2023-24 Super-NOFA Application for Affordable Housing Funds

Marin County Housing & Federal Grants Division

This application is for affordable housing developers in Marin County, California who would like to apply for multiple state, local, and federal funding sources simultaneously. Please refer to the Notice of Funding Availability (NOFA) released on February 6, 2023 for detailed information about qualifications and application requirements.

The following grant sources and amounts are available through this application:

- 1. Marin County Affordable Housing Fund (HTF) and State Permanent Local Housing Allocation (PLHA)
- \$2.3 million
- 2. Federal HOME-ARP \$2.4 million
- 3. Federal CDBG Housing \$600 thousand

Applicant Information

Organization Name

EAH Inc.

Website URL

www.eahhousing.org

DUNS#

07-876-5088

Mailing Address

22 Pelican Way San Rafael, California, 94901

Project Contact Name

Bianca Neumann

Title

Director of Business Development

Email Address

bianca.neumann@eahhousing.org

Phone Number

(415) 295-8886

Executive Director Name

Laura Hall

Executive Director Email Address

laura.hall@eahhousing.org

Is there a co-applicant organization?

No

Briefly describe your organization, including mission, programs, staff experience, and number of clients served. Describe the co-applicant organization, if applicable.

EAH Housing is a non-profit, public benefits corporation based in Marin County that has a mission of expanding the range of opportunities for all by developing and managing quality affordable housing. EAH Housing (EAH Inc.) is a 501(c)(3) not-for-profit organization, established in 1968. EAH is one of the oldest and most experienced nonprofit housing management and development organizations in the western United States. Established in Northern California, EAH Housing has long since expanded beyond the borders of its original home. Serving over 25,000 residents daily, EAH has grown to a staff of over 700 highly skilled and dedicated employees in 23 counties in California and Hawai'i. EAH continues to believe after 54 years of service that attractive affordable housing is the cornerstone to sustainable, healthy and livable communities.

Have there been any recent or upcoming leadership transitions?

There are no recent or upcoming leadership transitions.

Laura Hall is the President and CEO of EAH Inc. Laura joined EAH in 2008 and became CEO in June of 2019. Welton Jordan joined EAH in 2013 and is currently the Chief Real Estate Development Officer. Robert Schreager is the Senior Vice President Real Estate Management and joined EAH in 2017. Cathy Macy is the Chief Financial Officer; she joined EAH in 1989 and became CFO in 2009.

Have there been any recent expansions or cutbacks in activities and/or budget? If so, please explain.

There are no recent cutbacks in activities or budgets; however, EAH has grown significantly over the past several years. The number of employees working at EAH has nearly doubled in five years and the development pipeline has grown by about \$1 billion. With the expansion of the development pipeline comes and increased number of new communities placed in service. Similarly, the number of units that Real Estate Management manages has grown as new developments are added to the portfolio.

If applicable, what is the organization's standing with licensing or other accreditation authorities?

EAH is a recognized 501(c)3 organization that is in good standing.

How does your organization verify client income?

For HUD properties, EAH is using EIV (Enterprise Income Verification) system. It contains employment and income information of individuals who participate in HUD rental assistance program. For Tax Credit and other programs, we are sending verification to client's employer to fill out about their employment such as date hired and wages. For others who are self-employed, we are requesting their Tax Return documents. We also request copies of the tenants 3 to 6 months bank statements.

General Project Information

Project Name

1 Hamilton

Project Address

1 Hamilton Drive Mill Valley, California, 94941

Assessor's Parcel Number (APN)

030-250-01

Funding Requests

Which funding source(s) are you seeking for this project? Please refer to the NOFA for a description of each funding source and eligible project types. Those applying for HOME-ARP funds are highly encouraged to apply for HTF/PLHA funds as well.

HTF/PLHA

HTF/PLHA Amount Requested

\$1,000,000

Project Details

Scope of Work: Describe the proposed project, including details such as property characteristics, proposed use of funds, and number of housing units involved. Explain how the project will benefit the community.

The proposed area of development is approximately 1.83 acres at the northern portion of 1 Hamilton Drive, Mill Valley that is owned by the City of Mill Valley. The site is mostly undeveloped but does have an existing parking lot of 36 parking stalls and a public restroom.

