



TOWN OF PORTOLA VALLEY
Ad Hoc Site Evaluation
Committee Meeting
Tuesday, January 7, 2025
5:00 PM

Karen Askey, Chair
Mary Hufty, Vice Chair
Ronny Krashinsky, Committee Member
Carter Warr, Committee Member
Nona Chiarello, Committee Member
Joslyn Gray, Committee Member
Karen Vahtra, Committee Member

HYBRID MEETING
A G E N D A

HISTORIC SCHOOLHOUSE – 765 PORTOLA ROAD, PORTOLA VALLEY, CA

REMOTE MEETING ADVISORY: On March 1, 2023, all committees in Portola Valley will return to conducting in-person meetings. A Zoom link will be provided for members of the public to participate remotely; however, the Town cannot guarantee there will be no technical issues with the software during the meeting. For best public participation results, attending the meeting in-person is advised.

Remote Public Comments: Meeting participants are encouraged to submit public comments in writing in advance of the meeting. Please send an email to housing@portolavalley.net by 12:00 PM on the day of the meeting. All comments received by that time will be distributed to Committee Members prior to the meeting. All comments received are included in the public record. We encourage anyone who has the ability to join the meeting online to do so. You will have access to any presentations that will be shown on your screen and can easily provide comments using the “raise your hand” feature when the Chair calls for them.

ASSISTANCE FOR PEOPLE WITH DISABILITIES: In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Town Clerk at (650) 851-1700 or by email at towncenter@portolavalley.net. Notification 48 hours prior to the meeting will enable the Town to make reasonable arrangements to ensure accessibility to this meeting.

VIRTUAL PARTICIPATION VIA ZOOM

To access the meeting by computer:

<https://us06web.zoom.us/j/84569501024?pwd=jR1tmcfiK9M5SCkbi0R5EFja8MgwJa.1>

Webinar ID: 845 6950 1024

Passcode: 540498

To access the meeting by phone:

1-669-900-6833 or 1-888-788-0099 (toll-free)

*Mute/Unmute – Press *6 / Raise Hand – Press *9*

1. CALL TO ORDER / ROLL CALL

2. ORAL COMMUNICATIONS FOR ITEMS NOT ON THE AGENDA

Persons wishing to address the Ad Hoc Site Evaluation Committee on any subject not on the agenda may do so now. Please note however, that the Ad Hoc Site Evaluation Committee is not able to undertake extended discussion or action tonight on items not on the agenda. Comments will be limited to three (3) minutes per person.

3. APPROVAL OF MINUTES

- a. November 19, 2024 Draft Minutes
- b. December 17, 2024 Draft Minutes

4. COMMITTEE DISCUSSION

- a. Site Updates
 - i. Nathhorst Triangle & Vicinity
 - ii. Alpine/Los Trancos/Skyline
 - iii. Portola Corridor/Town Center
- b. Review & Discussion of Proposal for Reporting to Town Council (Krashinsky)
- c. Formation of Sub-Committees, if necessary
- d. Next Steps

5. COMMITTEE REPORTS AND RECOMMENDATIONS

- a. Committee Reports
- b. Staff Reports
 - i. Update from Terrence Grindall on RHNA status to date

6. PUBLIC INFORMATION/COMMENTS

- a. Corrected San Mateo County Rental Limits
- b. Email to Committee from Sarah Wernikoff

7. ADJOURNMENT

- a. *The next regular Ad Hoc Site Evaluation Meeting will be held Tuesday, January 21, 2025 at 5:00pm*

Land Acknowledgement:

The Town of Portola Valley acknowledges the colonial history of this land we dwell upon—the unceded territory of the Ramaytush (rah-my-toosh) Ohlone, Tamien Nation, and Muwekma (mah-WEK-mah) Ohlone, who endured a human and cultural genocide that included removal from their lands and their sacred relationship to the land. Portola Valley recognizes that we profit from the commodification of land seized from indigenous peoples and now bear the ecological consequences. We seek to understand the impact of these legacies on all beings and to find ways to make repair.

AD HOC SITE EVALUATION COMMITTEE

November 19, 2024

Hybrid Special Meeting – In Person at Schoolhouse and via Zoom

CALL TO ORDER AND ROLL CALL

The meeting was called to order at 6:00 p.m. by Interim Planning and Building Director Terrence Grindall.

