

BURBANK HOUSING– NORTH QUARRY APARTMENTS

Amount Requested: \$3,150,972 (Capital)
\$1,152,135 (Operating Reserves)
\$4,303,107 (Total)

Total Project Cost: \$36,004,250

Project Description Summary from Applicant's Submitted Application:

The proposed project, North Quarry Apartments in Southeast Petaluma, is new construction of 50 units of garden style affordable housing. The property address is 1601 Petaluma Boulevard South. The project will include 15 (30%) one-bedroom units, 20 (40%) two-bedroom units, and 15 (30%) three-bedroom units in a predominantly three-story building. Five units at the third level include a fourth story bedroom/bathroom suite in a dormer configuration. The project is almost a complete replica of the Stoddard West Apartments in Napa, CA which opened its doors in November of 2019 to universal acclaim for its design and compatibility with its surroundings.

Project type: Affordable Housing

Proposed use of funds: Capital and Operating Reserves

Location: Petaluma, CA

State NPLH NOFA Priorities:

Percentage of Total Project Units Restricted to Target Population

Total Project Units: 50

Total Restricted Units: 12 (all one-bedrooms)

Percentage of Total Project Units Restricted to Target Population: 24%

Leverage of Development Funding

Project proposes to leverage funds from the following sources:

- Tax-Exempt Perm Loan (\$6,991,000)
- Petaluma In-lie Fees (\$2,000,000)
 - a. Accrued Deferred Interest (\$47,563)
- HCD NPLH-Capital (\$3,150,972)
- HCD NPLH-Capital Operating Reserves (\$1,170,000)
- Deferred Developer Fee (\$1,175,000)
- Capital Contributions
 - a. General Partner-Developer Fee (\$665,198)
 - b. Limited Partners (\$20,247,382)

Leverage of of Rental or Operating Subsidies

Project proposes to leverage twelve (12) Project-Based Vouchers from the Sonoma County Housing Authority's Housing Choice Voucher (Section 8) program.

Readiness to Proceed

The proposed project has received full entitlements through the SB-35 ministerial approval process. Project sponsor proposes a time line that aims for a construction start date of October 2021 and an initial occupancy date of January 2022.

On-Site and Off-Site Supportive Services

On-site supportive services will be modeled the after developer's other County project, Caritas Homes Phase 1, located in Santa Rosa. The project proposes to employ Sonoma County Behavioral Health to function as the primary service provider with augmented services by the Petaluma based non-profit, Committee on the Shelterless (COTS).

Past History of Evidence Based Practices

Burbank Housing Development Corporation has 40 years of experience in developing affordable rental and ownership housing in Northern California. Additionally, Burbank Housing currently has two (2) No Place Like Home projects in predevelopment: 64-unit project in Santa Rosa and a 66-unit project in the City of Napa. Developer also possesses experience in the development of special needs affordable rental housing, including housing for farmworkers, homeless households, seniors, foster youth...etc.

Sonoma County Community Development Commission Scoring Criteria

Criteria	Maximum Points
Overall Plan – including development, property management and lead service provider.	(25 possible)
Amount and type of committed financing sources	(15 possible)
Demonstrated Financial Capacity – company financial capacity, access to credit, strength of balance sheet	(15 possible)
Quality Development Project Experience – demonstrated ability to produce high quality affordable housing units	(15 possible)
Property Management Experience – proven ability to effectively manage mixed-income multi-family housing.	(15 possible)
Lease Service Provider experience	(15 possible)
TOTAL	(100 possible)

Analysis

Total development cost per unit: \$720,085

Total hard cost per unit: \$453,200

Total NPLH cost per restricted unit: \$358,592

Pros for the Project:

- Provides affordable housing in an underserved section of Sonoma County
- Developer has capacity and experience for these project types
- Project will team with local non-profit for supportive services
- Developer has experience with NPLH funds
- Support from the City of Petaluma
- Full entitlements through SB-35

Cons for the Project:

- Relatively Large NPLH ask

Staff Recommendation

Staff recommends collaborating with project sponsor on a NPLH application.