

Detailed Project Description

414 Petaluma is a proposed 42 unit, 100% affordable, family housing development on an infill site just north of historic downtown Petaluma. Development of Petaluma's historic downtown core is extending northward along Petaluma Boulevard, making this an ideal location for housing. The site is conveniently located on a main thoroughfare through the city, in a walkable and transit rich location in close proximity to all necessary community amenities.

Current Use of Subject Property

The 414 Petaluma property (APN 006-163-044) is a 0.66-acre site fronting on Petaluma Boulevard North, near the intersection with Oak Street. The site is currently owned by the private sellers Jay J. Palm and Carleen E. Palm, as the Trustees of the Jay J. Palm and Carleen E. Palm Revocable Living Trust. The site is currently developed and occupied by the Magic Wand Carwash. There is a one-story commercial building along the Petaluma Boulevard street frontage, several self-car wash canopy structures and impervious paving throughout the property. The site is located in Petaluma, CA and has a T-5 Urban Center zoning designation, which allows housing, per the Central Petaluma Specific Plan, and is subject to form based code. All planning approvals needed to construct the project have been approved through the SB 35 ministerial process as of June 30, 2020.

MidPen Housing Corporation holds site control of the Property through an Option Agreement ("Option"). The Option was entered into on May 24, 2019 with the Jay J. Palm and Carleen E. Palm as Trustees of the Jay J. Palm and Carleen E. Palm Revocable Living Trust, for the purchase of the 0.66-acre Property. MidPen Housing Corporation assigned the Option Agreement to the Applicant, MP 414 Petaluma Associates, LP, as permitted in section 12.3 of the Option Agreement. The Option period extends through 11/24/2022. Please see Attachment "2B – 414 Petaluma Blvd Option Agreement" and Attachment "2D - Assignment and Assumption Agreement".

The Seller is currently leasing a portion of the Property to A.G Spanos Construction, Inc. to provide office space and to stage certain equipment, materials and supplies during the construction of the North River Apartment Project. The Seller has agreed in writing to be responsible for any Relocation Costs Related to the Construction Office Lease with A.G. Spanos Construction, Inc., should they arise. Please see Attachment "2C - 1st Amendment to Option Agreement".

Physical Characteristics and Site Design

The proposed project occupies a relatively narrow, deep 0.66-acre site fronting on Petaluma Boulevard North, near the cross street of Oak Street. 414 Petaluma will provide

42-units (of which 1 is an on-site manager's unit) of affordable housing for families, including an anticipated thirteen (13) No Place Like Home units. This means that this project will have a density of 63.64 dwelling units per acre.

The design team carefully considered the design of the site, building, and units for 414 Petaluma to ensure they comply with the City's objective design standards, complement the existing neighborhood character, and meet the needs of the residents. MidPen Housing Corporation held three (3) community outreach meetings prior from November 2019 through January 2020. The project was introduced to the community and the feedback received from attendees was incorporated into the design prior to entitlement submittal on March 31, 2020. The project received full entitlement approvals on June 30, 2020 by the City of Petaluma. Please see Attachment "2E – SB 35 Approval".

The site design, building, and landscaping were designed to fit within the context of the neighborhood character, which consists of small commercial buildings and newly approved multifamily housing. In addition, measures have been taken to address climate change and enhance the pedestrian experience. The project is located within the Central Petaluma Specific Plan whose development standards are articulated in the City's Smart Code. At four (4) stories, the overall building massing conforms to the requirements of the "main street" urban standard. This massing steps down to three (3) stories along Petaluma Boulevard North in compliance with these guidelines. Please see Attachment "2F – Site and Building Design".

The overall building design reflects a light neutral palette with varying shades of off-white, warm greys, and medium bronze. We have articulated the building with a clear base, middle and top, with a deep plaster color at the building base and lighter plaster shades in the middle of the building above. The top of the building is articulated with a shaped cornice, which extends throughout based on feedback from resident groups. The overall building mass has been articulated to reduce to overall scale of the building with breaks in the exterior wall plane and color changes. Additional detail and articulation have been incorporated along the primary street frontage with brick veneer at the pedestrian level and a more vertical articulation of windows on the floors above.

Of the 41 affordable units, 19 units (46%) will be one-bedroom/one-bathroom units with an average size of approximately 592 SF, 11 two-bedroom/one-bathroom units (27%) with an average unit size of approximately 796 SF and 11 three-bedroom/one-bathroom units (27%) with an average size of approximately 1,057 SF. In addition to the 41 affordable units, there will be an 854 SF two-bedroom manager's unit.

All the units will be adaptable per the CBC 11(A) except for that 10% of the units will be "mobility units" designed per CBC 11(B). In addition, 4% of the units will have communication features. Each residential unit will be furnished with kitchen appliances, including cabinet storage, dishwasher, garbage disposal, refrigerator, stove, and a kitchen sink.

Target Population and No Place Like Home Units

The proposed development will consist of 42 units (including one two-bedroom manager's unit) on a 0.66 acre parcel, and will target Large Families, as well as including an anticipated thirteen (13) No Place Like Home units for residents with special needs. Affordability ranges from 30% to 60% of Area Median Income (AMI), with the average affordability of the project being 45% AMI. Common areas will include a community room, laundry room, bike storage, and outdoor space, as well as other resident specific amenities such as an After School room and Resident Services office available for private meetings. The project has a commitment from the Housing Authority of Sonoma County for 16 project-based vouchers, 13 of which are anticipated to be layered on the No Place Like Home units. Please see Attachment "3E – County of Sonoma PBV Commitment Letter".