Present: Mary Hufty, Ronny Krashinsky, Danna Breen, Nona Chiarello, Joslyn Gray, and Karen Vahtra

Absent:

Town Staff:

Council Liaison: None

ORAL COMMUNICATIONS

Joslyn Gray informed the Committee that she was in attendance by Zoom.

APPROVAL OF MINUTES

None.

COMMITTEE DISCUSSION

a) Election of Chair and Vice Chair

Interim Planning and Building Director Grindall invited discussion from the Committee.

Councilmember Hufty suggested that the Committee consider a secretary to ensure the minutes are recorded according to their preferences. She proposed that people could self-propose and that they take one position after the other to elect. She stated that she would like to wait until Ms. Gray arrived.

Ms. Gray advised that she was approximately eight minutes away.

Planning Commissioner Ronny Krashinsky stated that he was a computer engineer, and he has been in the Town for four to five years. He shared that he is on the Planning Commission, and he is on this committee as a liaison representative from the Planning Commission. He mentioned that he closely monitored the Housing Element both before and during his tenure on the Planning Commission.

Karen Vahtra said she lived in the Town for twenty years and she was on the original Ad Hoc Wildfire Committee and served on the Hawthorn's Public Access Working Group recently. She said she wanted to join the committee in hopes that some interesting sites can be found that could support worker housing directly.

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Nona Chiarello stated that she lives on Brookside and bought her home in 2009. She said she serves on the Conservation and Open Space committees. She was the liaison from Conservation to Wildfire Preparedness for three years and recently stepped down. She thought this would be a fairly sobering assignment, and she looked forward to working with all of the qualified individuals on the Committee.

Councilmember Hufty said she is on the Council, spent a lot of time on the Trails Committee, and started out on the Conservation Committee. She said she came to the Town amazed at the ability to keep the wonderful connection between humans and nature. It is an amazing experience to be in the Town and feel the soul of nature while in a small town. She said she began reading about green connections and mixed housing, and she thought the Town could do better. She wanted to ensure that the Committee would do the job correctly.

Karen Askey stated that she has lived in Portola Valley for slightly over twenty years, and she lives on Groveland Street. She said she is a retired marketing executive and also worked at Ormondale for approximately seven years as an aide in the classroom. She said she is currently on the Parks and Recs Committee, and she served on the Ad Hoc ADU Committee, which was an offshoot of the Housing Element. She said she is currently on the ad Hoc Hawthorns Committee. She said she has been very involved in the Housing Element and went to almost all of the meetings. She felt very strongly about the Town's General Plan and thought having that gateway to Portola Valley was important.

ASCC Commissioner Dana Breen said she was also a supporter of the General Plan. She said she was on the Conservation Committee for twelve years and the ASCC for close to twenty years. She said she has been in the Town for a long time and knows a lot of people, land, and properties. She thought the Committee would have to do some fundraising.

Joslyn Gray stated that she has been renting in Portola Valley for over thirteen years. She said she knows that more housing is needed, and she would like to be a part of the solution. She said she works at Stanford in architectural design and planning.

Interim Planning and Building Director Terrence Grindall introduced himself and stated that he would be around for a while. He advised that since the secretary was not on the agenda, they should not appoint that person until the next meeting. He said that right now, the members should figure out who wants to be Chair of the current meeting and elect them.

Ms. Askey said she would be happy to be Chair if it is the right thing to do for the Committee.

ASCC Commissioner Breen stated that she would like to nominate Ms. Askey as Chair.

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Ms. Askey asked Councilmember Hufty about her thoughts on being Vice Chair. She asked if anyone else wanted to be Vice Chair and felt the Committee should discuss it.

Ms. Chiarello stated that she would be willing to be the Vice Chair because she feels a deep commitment to the success of the Committee.

ASCC Commissioner Breen asked if it was possible for Ms. Chiarello to be the Vice Chair.

Interim Planning and Building Director Terrence Grindall replied that if she could get four votes, she could be Vice Chair.

ASCC Commissioner Breen stated that she would nominate Ms. Askey.

Ms. Vahtra said she would second.