The existing parking lot and restroom will be demolished for the development of a permanently affordable deed-restricted rental community that supports a diversity of income-eligible tenants earning up to 60% AMI. The new community will be a three and four story, elevator served, residential apartment building containing 45 units (1-, 2-, and 3-bedrooms). The ground floor will have residential serving amenities such as a lobby, management offices and bike storage and there will be 64 parking spaces on the ground floor tucked behind the office space. The second floor will have a large outdoor patio/courtyard, a community room and laundry facilities. The residential units will be on floors 2-4 and several will have views of the surrounding parks and Mt. Tamalpais.

The existing restrooms will be relocated about 50' to the south, adjacent to the existing Police/Fire building. The existing parking spaces will be relocated in the immediate area by reconfiguring the existing parking at the Public Safety Building.

Describe the property's history leading up to this request. Include when the organization acquired/will acquire the property, any previous requests for County funding, attempts to secure other financing, etc.

1 Hamilton Drive is owned by the City of Mill Valley and is a 11.67 acre parcel that includes a public service building on the southern portion and a public park on the western portion. The site also includes a public parking lot and public bathroom on the northern portion between Hamilton Drive and Roque Moraes Drive.

On September 20, 2021, Mill Valley City Council declared the northern portion of the site "exempt surplus property". The proposed development area of approximately 1.83 acres will be subdivided from the larger 11.67 acres and is to be developed as a 100 percent affordable housing development. At that time the City of Mill Valley issued a Request for Qualifications from Housing Development Teams that were interested in developing and managing an Affordable Housing development on the site. EAH responded to the RFQ and on February 7, 2022, the Mill Valley City Council authorized staff to enter into an Exclusive Negotiating Agreement (ENA) with EAH. The ENA allows both parties until September 1, 2023 to negotiate a Disposition and Development Agreement (DDA). The DDA will further define the lease or sale of the property. The ENA outlines the initial feasibility studies and analysis required to assess the potential of development of the Hamilton Drive Property. The ENA is included as an attachment to this application.

EAH has previously requested and was awarded \$1,000,000 from the Marin Housing Trust Fund in 2022. These funds will be used to help cover the expenses related to feasibility analysis, environmental analysis and architectural and engineering fees required to obtain entitlements.

Describe any nearby amenities, such as parks, public transportation, grocery stores, health care facilities, schools, childcare, libraries, parks/open space, etc. that residents of the project are/would be able to use.

The site is adjacent to an active sports park with soccer, baseball and young children's play areas. Adjacent to the site is also the Public Safety Building with Fire and Police facilities. To the north and east are predominantly single family homes along Roque Moraes Drive and Kipling Drive.

There are various amenities within a ½ mile radius from 1 Hamilton Drive. The site is within walking distance to two shopping centers that include Safeway, Whole Foods, CVS and RiteAid pharmacies, as well as several banks, shops and restaurants. The site is also close to bus line 17 with a stop at E Blithedale/Roque Moraes Dr and E Blithedale/Kipling Dr. Directly across the street from the proposed site is Hauke Park and across a short foot bridge is Bayfront Park, which is adjacent to the Bay Trail. The Bay Trail is a dedicated path for pedestrians and bicyclists connecting Mill Valley to Tiburon, Sausalito and beyond. Mill Valley Middle School is about a quarter mile from 1 Hamilton and Tamalpais High School is less than a mile to the south.

Select the known environmental issues of the proposed project site, and/or adjacent properties if relevant.

No known environmental issues

Notes or clarifying information on environmental issues:

N/A

Have you begun any state or federal environmental review procedures for the proposed project?

No

What is the anticipated timeline for the environmental review(s)?

CEQA review requirements must and will be completed before any commitment to a housing development occurs and appropriate environmental review pursuant to CEQA will be completed and considered by the Mill Valley City Council at such time. Should Federal funds, including but not limited to Project Based Vouchers (PBV's) or Community Development Block Grant (CDBG), be considered as a source, a National Environmental Policy Act (NEPA) Environmental Assessment will be conducted by a qualified consultant.

