

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

Project Goals

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

Charities Housing has stated that they are committed to keeping the development affordable for 55 years as required by the City of Mountain View.

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

Charities Housing has stated that they will incorporate energy efficiency to meet Title 24, but specific green building features will be decided upon as the project progresses. The goal is to have a LEED Gold accreditation.

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.*

Charities Housing intends to apply for 4 percent State and Federal tax credits. In addition, the developer has also applied for a Measure A funding commitment from the County of Santa Clara Office of Supportive Housing.

Land and construction costs factor into the cost to develop affordable units. Per unit construction costs generally 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 most recent affordable developments and Charities Housing's NOFA proposal.

# Attachment 4

## Cost Analysis

**Table 1: Comparison of Per Unit and Per Bedroom Development Costs**

| Sponsor (Year Completed)                      | Development Name                 | Number of Units | Number of Bedrooms | Total Development Cost | Cost Per Unit       | Cost Per Bedroom    | City Subsidy          | Subsidy Per Unit    | Subsidy Per Bedroom |
|---|----------------------------------|-----------------|--------------------|------------------------|---------------------|---------------------|-----------------------|---------------------|---------------------|
| Charities Housing<br>1265 Montecito Avenue    | Montecito Apartments             | 85              | 150                | \$ 88,702,160          | \$ 1,043,555        | \$ 591,348          | \$ 18,000,000         | \$ 211,765          | \$ 120,000          |
| Eden Housing<br>(Funding Reserved<br>12/8/20) | La Avenida Apartments            | 100             | 119                | \$ 78,573,646          | \$ 785,736          | \$ 660,283          | \$ 15,000,000         | \$ 150,000          | \$ 126,050          |
| Alta Housing<br>(under construction)          | Luna Vista Apartments            | 71              | 72                 | \$ 53,294,200          | \$ 750,623          | \$ 740,197          | \$ 22,772,844         | \$ 320,744          | \$ 316,290          |
| MidPen Housing<br>(2020)                      | Shorebreeze Apartments Expansion | 62              | 94                 | \$ 38,096,381          | \$ 614,458          | \$ 405,281          | \$ 8,157,608          | \$ 131,574          | \$ 86,783           |
| ROEM Development Corp.<br>(2019)              | Evelyn Family Apartments         | 116             | 191                | \$ 66,416,378          | \$ 572,555          | \$ 347,730          | \$ 21,700,000         | \$ 187,069          | \$ 113,613          |
| Alta Housing<br>(2019)                        | Eagle Park Apartments            | 67              | 68                 | \$ 37,577,326          | \$ 560,856          | \$ 552,608          | \$ 8,000,000          | \$ 119,403          | \$ 117,647          |
| First Community Housing<br>(2015)             | 1585 Studios                     | 27              | 27                 | \$ 10,468,465          | \$ 387,721          | \$ 387,721          | \$ 3,287,550          | \$ 121,761          | \$ 121,761          |
| ROEM/Eden Housing<br>(2015)                   | Studio 819 Apartments            | 49              | 49                 | \$ 17,396,762          | \$ 355,036          | \$ 355,036          | \$ 8,952,623          | \$ 182,707          | \$ 182,707          |
|   | <b>Total</b>                     | <b>577</b>      | <b>770</b>         | <b>\$ 390,525,318</b>  | <b>\$ 5,070,539</b> | <b>\$ 4,040,203</b> | <b>\$ 105,870,625</b> | <b>\$ 1,425,023</b> | <b>\$ 1,184,850</b> |
|   | Average                          | 72              | 96                 | \$ 48,815,665          | \$ 633,817          | \$ 505,025          | \$ 13,233,828         | \$ 173,323          | \$ 152,121          |
|   | Median                           | 69              | 83                 | \$ 45,695,291          | \$ 593,506          | \$ 478,944          | \$ 11,976,312         | \$ 166,353          | \$ 120,881          |
|   | Range - High                     | 71              | 72                 | \$ 53,294,200          | \$ 750,623          | \$ 740,197          | \$ 22,772,844         | \$ 320,744          | \$ 316,290          |
|   | Range - Low                      | 67              | 67                 | \$ 37,577,326          | \$ 560,856          | \$ 560,856          | \$ 8,000,000          | \$ 119,403          | \$ 119,403          |

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

The City has not had concerns spending the housing funds expeditiously in recent years. Recently the concern has been ensuring that there is an adequate revenue stream to fund all the pipeline projects. Currently, the City has nearly \$45 million in affordable housing funds that could be used in the development of affordable housing. The City has also received three additional NOFA applications for new development, will be funding the development of Lot 12 and is exploring the purchase of additional property on Evelyn Avenue. Staff anticipates that the projected revenue along with the current reserves will be enough to fund the pipeline projects.

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

The site is within ½ mile of VTA transit lines and the MVgo and Mountain View Community Shuttle will provide access to CalTrain as well as services in the downtown area.

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

The proposal will take advantage of a density bonus to achieve maximum density.

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

Charities Housing has committed to incorporating “green” building practices and will strive for LEED accreditation.

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

The project will require rezoning to residential, but will be compatible with the adjacent Shorebreeze apartments and other nearby residential.

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

The development will have sufficient community space for the new units including a community room, computer room, laundry facilities as well as office space for supportive service partners.

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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.*

Charities Housing has over 30 years of experience in affordable housing development and property management. The developer has demonstrated 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.*

Charities Housing has acquired considerable experience working with City staff through its previous development projects. Staff anticipated that Charities 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 will be targeted at households at 60 percent AMI or less.

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

Although the proposed site is not considered blighted the proposed residential use on this site will provide additional affordable residential units to the community and is seen as a site improvement.