Motion by Vice Chair Flynn moved that the AHSEC elect Karen Askey as Chair and Mary Hufty as Vice Chair. Seconded by Committee Member Vahtra, the motion was carried (7-0) unanimously by voice vote.

b) Receive Update on Committee Requirements and Timelines from Interim Planning and Building Director Terrence Grindall

Interim Planning and Building Director Terrence Grindall advised that the Town currently has a decertified Housing Element, but efforts are underway to get it recertified. The Committee is working towards improving the Housing Element and looking for additional sites that might be better than some of the existing sites. The Housing Element indicates that the Committee would be starting the site planning in May 2025 for the Dorothy Ford site. A request for proposals (RFP) would then be issued for proposals to find a developer for the site with a goal of January 2031 to develop fifty low-income units.

Chair Askey asked whether they have to be built or if they have to be permitted for building.

Interim Planning and Building Director Terrence Grindall stated that they are supposed to be under construction.

Committee Member Krashinsky inquired about the plan for removing a site from the Housing Element if alternative sites are identified.

Interim Planning and Building Director Terrence Grindall explained that the Commission would make an amendment to the General Plan Housing Element. There would need to be an environmental analysis of the new site. There was a mitigated negative declaration that was produced for the Housing Element and there would have to be some environmental work done. The Housing Element could then be amended to add the additional site and remove the site(s) being replaced. The amended Housing Element

would then need to be submitted to the State for certification. While they review the recertified EIR, the General Plan would still be in a certified condition.

Committee Member Vahtra requested information regarding the best- and worst-case time for going through the Town process and going through HCD.

Interim Planning and Building Director Terrence Grindall stated that it should take approximately three months for a minimum time and likely six months for a process for the actual amendment of the Housing Element. The State should be able to approve it in three months, but they are lagging behind. The best-case scenario would be about one year. He explained that the progress report will be assessing progress on programs and not necessarily how many housing units have been built. There is an April progress report that has to be provided every year. Part of what is included in the progress report is the units that are actually built. He confirmed that some preliminary SB9 applications have been received.

Committee Member Hufty expressed concern due to the recent recertification event. She felt hesitant about not making the zoning changes that the Committee thinks are most appropriate sooner rather than later. She asked about the cost of making the zoning adjustments and if there was the possibility of having costs be lower if several are done at one time.

Interim Planning and Building Director Terrence Grindall advised that the cost is quite variable and most of the cost pertains to the required environmental analysis. It depends on the project site fairly dramatically. Turning an office building that is already built out into a residential unit is a much simpler process. Any kind of wild land or wildlife areas gets much more expensive and challenging. It is difficult to say what the cost would be without seeing the particular site. Regarding the fifty units, he advised that the State would expect the units in the site collection to be produced. Even if there were a number of units ahead of schedule, it would still be required to stick to the schedule that the Committee has for the Dorothy Ford site. He explained that it was possible to have a site that is zoned for medium density residential that gets raised to high density residential and it could serve to replace the Dorothy Ford site, but the Housing Element would still have to be changed to remove that site.

c) Review Graduated Decision-Making Grid

Committee Member Vahtra shared her screen and provided background information on the Gradients of Agreement. She believed that this tool could be useful for the Committee to pass more information on to the Town Council, who will make any final decisions. She suggested modifying the MidPen Gradients of Agreement list slightly and have 4 to be not counted as supportive or non-supportive and recorded as an abstain.

Chair Askey thought it worked well with the Hawthorns Public Access Working Group (PAWG) and helped to show where people were leaning. She felt that until the Committee has something concrete, it would be difficult to know how it will work.

Vice Chair Hufty thought it was a lovely idea and may be useful. She stated that

d) Review and Discuss the Material from the Outreach Committee Presentation to Town Council

i. Outreach Subcommittee Report September 11, 2024

Vice Chair Hufty presented the Outreach Subcommittee report and provided an overview of the final report of opportunities identified during its process that should be considered by the Ad Hoc Site Evaluation Committee (AHSEC). She presented the Town-Owned Property Assessment Report and discussed the possible sites to develop housing.

Chair Askey stated that landslide areas are not developable and inquired regarding how an affordable housing developer would have any interest in them. She asked if anyone had looked at two sites that have the same affordable developer and if that presents the same financing or economies of scale opportunities.

Interim Planning and Building Director Terrence Grindall stated yes, it is something that needs to be figured out. He indicated that the economy of scale comes with a managed project. Having the project split into two or three does not create the economy of scale because a good affordable housing project has an on-site manager in the project, and that cost has to be spread across at least twenty-five units for it to become feasible. Having diverse locations does minimize the economy of scale.