WRA Environmental Consultants have been engaged to accomplish the project's environmental review under CEQA via the preparation of an environmental impact report (EIR). The scope of work for the EIR includes but is not limited to an Initial Study and Public Scoping Meeting, Public Workshops, Tribal Correspondence, Cultural Resources reporting, traffic study and transportation impact study, Geological and soils study, and preparing and publishing the EIR document for public review and comment.

WRA started on the Initial Study in Winter of 2022 and projects to have a Draft EIR ready in Summer 2023. Public comment period is also anticipated to be in Summer of 2023 followed by a Planning Commission EIR recommendation in Fall of 2023 and City Council certification by Winter 2023.

Who is the staff member that will supervise and manage the proposed project? Describe their past experience with project management.

Bianca Neumann is responsible for growing the new construction pipeline for EAH Housing throughout Northern California. As the Director of Development, she researches and identifies new opportunities,

working with city housing staff, advocates, and others to facilitate the development of new affordable housing communities.

Ms. Neumann brings more than 15 years of related experience to this position, including expertise in multi-family development, finance, public policy, and asset management. Most recently, she was a Senior Business Development Manager at MidPen Housing, where Ms. Neumann played a vital role in securing eight new affordable housing communities throughout the Bay Area, including projects in San Mateo, Alameda and San Francisco's first affordable educator housing development.

Bianca will allocate 25% of her time to the 1 Hamilton Drive project and will be supported by the Director of Real Estate Development (Denice Wint) and Chief Real Estate Development Officer (Welton Jordan) along with a yet to be assigned assistant project manager. Denice Wint joined EAH in 2018 and has over 10 years of experience in multifamily housing development and financial management. Denice currently supervises the project management team that is executing real estate development on behalf of EAH. Welton Jordan presides over the EAH development pipeline including acquisitions, rehabilitations and new construction activities for California and Hawaii. Welton has more than 15 years of experience in Affordable Housing development, financing, construction management, underwriting and community outreach.

Will the project involve hiring an external property management company?

No

If awarded funding, you will need to draft and submit an Affirmative Marketing Plan for this project. The plan would describe how you will market the project to different groups of people based on protected characteristics such as race, color, national origin, religion, sex (including sexual orientation and gender identity), familial status, and disability. Please refer to the Affirmative Marketing tab of the Federal Grants website for more information.

Describe any prior experience with affirmative marketing or similar initiatives.

Our Real Estate Management division is well versed in affirmative marketing consistent with Affirmative Fair Housing requirements and has several years of experience incorporating this practice into the overall Management and Marketing Plan. A sample of an Affirmative Fair Housing Marketing Plan is provided as an attachment to this application.

All projects funded by HUD programs must Affirmatively Further Fair Housing. This is defined as combating housing discrimination and taking meaningful actions to overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to housing opportunities based on protected characteristics: race, color, national origin, religion, sex (including sexual orientation and gender identity), familial status, and disability.

Describe any past community engagement activities for this project, and future plans for community engagement.

EAH has had extensive community engagement related to the development of 1 Hamilton. Holding four large scale public meetings, and holding more the 25 smaller stakeholder meetings which include meetings with Homeowners' Associations, sports groups, local non-profits, and various government bodies.

Starting in March 2022, EAH and the City of Mill Valley held a public meeting at the Mill Valley Community Center to introduce EAH and the project architect as well as discuss the proposed site characteristics and opportunities. Any concerns or questions that arose from the community were collected and used in the ongoing development concept of the site. The format of this meeting was a formal presentation by Mill Valley and EAH followed by an "open house" style interaction around several poster boards that addressed different topics.

In May 2022 the City of Mill Valley and EAH held a second community meeting at the Community Center where the initial building concepts were revealed. Three different building concepts were presented and for each concept, tradeoffs regarding number of units, parking and massing were also presented. EAH also discussed the replacement plan for the existing uses on the site (parking and

restroom) and possible improvements to circulation in the immediate area. Comments and concerns from community members were also collected at this meeting.

In October 2022 a third community meeting was held to present the feedback heard from the community and layout how those suggestions were incorporated into the updated project design. The format of this meeting was a formal presentation followed by a question and answer session and an informal one-on-one discussion with EAH and the architect.

