Valley View Affordable Senior Housing Project

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A clean, well-lighted place is a very different thing.
– E. Hemingway (1933)
If there is a community demand for more housing, cities are uniquely well-positioned to act as “Master Developers” (i.e. not site developers or builders).

- Council support
- Opportunistic
- Development process streamlining & concessions
- Funding exists
- Patience with IRR (Investment Rate of Return)
• In 2007, site development for a market rate subdivision project begins.
• In 2008, the Great Recession caused the project to fail and the bank foreclosed on the property.
• American Canyon lacks affordable housing for seniors.

**Project Details**

<table>
<thead>
<tr>
<th>Project Name:</th>
<th>Valley View Affordable Senior Housing Project</th>
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</thead>
<tbody>
<tr>
<td>Master Developer:</td>
<td>City of American Canyon</td>
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<tr>
<td>Project Owner/Builder:</td>
<td>Satellite Affordable Housing Associates</td>
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<tr>
<td>Architect:</td>
<td>McCamant &amp; Durrett Architects</td>
</tr>
<tr>
<td>General Contractor:</td>
<td>Mid-State Construction</td>
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<tr>
<td>Project Cost:</td>
<td>$26.5 Million</td>
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</table>
Vicinity Map

Site Conditions

- Hillside property (slopes)
- Earthquake fault
- Stormwater detention (hydromodification)
- Inadequate sewer line capacity
- Older low-density neighborhood
- Zoning density limited to 18 DU/AC
Neighborhood Context

• Mostly single-story cottage design.
• Front and back porch on every home.
• Architecture fits into the existing neighborhood.
• High ceilings, large windows.
• Vegetable garden, DJ and lawn sport court.
• 3,000 sq.-ft. Clubhouse with outdoor patio
• Resident programs.
• Pedestrian switchback on hillside made an interesting “Lombard Road” feature lined with fruit trees.
• Solar panels on main parking lot carport canopy
Single Story Cottage

Front Yard Patios
Embraced Topography

Community Clubhouse
Clubhouse Multipurpose Room

Outdoor Recreation
Milestones

- Site Acquisition 2010*
- SAHA Selection 2012*
- Senior/Neighbor Design Committee 2013*
- Off-site utility construction 2015*
- Financing package assembled 2014-2017
- Groundbreaking 2017
- Construction Completion/TCO early 2019
- Grand Opening 2019

*Denotes “Master Developer” Activity

Development Costs

- Land / Acquisition $1,113,098
- Construction $17,032,971
- Architecture $682,327
- Survey & Engineering $555,715
- Financing Fees & Interest $1,061,981
- Permanent Financing Fees $126,882
- Legal $23,463
- Reserves $209,325
- Permit Fees $245,832
- Impact Fees $2,387,235
- Other Costs $568,086
- Developer Costs $2,500,000

Total $26,506,915
## Financing Sources

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Tax Credit Equity</td>
<td>$11,244,440</td>
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<td>City Loans Acquisition/Construction</td>
<td>$1,899,123</td>
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<td>Developer Fee Deferral</td>
<td>$1,141,343</td>
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<td>City Loan (CDBG)</td>
<td>$930,000</td>
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<td>County Loan</td>
<td>$2,183,929</td>
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<td>State of CA Veterans VHHP loan</td>
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<td>Permanent Loan (Mortgage)</td>
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<td>Home Depot and Gasser Foundation Grants</td>
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<td>PG&amp;E Rebates</td>
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<td>GP Contribution</td>
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<td>Federal Home Loan Bank</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$26,506,916</strong></td>
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## Affordability

- Maximum income limit is 60% Area Median Income (AMI).
- $39,120 max annual income for 1 person household.
- $44,700 max annual income for 2 person household.
- 34 units with Section 8 and VASH vouchers administered by the Housing Authority of the City of Napa.
Preference Policies

- 34 units subsidized by Section 8 and VASH Vouchers through Napa Housing Authority ("The Set-Aside Units").
- 14 units subsidized by Napa County for households that work in Napa County.
- 21 units minimum City Preference Policy.
- City Preference overlaps with the Set-Aside and Napa County preference units.

Master Developer

- City acquires the 3.75-acre site in 2010 for $402,490
- City obtains $1.0-million CDBG Grant and constructs off-site sewer line upsizing project.
- Various development process streamlining and concessions
Development Streamlining and Concessions

- 55% Density Bonus (From 12 DU/AC to 18.6 DU/AC)
- Front Setback variance (2-Foot Reduction)
- CEQA Infill Category Streamline Exemption
- Impact Fee Reductions and Deferral
- Administratively approved Value Engineered site plan and architectural changes

City Role ~ Development Process

- 4/17/18 City Council - Resident Marketing Plan
- 11/7/17 City Council - Affordable Housing Preference Policy
- 5/2/17 City Council - RHNA Agreement with County
- 2/21/17 City Council - Remove Subdivision Encumbrances
- 10/20/16 Planning Commission - Front Yard Setback Variance
- 9/20/16 City Council - CDBG Contract with State
- 9/6/16 City Council - Valley View TCAC Public Hearing
- 6/21/16 City Council - SAHA $500,000 funding request
- 7/7/15 City Council - $1 Million CDBG Grant Application Authorization
- 3/17/15 City Council - Impact fee reduction and deferral. Reversion to acreage
- 11/20/13 Planning Commission - Valley View Senior Housing Design Permit
- 7/17/12 City Council - Selection of SAHA to develop Valley View
Citizen Engagement

• Outreach to seniors and neighbors during the site acquisition period and RFP development stage.
• Early notification to neighbors on Theresa Avenue at Design Permit (Planning Site Plan) stage.
• 12-member senior citizen and neighbor committee convened by Developer to refine the approved site plan and outdoor recreational features.
• Neighbor issues addressed during construction

Neighbor Compatibility Issues

1-Story Apt
Works Trees Here
Backyard BBQ Area
Doesn’t Want Trees Here
HVAC Unit
Residents Parking on Street
SAHA Marketing Outreach

- Special consideration for underserved populations.
- Marketing materials in Tagalog, Spanish, and English.
- Marketing materials distributed to extensive list of community organizations and public sector agencies.

Soft Opening September 2018
City Lessons Learned

• Think like a Master Developer.
• Distressed properties are opportunities.
• Entitlements are “easy” because City controls development process.
• Patience and good-timing is required.
• Seek expertise in site development, construction, and financing.
• There’s no substitute for meaningful citizen outreach and participation.

Developer Perspective

• City support and commitment was essential
• Funding environment was very challenging; additional State resources now available
• County was instrumental funding partner
• Additional permit streamlining tools now available through recent State legislation
• Modular construction may have been way to save time and reduce cost
Questions/Comments?