Judith Hasko explained that during the outreach, she wanted to pull together all of the past work product. She said it was really informational for the Committee to figure out a good use for it. She recommended that the Committee work with Interim Planning and Building Director Terrence Grindall and others to understand what those opportunities looked like. Many of the sites are not going to be attractive. She reminded that the Committee's task is to find affordable housing sites.

There were no public comments.

ii. Subcommittee Report on Selection of Members October 30, 2024

Vice Chair Hufty inquired whether it was possible to have a subcommittee of this Committee that has outside members.

Committee Member Vahtra remarked that at any point, the Committee Members could consult people outside of the Committee. She cautioned that the Committee Members should be careful due to the Brown Act.

e) Discuss Finance Committee Liaison or Other Options

Committee Member Vahtra felt that the financial component to any kind of project was key. She thought that should be a strong component of what the Committee does. She proposed having another person join the Committee that was a true financial expert.

Interim Planning and Building Director Terrence Grindall advised that the members of the Committee are appointed by the Town Council; however, it could be possible to have someone who sat in the audience that provided information that would not have any impact.

Chair Askey encouraged that just one member of the Committee be in contact with that individual so that there are not more committee members meeting with that one individual.

Vice Chair Hufty suggested a subcommittee to allow for more than just one person. There could be two or three members of the subcommittee. She shared that she has talked to more than fifty people qualified in finances who are interested in the project.

Chair Askey sought clarification that Vice Chair Hufty was recommending a subcommittee that would be finance related and therefore get the appropriate financial knowledge from one or many resources.

Vice Chair Hufty said that was correct. She stated that her understanding of how things work is to have multiple financial people looking at any project because there are multiple places you get money. Otherwise, there will not be enough money to do the project. Limiting it to one person who has one point of view or has worked with one person does not work.

Chair Askey remarked that along with the issue with financing and cost, there is also a revenue issue. Better understanding is needed regarding when the developments are going in and what the Town is getting back in revenues.

Chair Askey invited public comments.

David Cardinal commented that affordable housing is a total loss leader no matter what. Building affordable housing will cost money even if the Town donates the land. Financing is important, but it will not pencil out. Unless the Town allows a large-scale development similar to Stanford, where 80% of it is market rate and they are happy, and they give 20% below market rate. In order to get 50 units, it would probably be necessary to build 250 units to get 50 BMR units. It is all based on having a huge moneymaker with a small component of affordable housing. He stated that three qualified financial experts to consider were Jim White, Brian Greenberg, and Rebecca Flynn.

[Krashinsky, Vahtra, Chiarello, Hufty, Askey, Breen, Gray]

f) Discuss Schedule and Timeline

Chair Askey announced an upcoming meeting scheduled for December 3, 2024.

Vice Chair Hufty stated that Christchurch was willing to be brought forward and to do a site visit.

Committee Member Vahtra questioned whether the Committee would propose a subcommittee structure.

Chair Askey pointed out that there were thirteen sites on the Portola Corridor, according to the chart provided. There are eight on Alpine Corridor and four on Los Trancos.

Committee Member Vahtra stated that she would want to be on Portola because she lives close to Alpine and that would be a better lack of interest.

Committee Member Breen said she would do Alpine with Committee Member Vahtra if that creates a group and push.

Chair Askey noted that she and Committee Members Vahtra and Chiarello would take Portola. Committee Members Breen, Krashinsky, and Gray would take Alpine.

Interim Planning and Building Director Terrence Grindall advised that Vice Chair Hufty could send information ideally to the entire Committee, but that does mean it will become public. Sharing information with any member of the Committee is a potential public record, so the private information should be stripped of the site. He suggested contacting the owners and seeking permission for it to be made public.

Committee Member Vahtra suggested dividing into three groups for the next couple of weeks until everything gets sorted out with the owners, and then go out in pairs with Vice Chair Hufty to visit the three different sections.

Chair Askey noted that Vice Chair Hufty and Committee Members Breen and Gray were assigned to Nathhorst; Vice Chair Hufty and Committee Members Krashinsky, Chiarello were assigned to Alpine; and Chair Askey, Vice Chair Hufty, and Committee Member Vahtra were assigned to Portola. She advised that the Committee has meetings scheduled every other Tuesday at 5 p.m.

