



## **SELECTION GUIDELINES FOR FUNDING AFFORDABLE HOUSING DEVELOPMENTS**

**Approved by the Housing Authority of the City of Santa Rosa  
Approved March 28, 2016, Revised July 25, 2016 and July 19, 2017**

These Selection Guidelines for Funding Affordable Housing Developments are comprised of Criteria in four major categories:

- i. Benefits
- ii. Financing
- iii. Readiness
- iv. Developer Qualifications

The Criteria are designed to assist the Housing Authority in making funding decisions. The Housing Authority intends to use these Criteria to evaluate and compare the strengths and weaknesses of proposed new affordable housing developments and housing rehabilitations. The Housing Authority may choose to emphasize certain Criteria over others so as to meet current housing priorities. The Housing Authority may also consider other factors in making any given funding decision.

Nothing in these Guidelines, or in the procedures by which they are utilized, is intended to communicate a funding commitment to any potential borrowers.

These Guidelines supersede prior selection guidelines or criteria.

PROJECT NAME: CHelsea GARDENS

Date: SEPTEMBER 2017

### Summary

	Please provide a short summary for each
<b>Address</b>	Chelsea Gardens I and II; 1220 McMinn Ave, Santa Rosa, CA 95407
<b>Project Summary/Description</b>	Rehabilitation to address life safety, Accessibility, Air Quality, and ongoing maintenance.
<b>Developer (include contact(s))</b>	BRIDGE Housing Corporation 600 California Street, Suite 900, San Francisco, CA 94108 Kearstin Dischinger, Project Manager, Kdischinger@Bridgehousing.com; 415.321.3515
<b>Benefits</b>	With the population of Roseland growing faster than the rest of the City of Santa Rosa and the 2016 median rent of \$2,500 requiring a 2-person household to earn 150% of the Area Median Income, the long-term preservation and maintenance of affordable housing in Roseland is critical. Chelsea Gardens is home to 215 residents. All units, exempting the two staff units, are restricted to residents earning up to 50% of the Area Median Income. Seniors occupy a total of 26 units and families occupy a total of 92 units. The rehabilitation of Chelsea Gardens will directly benefit all current and future residents.
<b>Financing</b>	BRIDGE requests CDBG funding for \$787,652 of Phase I improvements. Owners will invest \$860,612 of accumulated revenues in maintenance and repairs.
<b>Readiness</b>	Only a few of the elements of Phase I require City review, generally review will be limited to compliance with accessibility standards. CDBG funded improvements can be completed during the winter weather without increased costs or schedule delays related to weather management. Ferrari Moe is committed to completing all design work for Phase I. They have history with the site, extensive experience with rehab work, and have already completed conceptual design/scope for Phase I improvements.
<b>Developer Qualifications</b>	BRIDGE Housing Corporation is the leading affordable housing developer in California and has a mission to strengthen communities by developing, owning and managing high-quality, affordable homes for working families and seniors.  Since its inception in 1983, BRIDGE has participated in the development of over 14,000 housing units, valued at more than \$3 billion, for over 40,000 Californians. BRIDGE is also an active asset manager, preserving the majority of the properties it develops or acquires over the long term, and has a current portfolio of nearly 80 assets located throughout California.  With over 50 state, national, and international awards, BRIDGE is known for creating award-winning, affordable homes that not only strengthen the character of the community, but also display the same quality of design and construction as market-rate housing.

**Benefits**

Criteria	Please describe. Use additional sheets if necessary.
<b>Type</b>	
Production	N/A
Rehabilitation (with or without acquisition)	This project will enable much needed replacement and rehabilitation of 120 housing units affordable to households earning up to 50% of the Area Median Income.
Preservation	N/A
Conversion of Market Rate to Affordable	N/A
How local funds increase the number of new or rehabilitated units or lower the income targeting compared with the requirement of other funding sources	N/A
Term of Affordability	Up to 50% of the Area Median Income.
Family	families occupy a total of 92 units
Senior	Seniors occupy a total of 26 units
Veterans Housing	N/A
Special Needs Housing	N/A
Homeless Housing	N/A
Workforce Housing	N/A
Live-Work (Combined in one unit)	N/A
Mixed-Use (Res + Non-Res in Project)	N/A
Mixed-Income (Affordable and Market rate)	N/A
Ownership	N/A
<b>Location</b>	
In <a href="#">Neighborhood Revitalization Program Area</a> Focus Neighborhood	
Quadrant (in Santa Rosa as divided by Hwy 101 & Santa Rosa Creek)	
In Quadrant/area of City without concentration of Affordable Housing	
Accessible to Transit	Yes. There is a bus stop adjacent to the property.
Transit-Oriented Development (TOD)	