Early in the process EAH identified key stakeholders in the community such as large HOAs, neighborhood groups and community groups that used Hauke Park. Individual meetings were held with these groups starting in February 2022 with the goal of giving stakeholders that are close to the proposed development an opportunity to have a more intimate discussion about their unique concerns. All public meetings were announced via email, displayed on project and city websites and flyers were mailed to households in close proximity to the development site. Prior to a formal Design Review planning application being submitted, EAH, in conjunction with the City of Mill Valley and the project architect, will send out an email (and video) that contains the details of the planning application being submitted, a summary of the community feedback received to date and an explanation of how the feedback has been incorporated into the proposed design. This communication is expected to go out to the public in April 2023.

A Community Outreach Plan has been included as an attachment to this application.

Demographics and Unit Information

In the table below, enter the existing or anticipated number of units based on income level and bedroom count. Refer to the <u>Current Marin County Income Limits</u> to determine income level.

Anticipated Unit Count by Bedrooms and Income Level

	Extremely Low	Very Low	Low	Moderate	Market Rate	TOTAL UNITS
Studio						0
1 bed	4	10	5			19
2 bed	2	7	2		1	12
3 bed	3	7	4			14
4 bed						0
Other						0
TOTAL UNITS	9	24	11	0	1	45

Notes or clarifying information on the unit count:

The market rate unit is the on-site managers unit.

In the table below, enter the demographics of the people who live (or will live) in the proposed housing project. If unknown, use the demographics of households within similar existing Marin complexes as the proposed project, within the organization's purview. Specify the number of Hispanic/Latino residents in its stand-alone column. The "Total" column must include the number of Hispanic/Latino residents as part of the sum.

Are these numbers specific to the proposed project, or to a similar existing Marin complex?

Similar existing Marin complex

Demographic Information

	Total Number of Persons	Persons Identifying as Hispanic/Latino
White	20.68	
Black/African American	22.41	
Asian	43.10	
American Indian/Alaskan Native	3.44	
Native Hawaiian/Other Pacific Islander	0	
American Indian/Alaskan Native & White		
Asian & White		
Black/African American & White		
American Indian/Alaskan Native & Black.African American		
Other Multi-Racial		
Other/Not Disclosed		10.34
TOTAL (Unduplicated)	89.63	10.34

Fill in a number for each of the fields below. For new construction, or if you are unsure, please put 0.

Families

0

Female-headed households

0

Households that include person(s) with a disability

0

Notes or clarifying information on demographics:

All number provided above are in percentage format.

Project Planning

Select the current phase of the proposed project.

Predevelopment

Describe the project timeline and specify a real or estimated completion date for each milestone below. Add/explain any additional milestones as needed.

For acquisition projects:

For new construction and/or rehabilitation projects:

Define scope of work/finish design

Saturday, April 15, 2023

Complete planning and environmental review

Monday, December 4, 2023

Release bid package

Thursday, August 15, 2024

Select contractor

Sunday, December 15, 2024

Finalize contract

Wednesday, January 15, 2025

Obtain building permits

Wednesday, January 15, 2025

Start construction

Tuesday, April 15, 2025

Complete construction

Sunday, November 15, 2026

Additional Milestones for New Construction and/or Rehabilitation Projects

Milestone	Estimated Completion Date		
Tax Credit Application	10-15-2024		
HCD Financing Application	06-15-2024		

Explain any additional milestones for New and/or Rehabilitation Projects below:

Dates provided above are estimated based on a typical Affordable Housing development timeline. The schedule of financing applications and award dates are not available. Construction start is contingent upon successful financing applications.

Will you be seeking Project Based Section 8 Vouchers for this project?



Please be aware that if Project Based Section 8 Vouchers (PBV) are committed to the project, the environmental review process and subsidy layering must be completed before the acquisition is complete or construction commences. Actions taken prior to PBV being committed are not subject to this requirement.

Describe the type of site control that your organization has for the proposed property. If this request includes funds for acquisition, summarize the acquisition terms, price, contingencies, and conditions.

On February 7, 2022, Mill Valley City Council authorized staff to enter into an Exclusive Negotiating Agreement (ENA) with EAH which allows both parties until September 1, 2023 to negotiate a Disposition and Development Agreement (DDA). The DDA will further define the lease or sale of the property. The ENA is provided as an attachment to this application. An appraisal will be conducted by an MAI appraiser to determine the value of land which will be contributed to this development.