NEW BUSINESS

None.

COMMISSION, STAFF, COMMITTEE REPORTS AND RECOMMENDATIONS

3. Commission Reports

None.

4. Staff Reports

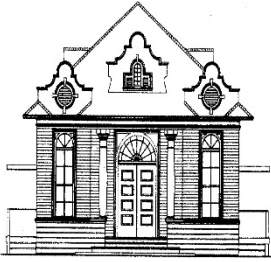
None.

MINUTES

None.

ADJOURNMENT [6:57 p.m.]

DRAFT



TOWN OF PORTOLA VALLEY
Ad Hoc Site Evaluation
Committee Meeting
Tuesday, December 17, 2024
5:00 PM

Karen Askey, Chair
Mary Hufty, Vice Chair
Ronny Krashinsky, Committee Member
Carter Warr, Committee Member
Nona Chiariello, Committee Member
Joslyn Gray, Committee Member
Karen Vahtra, Committee Member

HYBRID MEETING

DRAFT MINUTES

HISTORIC SCHOOLHOUSE – 765 PORTOLA ROAD, PORTOLA VALLEY, CA

Present: Askey, Chiariello, Gray, Hufty, Krashinsky, Warr, Vahtra **Secretary:** Dewes

1. CALL TO ORDER at 5:01

2. ORAL COMMUNICATIONS FOR ITEMS NOT ON THE AGENDA: None

3. APPROVAL OF MINUTES from December 3, 2024: Changes/edits proposed:

- In Intro - change Also Present, to Also Present in Schoolhouse
- Under 4biii, add that Miller indicated his interest in offering his property at 3350 Alpine Road (discussed later in meeting).
- Under 4eiii - add that Vahtra reviewed Town Soccer Field alternative
- Remove chart (Sites being considered by subcommittee) at back as it is also included in Alpine/Los Trancos/Skyline Subcommittee Report
- Corrected typos
- After changes/edits, the minutes were approved unanimously

4. COMMITTEE DISCUSSION:

a. Announcement Committee Member Change: Welcome to Carter Warr who joins the Committee representing the ASCC, he is replacing Danna Breen.

b. Site Updates:

- **Nathhorst Triangle & Vicinity** (Grey, Hufty, Warr):
 - Subcommittee proposing Site Name Change to Alpine/Portola Corner.
 - Outreach. Discussion with Bud Jelich. He is committed to keeping his Nathhorst properties as a commercial center to serve the Town.
 - Outreach to other multiple owners in the area has so far yielded no opportunities but there are other parcels and potential candidates still to be looked at.
 - The committee asked about the likelihood of parcels becoming available soon. Mary said they still need to have several conversations.
 - The sub-committee will also look further into Nyland flats.
- **Alpine Corridor/Los Trancos/Skyline** (Chiariello, Hufty, Krashinsky):
 - Have not yet been able to meet w/ Fogarty stakeholders.
 - Hawthorns: outreach, supportive but not encouraging. Need housing for rangers and maintenance workers but the logical place for it would be the Historic Complex. But development of that site is on a slower timeline/process.
 - Added a few more sites