In Priority Development Area

**Benefits (continued)**

General Benefits	Please describe. Use additional space if needed.					
Economic Development Benefits (Please Describe)						
Neighborhood Stabilization						
City-County Cooperative Project	This project is adjacent to parcels that the City of Santa Rosa is currently acquiring from the County for Open Space Preservation.					
Amenities On-site for Residents	Currently the property includes a play structure, community garden, swimming pool and community center that are well used by youth, families and senior residents.					
Sustainable Design/Elements/Features	Currently the property has solar panels on 2 of the 16 structures.					
Other (Describe)						
<b>Affordability Mix: Amt / % of total units</b>						
30% AMI		units	%			
50% AMI	118	units	%			
60% AMI		units	%			
80% AMI		units	%			
Unrestricted Manager Unit(s)	2	units	%			
Other Unrestricted Units		units	%			
Total Units						
<b>Unit Mix (# of bedrooms)</b>	30% AMI	50% AMI	60% AMI	80% AMI	Manager	Other
Single Room Occupancy						
0-BR (studio)		12				
1-BR		60				
2-BR		44			2	
3-BR		2				

## Financing

Criteria		Existing Debt and Equity		Debt / Equity to Remain		Construction Financing		Permanent Financing		
Sources of Funds	Status*	Original	Principle Balance			Total	Per Unit	Total	Per Unit	Description, if applicable
9% Competitive Tax Credit Equity										
4% Competitive Tax Credit Equity										
4% Non-Comp. Tax Credit Equity										
Tax Exempt Bond Proceeds										
HA Loan - Existing Original Loan	S	\$4,455,000	\$2,886,000							
HA Loan - Existing Further Advance										
HA Loan - Existing 2 <sup>nd</sup> Further Advance	S	\$790,000	\$551,851							
Local Loan - this request	A					\$787,652	\$6,564			
Local Loan(s) - future request(s)										
Other State Funding:										
Construction Loan (Private Lender)										
Construction Bridge Loan (Private Lender)										
First Mortgage (Private Lender)										
Developer Equity										
Deferred Developer Fee										
Deferred Impact Fees										
Other: Replacement Reserves	S					\$860,612	\$7,172			
<b>Total:</b>						\$1,648,264	\$13,735			
<b>Summary of Local Financing</b>										
Total Existing Local Loans										
Total Anticipated Local Subsidy						\$787,652	\$6,564			
<b>Total Project Financing Summary</b>										
Total Financing Needed										
Total Financing Secured - \$										
Total Financing Secured 52 %						\$860,612	\$7,172			
Financing Gap \$										
Funding Gap %										

\*Status: S = funding with secure commitments; A = funding with applications submitted and notification pending –enter date of notification; F = funding for which applications will be submitted at a future date.

***Financing (continued)***

<b>Uses of Funds</b>	<b>Total</b>		<b>Per Unit</b>	<b>Per Acre</b>	<b>How Determined</b>
Land Cost	N/A				
Other Acquisition Costs, if applicable	N/A				
Soft Cost (Total development cost less land cost, hard cost and developer fee)	N/A				
Hard Cost (new construction + contingency)	\$1,345,200		\$11,210		Costs based on 2015 construction costs from Saarman Construction. Cost escalated to reflect increased construction costs.
Developer Fee	\$155,600		\$1,296		Standard fee, 10% of development costs.
Other Costs (specify):	N/A				
Total Development Cost (equals Uses of Funds above)	\$1,648,264		\$13,735		
<b>Other Financing Considerations:</b>	<b>Status*</b>	<b>Total</b>			<b>Description, if applicable</b>
**Tax Credit App Tie-Breaker Score (if applicable)	N/A				
HA Project Based Vouchers	N/A				
HA VASH Vouchers (Veterans)	N/A				

\**Status*: S = funding with secure commitments; A = funding with applications submitted and notification pending –enter date of notification; F = funding for which applications will be submitted at a future date.