Property Management and Resident Services

MidPen Housing Corporation is an owner-operator of over 110 communities and over 8,000 units of affordable housing, and creating communities where residents thrive is an essential component to each development MidPen undertakes. To ensure the success of each community and its residents, MidPen Property Management Corporation, an affiliate of MidPen Housing Corporation, provides onsite property management at every property, which includes an onsite manager's unit. Please see Attachment "6D – List of MidPen Properties in Operation".

This proposal includes 13 No Place Like Home units, and with that the inclusion of appropriate Supportive Services for this population. MidPen provides on-site resident services through its affiliate: MidPen Resident Services Corporation. MidPen Resident Services Corporation will work closely with local services providers to resolve occurrences, to support life skills development, and to assist residents in fulfilling their individualized service plans. 414 Petaluma will provide on-site resident services staff to assist all residents access a wide range of services. These services may include after school programs, financial literacy, fitness and health educational programs, referrals to social services, and volunteer opportunities and trainings.

Since 2000, MidPen Resident Services Corporation has provided direct services, crisis intervention, linkages and referrals, benefits assessments, and on-going support for residents with a number of challenges including histories of homelessness, mental illness, and substance use. Currently, MidPen Services provides support for over 650 residents with special needs in 16 MidPen housing communities with units designated for special needs residents.

In addition to the on-site Resident Services provided by MidPen Housing, this RFP response assumes that the Lead Service Provider for the NPLH units will be Sonoma County Behavioral Health or a County-contracted service provider. The County will be the Lead Case Manager and Supportive Service provider for the 13 NPLH households at 414 Petaluma and will provide a combination of Onsite and Offsite service options for the NPLH residents and families. It is assumed the Supportive Services provided by the County could include case management, peer support activities, mental health and psychiatric services to include medication management, substance use services, linkage to physical health care, benefits counseling and advocacy, basic housing retention skills, and other services. On-site services will be available to NPLH households and will provide assessment, coordination, research and referral efforts to obtain community services and government benefits, as well as crisis intervention and educational programs such as financial literacy classes and adult education.

The MidPen Resident Services Coordinator (“RSC”) will work closely with the County Service Provider to ensure that services are seamlessly coordinated for each individual tenant. The RSC will sponsor a variety of community building events such as holiday parties, educational classes and support groups on site and all NPLH tenants will be encouraged to participate in community-wide events.

Sustainable and Green Building Elements

MidPen is committed to sustainable development including the use of advanced green building methods, recycled content materials, energy-efficient and water-efficient appliances, photovoltaic panels, and drought-tolerant landscaping. 414 Petaluma will be built per Build It Green GreenPoint rated standards.

The project will be all-electric with no gas hook-ups or gas appliances and will include an electric hot water system. A photovoltaic system will be installed to offset a percentage of the common area electricity load. Throughout the site, there will be bio-swales, drought-tolerant landscaping and drip irrigation systems. The units will have Energy Star appliances as well as energy-efficient light and water-saving fixtures in the kitchens and bathrooms. Double-pane Low-E windows will be installed to maximize natural light and minimize solar heat-gain. In addition, low-VOC paint and flooring will be used in the interiors of the units, further creating high quality and healthy homes for the residents.

Additionally, there are a number of California Climate Initiatives outlined on the California Climate Investments website which the 414 Petaluma development can review in greater detail to determine if any of the incentive programs may fit within the parameters of the development moving forward.

Project Readiness and Schedule

414 Petaluma received full project approvals on June 30, 2020 from the City of Petaluma through the SB-35 approval process. As part of the SB-35 approval process, the project is exempt from CEQA. The City of Petaluma is currently in the process of filing a Notice of Determination for the project. No other density bonus or special conditions were required by the project. The developer has site control and will purchase the site prior to close of construction loan. Several local funding sources have been secured by the project showing commitment at both the City and County level. Current funding sources are further detailed in Attachment “3A – Financing Plan Narrative”. Additionally, NEPA documentation is currently in process between MidPen and the City of Petaluma, with NEPA compliance anticipated to be obtained by October 2020.

MidPen Housing Corporation worked with the design team and the City of Petaluma Planning Department to get the project’s design entitled so that the project could apply for the FCAA and 9% TCAC Application on July 1, 2020. Due to heavy competition, the project does not appear it will receive a tax credit award and is seeking additional funding in order to be more competitive for the July 2021 9% TCAC round. However, given the project approvals and a significant amount local funding already committed to the project, 414 Petaluma is well positioned for an NPLH application as well as a subsequent TCAC application.

Below is an updated project schedule which incorporates these assumptions.

<u>Activity</u>	<u>Target Date</u>
SB-35 Entitlement and Design Review Approval	June 2020 – Completed
100% Design Development Complete	June 2020 – Completed
Additional City and County Funding	October 2020
9% Tax Credit Application	July 2021
100% Construction Documents Complete	September 2021
Construction Finance closing	February 2022
Begin Affordable Housing Construction	March 2022
Complete Affordable Housing Construction	July 2023
100% Occupancy	October 2023
Perm Loan Conversion	February 2024