaces
**Artwork**

Urban canvas on sound wall
CONCEPTUAL DESIGN

Building Three-story Type V construction • Architectural Style Mission Revival • Sustainability Goal LEED Platinum