Please describe in detail the entitlements and permits that will be required, and those already obtained. For example, Design Review, Master Plan, Zone Change, General Plan Change, Coastal Permit, etc.

Current land use designation in the General Plan is Community Facility (C-F). However, the current Housing Element, which is being updated in response to comments from the State Department of Housing and Community Development (HCD), amends the General Plan land use designation of this site to Multi-Family (MFR-2). The current zoning of the entire site is Outdoor Area (O-A), which does not allow residential construction, so the portion of the site that will have the MFR-2 General Plan designation will be rezoned. The rezoning process will be led by the City and done in parallel with the CEQA and entitlements submittals. The new zoning will be Multi-Family Residential (RM-Bayfront). The rezoning is a discretionary process and is subject to public input and comments. The entitlement process will also require design review and public hearings prior to approval.

Post entitlements, the development will be subject to typical building and grading permits associated with the construction of multi-family housing.

Describe any contact with the planning staff at the relevant government jurisdiction, and any specific feedback they provided.

Since EAH was selected as the development partner in February 2022, we have had constant communication with the Planning Department and other city staff. EAH and the City of Mill Valley have weekly coordination meetings that typically include the architect and other design professionals, environmental consultants, Public Works Dept., City Manager, and others as needed to discuss project specific issues. The meetings have included topics such as community engagement, public meeting content and format, replacement uses of the existing site, community benefits, development design, project financing options and timelines including planning department meetings leading up to an entitlement approval by the City Council. Our meetings and conversations have included Danielle Staude, Senior Planner; Steven Ross, Senior Planner; Patrick Kelly, Director of Planning and Building; Todd Cusimano, City Manager.

EAH has also held a couple meetings with two members of the Planning Commission and Two members of the City Council (so not to violate the Brown Act) to incorporate their input into the design.

Identify all applicable accessibility laws and specific accessibility requirements that must be met in the design of the proposed project.

The proposed community will be an elevator-served building and thus it will have full accessibility to all apartments throughout the building. The project will meet California Building Codes including Accessibility Codes. The common areas will all meet codes for 11B while apartments will be designed to meet 11A standards. A specific number 5-10% will be built out fully and the remaining apartments will be readily adaptable.

Financing Plan

What is the status of all proposed project funding sources as of the date of this application?

COMMITTED:

- City of Mill Valley \$150,000 (5.1.5 of the ENA shows details of predev loan)
- Marin County Housing Trust Fund \$1,000,000 (awarded)
- GP Equity \$3,852,484
- Deferred Developer Fee \$1,064,407

NOT COMMITTED:

- Marin County Housing Trust Fund \$1,000,000 (current application)
- AHP \$675,000
- HCD MHP/NPLH/MIP \$8,079,031
- TCAC \$23,018,433
- Tranche A Mortgage \$7,233,541
- Tranche B Mortgage \$4,843,470

What is the timing and likelihood for obtaining commitments of anticipated funding sources?

EAH has decades of experience with a wide variety of public/private sources of debt/ equity, and our track-record provides definitive evidence of EAH's expertise deploying these sources to realize the successful development of residential projects similar to our proposed Project. EAH's strong balance sheet and solid track-record allow us to negotiate pricing and terms with LIHTC investors and construction/permanent lenders that are reliably "top of market". LIHTC equity pricing is conservatively underwritten at 0.95 cents per Federal Credit and 0.85 cents per State Credit. In line with EAH's prudently conservative underwriting standards, we model the Tranche A and B Permanent loans on a 6.00% interest rate, amortized over 35 years, with a 55 year term. Subject to future Project underwriting, this debt source is currently accessible and available to EAH through our network of LIHTC motivated lenders, and commitments for the Permanent loan(s) would be obtained subsequent to entitlement approval and prior to and as a condition of construction loan close. The singed ENA with the City of Mill Valley committed \$150,000 to this development and as previously mentioned, Marin County has awarded \$1,000,000 from the Housing Trust Fund to the development. Through this application we are requesting an additional \$1,000,000 of funding from the Housing Trust Fund. Once the project is entitled in December 2023, EAH will apply for traditional gap filling sources from California's Housing and Community Development Dept. (HCD) Super-NOFA which is anticipated to be in June 2024. After a successful HCD application, the project will be able to apply for Low Income Housing Tax Credits at the end of 2024 or early 2025.

