

No Place Like Home (NPLH) Program Project Report

PROJECT NAME: Boyd Street Family Apartments
PROJECT ADDRESS: 811 Boyd Street, Santa Rosa, CA 95407
PROJECT COUNTY: Sonoma
(COUNTY) APPLICANT #1: Sonoma County
TYPE OF ORGANIZATION: Public Entity
APPLICANT #1 CONTACT: Geoffrey Ross, Executive Director
APPLICANT #1 ADDRESS: 1440 Guerneville Rd., Santa Rosa, CA 95403
(SPONSOR) APPLICANT #2: Danco Communities
TYPE OF ORGANIZATION: California For Profit Corporation
APPLICANT #2 CONTACT: Daniel J. Johnson, President
APPLICANT #2 ADDRESS: 5251 Ericson Way, Arcata, CA 95521
PREPARED BY: Tanya Danna, HCD Rep II

- ☒ 4% TAX CREDIT ☐ 9% TAX CREDIT
☐ HYBRID TAX CREDIT APPLICATION
☐ OTHER HCD FUNDING SOURCES
☐ MARKET-RATE UNITS
☐ SENIOR
☐ RURAL
☐ SCATTERED SITE
☒ SUPPORTIVE HOUSING/SPECIAL NEEDS
☐ COMMERCIAL SPACE

Project Summary

Boyd Street Family Apartments is a 46 unit new construction project with four one-bedroom, 29 two-bedroom, and 12 three-bedroom units serving households with incomes ranging from 30-60 percent of Area Median Income (AMI), and one manager's unit. Of the total units, 4 one-bedroom and 6 two-bedroom units will be reserved for NPLH qualified households with incomes at or below 30 percent AMI. Each unit will have air conditioning, refrigerator, range, microwave, dishwasher, ceiling fans, curtains/blinds, storage area, and balcony. On-site amenities include three elevators, laundry room, community room, community kitchen, fitness room, picnic/BBQ area, playground, and sports court. Off-site amenities, located within two miles of the project include public transportation, shopping, medical services, recreation, schools, and employment.

Total NPLH loan amount of 3,768,719 includes:

Competitive loan amount of \$2,730,386 or capital improvements,
 Noncompetitive loan amount of \$0 for capital improvements,
 Capitalized Operating Subsidy Reserve funds of \$1,038,333

COMMERCIAL SPACE

There is no commercial space in this Project.

Project Description

NPLH Funds Requested: \$3,768,719 Amt./Restrict. Unit: \$376,872
 Total Development Cost: \$23,602,921 Total Cost/Unit: \$513,107
 High Cost Analysis/HCD /Adj. Basis Limit: 80%
 Ultimate Borrower: Santa Rosa Boyd LP
 Managing General Partner: Community Revitalization & Development Corporation
 Administrative General Partner:
 Partner: Johnson & Johnson Investments LLC
 Architect: Hedgpeth Architects
 General Contractor: Danco Builders
 Consultant: Miller Housing
 Property Management: Danco Property Management

Construction Start Date: 10/1/2020
 Construction Completion Date: 6/1/2022
 Ultimate Site Control: Fee Title
 Land Area: 1.91 acres

Project Type: New Construction
 Project Design: One or Two Story Walk-Up
 No. of Residential Bldgs: 1
 Number of Stories: 2
 Parking Spaces: 78
 Parking Type: Uncovered

Total Residential Area: 41,810 sq. ft.
 Community Room: 2,100 sq. ft.
 Number of Elevators: 3
 Number of Guest Parking Spaces: 0
 Commercial Uses: 0 sq. ft.
 Other Uses: sq. ft.
 Other Uses: sq. ft.

Construction Period Funding

Source	Lien	Status	Amount	Terms
Pacific Western Bank	1	Committed	\$15,400,000	24 mos. @ 4.63%, Interest Only
County of Sonoma	2	Committed	\$1,500,000	30 yrs. @ 3.00%, Fully Amortized
Costs Deferred to Permanent Loan Closing	N/A		\$1,038,333	N/A
Tax Credit Equity ¹	N/A	Committed	\$5,664,588	N/A
Total			\$23,602,921	

Permanent Funding

<u>Source</u>	<u>Lien</u>	<u>Status</u>	<u>Amount</u>	<u>Terms</u>
Pacific Western Bank	1	Committed	\$5,404,257	35/15 yrs. @ 5.25%, Fixed with Balloon ²
HCD NPLH Comp	2	Not Committed	\$2,730,384	55 yrs. @ 3.00%, Residual Receipts
HCD NPLH COSR	2	Not Committed	\$1,038,333	55 yrs. @ 3.00%, Residual Receipts
County of Sonoma	3	Committed	\$1,500,000	30 yrs. @ 3.00%, Fully Amortized
Solar Tax Credits	4	Committed	\$95,930	N/A
City of Santa Rosa	5	Not Committed	\$200,000	N/A
Deferred Developer Fees Danco Communities	6	Committed	\$472,795	N/A
Tax Credit Equity ¹	N/A	Committed	\$12,161,222	N/A
Total			\$23,602,921	

Notes

(Project Report Version 2/24/2020)

1. Tax Credit Equity based on \$0.95 per one dollar of tax credit.
2. Balloon payments are not allowed, except as provided for pursuant to UMR section 8310(f). See Special Condition #5.