<b>Financial Feasibility</b>	<b>Please describe. Use additional space if needed.</b>
Realistic and cost-efficient budget	The Budget is based on construction costs provided by Saarman Construction. The estimates include a 10% contingency for CDBG funded work and a 20% contingency for construction work funded with

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**CHELSEA GARDENS**  
**SEPTEMBER 2017**



	replacement reserves. Given the condition of the existing structures a healthy contingency is realistic and necessary. BRIDGE reviewed costs with architects Ferrari Moe and feel confident that they accurately reflect the current costs for this scope of work.
Proposed loan terms	3% simple for 55 years.
Cash flow with realistic net operating income over time	N/A
Ability of the project to sustain operations in compliance with program requirements	Rehab of existing affordable housing with project based operating subsidies.
Residual cash receipts potential	
Developer's financial capacity to carry out the project	BRIDGE Housing Corporation has the financial resources to complete this work. Additionally owners have been accumulating replacement reserves to complete much needed rehabilitation of this site.
Local funds leverage other funds	Local funds will be matched 1:1 with replacement reserves.
Demonstration that other funding sources are maximized	Upon the completion of all work described in Phase I, replacement reserves will have the minimum balance required by CalHFA.
Back-up financing plan if any pending funding source not approved	If CDBG loan is not approved for this property, BRIDGE Housing Corporation will defer 50% of work proposed for Phase I until additional funds are identified. Given the scale of funds necessary for Phase II, adequate funds may not be identified for several years.
Demonstration that construction costs are within market	The Budget is based on construction costs provided by Saarman Construction. Cost were escalated 15% to reflect rising construction costs over the past three years.

**Readiness**

Criteria	Please describe. Use additional space if needed.
Financing Status (% financing secure)	Replacement reserves will provide more than a 1:1 match to CDBG funds. Replacement reserves are secured.
Form of Site Control	Contract.
All Entitlements Approved	N/A
If not, which remain:	N/A
Environmental Clearance CEQA	N/A
Environmental Clearance NEPA	We have contacted a consultant and will have review completed in 15 to 45 days, pending scope relevant to Historic Preservation.
Market Study Completed	N/A
Construction Bids Obtained	Construction costs were obtained in 2015 by Saarman Construction. These costs were updated in August of 2017 in consultation with Ferrari Moe, LLP. Construction Bids will be obtained as soon as owner is notified of funding award.
Building Permits Issued	Scheduled for December of 2017.
Construction Start	Scheduled for January of 2018
Construction Completion	Scheduled on or before March of 2018.
Relocation Plan Completed, if applicable	The work proposed for CDBG funding does not require relocation. The limited amount of relocation required for one piece of the rehabilitation work that will be funded through replacement reserves will be accommodated through on-site hospitality units.
Project on schedule to meet funding source timeline requirements	Yes.



***Developer Qualifications***

Criteria	Please describe. Use additional sheets if necessary.
Has demonstrated excellence at developing similar projects in a complex financing environment	Since its inception in 1983, BRIDGE has participated in the development of over 14,000 housing units, valued at more than \$3 billion, for over 40,000 Californians. BRIDGE is also an active asset manager, preserving the majority of the properties it develops or acquires over the long term, and has a current portfolio of nearly 80 assets located throughout California.
Has delivered project results in compliance with complex state and federal program regulations	Nearly 70% of the homes built by BRIDGE are affordable to families and seniors who earn approximately \$15,000 to \$50,000. The remainder is primarily affordable to households with moderate incomes. BRIDGE's developments often serve as a catalyst for revitalizing neighborhoods. Its portfolio of developments comprise affordable rentals, for-sale developments for first-time homebuyers, and over 400,000 square feet of commercial space, which has provided hundreds of construction and permanent jobs for local residents.
Has demonstrated excellence at operation and management of developments post-construction, including support services, if applicable	With over 50 state, national, and international awards, BRIDGE is known for creating award-winning, affordable homes that not only strengthen the character of the community, but also display the same quality of design and construction as market-rate housing.
Has met timeline commitments of similar projects	Recently completed projects include: <ul style="list-style-type: none"> <li>• Mural Apartments – 90 units of affordable multifamily rental in Oakland, CA completed in 2016</li> <li>• The Abigail – 155 units of affordable multifamily rental in Portland, OR completed in 2016</li> <li>• Celadon – 129 units of mixed-income rental in San Diego, CA completed in 2015</li> <li>• The Rivermark – 70 units of affordable multifamily rental in West Sacramento completed in 2015</li> <li>• Fell Street Apartments- 82 units of affordable multifamily rental in San Francisco, CA completed in 2012</li> <li>• Farms Senior Housing- 138 units of affordable senior rental in Sacramento, CA completed in 2012</li> <li>• Pinole Grove Senior Housing- 70 units of affordable senior rental in Pinole, CA completed in 2012</li> <li>• St. Joseph's Senior Housing - 84 units of affordable senior rental in Oakland, CA, completed in 2012</li> </ul>