EAH is prepared to provide GP Equity contribution in the approximate amounts noted above, resulting in a net cash Developer Fee disbursal that does not exceed statutory limits.

In the event that any funding sources are not obtained or are committed at lower levels than requested, what alternatives will be pursued?

We recognize the flexibility needed when modeling Affordable Housing projects in California and therefore we have analyzed different scenarios that consider alternative funding sources. While the current underwriting assumes 4% LIHTC equity, the total Tax Credits required are within the limits of the 9% LIHTC program making this a viable alternative. Should the project not be successful with 4% credits we could pivot and apply in the 9% round. We feel that the proposed large-family community in a "High-Resource" area will maintain competitiveness in the 9% LIHTC program.

Similarly, the gap sources targeted to HCD's Super NOFA are inclusive of several programs (Multifamily Housing Program (MHP), Infill Infrastructure Grant (IIG), Veterans Housing and Homeless Prevention (VHHP) Program). Should one of these sources not be granted we would consider other programs within the Super NOFA as well as other HCD funded programs or Federal programs such as Community Development Block Grant (CDBG) or HOME Investment Partnership Program.

For each item in your project budget, to be attached to this application, please explain how the budgeted amount was derived, whether costs are estimated or bid, and any other relevant information that justifies the budgeted expense (e.g., cost per square foot, percentage of other costs, estimated number of work hours).

Given this early concept stage, our initial cost estimating is prudently conservative, and our hard and soft cost estimating is consistent with our informed take-aways from recent prevailing-wage projects of similar scale and building type (3/4 story building) that we have recently completed and/or which are in EAH's current Bay Area pipeline. We have estimated the Construction Costs to be \$550/square foot which accounts for a 20% inflator for Prevailing Wage. Our model prudently incorporates a 10% escalation factor to the Construction Costs plus a healthy 5% Owner's hard cost contingency.

Our soft costs are fully consistent with EAH's current and comparable Northern CA pipeline, and certainly match up to Bay Area industry standard. We have estimated that Architecture and Engineering fees will be about 25% of the total Construction Costs and Permit and Impact fees will be about \$35,000 per door. Furthermore, we have modeled Construction and Permanent Loan interest and fees that are consistent with current market conditions. We note that our proforma also includes a full 3% Soft Cost contingency.

Is your organization receiving any other Marin County funding for this project?

Yes

Please describe. Include a brief overview of the goals and accomplishments achieved through this funding.

We are grateful that the project has previously been awarded \$1,000,000 from Marin County's Housing Trust Fund. This money will be used to cover the predevelopment costs associated with the design development and environmental analysis required to get this proposal entitled.

Does your organization have unspent funds that were previously awarded by the County (for any project)?

Yes

What is your timeline for expending the fund balance?

While the County has previously awarded funds from the Housing Trust Fund, the monies have not been disbursed yet and therefore have not been spent. It is anticipated that the previously awarded funds will be spent before the end of 2023.

Attachments

Please closely review the Notice of Funding Availability (NOFA) for instructions on which documents you must attach. The County requires specific attachments for each funding type (HTF/PLHA, HOME-ARP, CDBG Housing). Please label your attachments in this manner: "2023-24 [Document Name] for [Organization Name]- [Project Name]."

PDF	2023-24 Amenities Map for Epdf	PDF	2023-24 Applicant Profile & Ppdf
PDF	2023-24 Board of Directors &pdf	PDF	2023-24 Community Outreacpdf
PDF	2023-24 Conceptual Elevatiopdf	PDF	2023-24 Conceptual Floor Plapdf
PDF	2023-24 Financial Statementpdf	PDF	2023-24 Leadership Team anpdf
PDF	2023-24 Performance Schedpdf	PDF	2023-24 Sample AFHMP forpdf
PDF	2023-24 Site Control ENA forpdf	PDF	2023-24 Tax Exempt Status fpdf
XLS	2023-24 pro-forma-spreadshxlsx		

Certification

Please review your responses above for accuracy.

Name of Person Completing this Application

Steve Pratt

Title of Person Completing this Application

Business Development Manager

By checking this box,

I hereby certify that the information in this application is true and accurate to the best of my knowledge.