AMI for County of: Sonoma (4 person household): \$108,000

Unit Mix

# of Bdrms.	Income Limit	# of Units	NPLH Assisted	Total Restricted	Max. Gross Rent	Less Utility Allowance	Maximum Net Rent	Proposed Net Rent	Homeless	Chronic Homeless	At-Risk of Homeless	Other HCD Assisted	
1	30% AMI	4	4	4	\$607	\$5	\$602	\$602	4				
2	30% AMI	6	6	6	\$729	\$5	\$724	\$724	6				
2	50% AMI	3			\$1,215	\$5	\$1,210	\$1,210					
2	60% AMI	20			\$1,458	\$5	\$1,453	\$1,453					
3	50% AMI	2			\$1,404	\$5	\$1,399	\$1,399					
3	60% AMI	10			\$1,685	\$5	\$1,680	\$1,680					
2	Manager	1					\$0						
Total		46	10	10			\$7,068	\$7,068	10	0	0	0	

Avg. Bedrooms Per Unit: 2.174

		VASH Rental Subsidy				Section 8 Rental Subsidy				Other Rental Subsidy (specify)			
# of Bedrooms	% of Area Median Income	Terms:	Years Renewable			Terms:	Years Renewable			Terms:	Years Renewable		
		Units	Mo. Subsidy Contract Rent	Total Mo. Restricted Subsidy	Total Mo. Proposed Subsidy	Units	Mo. Subsidy Contract Rent	Total Mo. Restricted Subsidy	Total Mo. Proposed Subsidy	Units	Mo. Subsidy Contract Rent	Total Mo. Restricted Subsidy	Total Mo. Proposed Subsidy
		0		\$0	\$0	0		\$0	\$0	0		\$0	\$0
		0 Monthly:		\$0	\$0	0 Monthly:		\$0	\$0	0 Monthly:		\$0	\$0
		Annual:		\$0	\$0	Annual:		\$0	\$0	Annual:		\$0	\$0

Total Annual Rental Subsidy Amount: \$0

Operating Subsidy Name: N/A

Annual Operating Subsidy Amount: \$0

Feasibility Analysis

Sponsor Experience

Danco Communities was first organized in 1986. In the past 34 years, Danco Communities has initiated construction of 16 different affordable/supportive housing development projects, comprising a total of approximately 1000 affordable units. The completed projects include Lodge at Eureka, placed in to service (PIS) in 2017, Cottages of Cypress PIS in 2013 and Plaza Point PIS in 2012, which are permanent supportive housing project, similar to the proposed Boyd Street Family Apartments.

Market Info

A Market Study dated 11/14/2019 was prepared by Raney which defines the primary market area (PMA) as Santa Rosa. The study indicates an overall vacancy rate of 2.3 percent within the PMA. For income-restricted housing the vacancy rate is 0 percent and long waiting lists. With the demand calculated at 495 and an overall capture rate of 100 percent, the project is expected to achieve full occupancy within four months after completion.

A Coordinated Entry System administered by Sonoma County for the Continuum of Care is used to fill all of the NPLH Assisted Units. The CES is based on use of a standardized assessment tool which prioritizes those with the highest need for Permanent Supportive Housing and the most barriers to housing retention.

Environmental Risks

A Phase I dated 08/05/2019 as prepared by Freshwater Environmental Services in accordance with ASTM Standard 1527-13, found No evidence of Recognized Environmental Conditions (RECs). No additional actions were recommended.

Article XXXIV

The Article XXXIV documentation for Boyd Street Family Apartments is acceptable. As indicated in the documentation provided by the City of Santa Rosa Housing & Community Services dated August 13, 2019, the local voters of the City of Santa Rosa approved Measure K – Santa Rosa Affordable Housing November 5th, 2002 ballot, thereby authorizing the development, construction, or acquisition of units of affordable rental housing for low income persons in an amount not to exceed one percent (1%) of the existing housing units in Santa Rosa. In said documentation, and most specifically in Resolution No. 1657 of the Housing Authority of the City of Santa Rosa

Relocation

Staff Review concluded the following determination pending LAD review:
The project site is currently occupied with two single-family rental homes that will be demolished prior to the start of construction. The households residing in the homes will need to be permanently relocated. Pending legal approval. See Special Condition #6.

Notes (Project Report Version 2/24/2020)

N/A