

**Analysis of PAHC Proposal in Context of
NOFA Goals and Housing Priorities**

Project Goals

1. *Housing units will remain affordable for at least 55 years.*

PAHC has stated that they are committed to keeping the development affordable for 55 years as required by the City of Mountain View and the California Tax Credit Allocation Committee for tax credit eligibility purposes.

2. *The project's management plan promotes a healthy living environment for tenants and a compatible relationship with neighbors.*

PAHC has stated that "green building design will be incorporated to enable long term sustainability and health of the building and its residents." Green building features include low or no volatile organic compounds (VOC) finishes, adhesives, paints and carpeting. The development is located along El Camino Real in the vicinity of other residential development and in close proximity of services.

3. *The project is consistent with the goals and objectives of the City's Housing Element and General Plan.*

The project will be consistent with the goals of the City Housing Element to provide additional affordable units in the City of Mountain View.

4. *The project has reasonable costs, is structured to compete well in securing competitive funding sources, and is soundly underwritten.*

To complete the construction of the proposed development, PAHC is requesting \$5.8 million from the City of Mountain View in the form of a low-interest loan. In addition to the \$5.8 million subsidy being requested from the City, PAHC intends to apply for 9 percent competitive tax credits, funding from the Veterans Housing and Homeless Prevention (VHHP) Program and HUD-VASH project based vouchers. PAHC has stated they believe their proposal will compete effectively for the 9 percent tax credits.

Per-unit construction costs are generally going to vary based on the land and development costs, which are specific to each project, and the size and number of units. The table below shows a comparison of overall construction costs for the three most recent affordable developments and PAHC's NOFA proposal. The high construction cost is attributed to higher construction costs with the revitalized economy, the higher cost of land on El Camino Real and the City's new prevailing

wage policy will add an estimated additional 10 percent to the construction costs.

| Project | No. of Units/ No. of Bedrooms | Project Cost | Project Cost Per Unit | City Subsidy Cost | City Subsidy Per Unit |
|---------------------------------------|---|--------------|-----------------------|-------------------|-----------------------|
| Franklin Street Apartments | 4 one-bedroom units 32 two-bedroom units 15 three-bedroom units | \$23,849,641 | \$467,640 | \$12,547,000 | \$246,000 |
| 819 North Rengstorff Avenue | 48 Workforce Studios 1 one-bedroom manager unit | \$17,396,762 | \$355,035 | \$9,000,000 | \$183,673 |
| 1585 Studios Project | 26 Studios 1 one-bedroom manager unit | \$10,468,465 | \$387,721 | \$4,652,000 | \$172,296 |
| ROEM NOFA 779 East Evelyn Avenue | 7 Studios 39 one-bedroom units 36 two-bedroom units 33 three-bedroom units 1 manager unit | \$56,900,000 | \$490,517 | \$21,500,000 | \$185,345 |
| PAHC NOFA 1701 West El Camino Real | 59 Studios 1 one-bedroom manager unit | \$32,142,750 | \$535,712 | \$5,800,000 | \$96,666 |

5. *The project will allow the City to spend housing funds expeditiously.*

Currently, the City has accrued nearly \$28.5 million in affordable housing funds that could be used in the development of affordable housing. On December 16, 2014, the City Council reserved \$21.5 million for ROEM’s 779 East Evelyn development. Should the City Council reserve funding for PAHC’s 1701 West El Camino Real development, most of the affordable housing funds could be encumbered and spent within a two-year period.

6. *The project site is near transit and services and is convenient for the target population.*

The site is ideally located within close proximity to transit, services and jobs. Transportation is easily accessible from the site with four VTA bus routes within a

½ mile radius. Bus lines 22 and 52 are within a ¼ mile while bus lines 34 and 35 are within a ½ mile distance. Rail access is well within a two mile radius; however, the tenants would need to take VTA bus line 52 or walk the 1.5 miles to the Mountain View Transit Center to access light rail or CalTrain service. Since the prospective tenants will be extremely and very low income, many will most likely use bus service or bicycles as a means of transportation.

The proposed development is within easy walking distance of the El Monte Shopping Center which has a pharmacy, a number of restaurants and other services. A Safeway, Trader Joe's, Walmart and the Milk Pail are all within 1.5 miles from the proposed development and can easily be accessed via the 22 bus line.

7. *The project site would allow for a development to achieve maximum density.*

PAHC anticipates taking advantage of the State Density Bonus Ordinance to achieve the maximum density allowed under the El Camino Real Precise Plan.

8. *The building design/construction will incorporate "green" building practices and material.*

PAHC has stated that "green building design will be incorporated to enable long term sustainability and health of the building and its residents." Green building features include low or no volatile organic compounds (VOC) finishes, adhesives, paints and carpeting.

9. *The project is compatible with the zoning and neighborhood setting.*

The site is in the Medium-Intensity Corridor subarea of the El Camino Real Precise Plan and has a Mixed Use Corridor General Plan land use designation. Residential development is permitted on the parcel at up to 1.35 FAR and 3 stories/45 feet without a public benefit contribution and up to 1.85 FAR and 4 stories/55 feet with a public benefit contribution.

10. *The project incorporates appropriate community spaces, amenities, and services for the target population.*

The proposed development would have amenity space sufficient to provide support services to the tenants. Support services will include mental health counseling, financial counseling and other counseling services. On-site amenities will include a community room with kitchen, computer stations, laundry facilities, and space for support services

11. *The development team has demonstrated experience with successful affordable housing projects and the capacity to work cooperatively with the community in the design and development of the project.*

PAHC has demonstrated through the development of twenty-two affordable housing developments, that it is an experienced affordable housing developer that has the capacity to work cooperatively with the community and be responsive to community comments.

12. *The development team has a demonstrated ability to work cooperatively and effectively with City staff during the initial evaluation and subsequent entitlement process.*

PAHC has considerable experience working with City staff. Staff anticipated that PAHC will be able to build on the experience and work cooperatively with City staff through the entitlement and financing process.

Housing Priorities

The following two priorities have been listed in the NOFA as part of the NOFA selection criteria. Below is the evaluation of how the proposal has addressed each priority.

1. *Housing targeted to households earning less than 80 percent area median income (AMI), with preference to projects serving very low- and extremely low-income households.*

The proposed affordable units (including a manager unit) will be targeted at households at 60 percent AMI or less. The table below shows the affordability breakdown of the units.

| Affordability Level | Number of Units |
|----------------------------|------------------------|
| 60 Percent AMI | 33 |
| 30 Percent AMI | 26 |
| Manager Unit | 1 |
| TOTAL | 60 |

2. *Housing providing the dual benefit of developing affordable housing and creating a substantial improvement of a blighted property and/or neighborhood.*

The proposed site is not considered blighted and the neighborhood is a compatible mix of retail and residential uses. The proposed residential use on this vacant site will add affordable units to the City's housing stock and be compatible with the existing uses along El Camino Real.