- 3350 Alpine across from Dorothy Ford Park (DFP): Seeing real possibility of moving units from DFP but would likely create WASC/neighborhood issues. Could reduce density on DFP to potentially save the oak trees. The homeowner did not support high density but thinks lower density might be a possibility. Any development would require a vote from WASC homeowners to modify CC&R's, however, we need to look at the possibility of applying AB721 which allows affordable housing development even if there are CC&R restrictions. Potential options include putting all 50 units on that site, or a combination of units between DFP and 3350 for the Gateway concept. If Church builds more affordable units, could 3350 be for the 6 AMI no-net loss?
- Town Center/Portola Road Area (Askey, Hufty, Vahtra)
 - Soccer field: The Committee has reviewed all league schedules to determine possible impact
 - Substation: Clarified that easement is for ingress/egress into neighboring properties. Carter commented that the first ad hoc housing committee had looked at adding 2nd floor, and/or adding an additional unit at the other end of the parking lot. Issue/concerns will revolve around displaced parking, noise from soccer field, etc. From a building, planning standpoint, it is a viable site. The Town owns the property and there is sewer, water access from Portola Road. There are currently no plans to move the Sheriff room or the restrooms as they are being used. It could be difficult to parcel off. Town acting as a landlord is worth further review.
 - Carter – There's no perfect answer that solves all the problems all at once. We should break down a map of the Town and mark out all the sites. We may be able to spread efforts vs one site
 - **Public Comments:**
 - Why would the Town want to buy property for Fogarty to have subsidized housing?
 - More housing on Skyline would add to fire safety/evacuation issues.
 - WASC needs to show proof they support affordable housing in Portola Valley
 - Substation is an opportunity, encouraged by Carters' drawings.
 - Parking issues on substation access road need to be addressed.
 - Creative soccer game scheduling might alleviate parking issues.
 - Protect our recreational fields. Adults/children need physical activity to combat diabetes, mental health, etc.
- **Committee Discussion:**
 - Just a reminder that Krashinsky needs to be recused from any Sequoias decision making, OK for discussion
 - Sequoias could be an opportunity for a combination of housing options. Demand for senior housing is growing. MR units could be an option for functional senior living options. And housing is needed for their workforce.
 - Reminder that planning for housing at the Sequoias is already in our HE: 23 units - 18 Above Moderate (for seniors) and 5 Moderate (for workforce), but it is not clear where on the property they would be built, and we need to follow up. Karen A asked Emily if she could ask Adrienne Smith if she had Sequoias contact info from HE work.

- c. **Proposal for Reporting to Town Council (Krashinsky):** Ronnie/Karen V. reviewed a DRAFT of a proposal for the voting criteria for the additional sites that are under consideration together with potential questions that we may want to get input from the Town Council before we take any next steps on each of these possible sites.
- Should we consider applying for grants to perform any necessary work?
Problem – need staff time to apply for grants.
 - Don't feel ready to ask TC any of these questions, feels like more work and outreach is needed.
 - Is our goal to task the TC for clarification? Or present a proposal? And when is the right timing?
 - Need clarity on the building space at Dorothy Ford Park? Is it really the size represented in the HE and can it support the # of units we committed?
 - Should we use the same criteria that HCD uses to evaluate LI units to show the feasibility of the site? Several are: 1) owner interest, 2) 20-23 development units (d/u) per acre, 3) ratio of building to land.
 - **Public Comments:**
 - Commendations on the process. . . #1 or #2, hardest to answer. . . it is SO dependent on which one site vs. 5 sites. Recommend clarification on that question before we take it to the TC and/or evaluate.
 - **Committee Discussion:**
 - If we can find a site that accommodates 50 units, then it is much more feasible. Can we answer that question first?
 - Focus on 1-2 sites, better chance of success.
 - But the original objective/directive was to disperse housing. Wouldn't it be prudent to get TC clarification on which priority is more important?
 - IF we are going to do VLI, then it's better to have density
 - Doors are still opening/closing, isn't it too early to approach the TC?
 - Shouldn't we first answer what size lot and how many properties before diving into individual sites?
 - Workforce housing may not generate traffic/evacuation issues
 - **Summary:** All agreed we need more time to review this process and the next steps. All members should come to the next meeting prepared to discuss.
- d. **Site Evaluation Criteria (Vahtra):** combined into c above.
- e. **San Mateo County Income Limits (Askey):** Sharing for public transparency and information.
- f. **Nex Steps:**
- Come back w/ thoughts/recommendations on Site Evaluation Criteria and Next Steps for reporting to Town Council
 - Vahtra has offered to consolidate master list of 3 sub-committee templates.

5. COMMITTEE REPORTS AND RECOMMENDATIONS

- a. **Committee Reports** – none
- b. **Staff Reports** - None

6. ADJOURNMENT approximately 7:20 p.m.

- a. *The next regular Ad Hoc Site Evaluation Meeting will be Tuesday January 7, at 5:00pm*

DRAFT

AHSEC Site List Jan 1, 2024

ID	Acres range	Acres	Region	Address	Description	In HE?	T _r	APN	Open Public Discussion	Next step(s)	Notes
1	0-5		Alpine			No			No	None for now	
2	0-5	0.5	Alpine		Ladera Community Church	Yes		077271170	Yes	None for now	HE site, no new info
3	5-20+	13.1	Portola			No			No	None for now	Many discussions held and ended in Summer 2024
4	0-1	1	AP Corner	150 Portola	Office Buildings	No		079072010+	Yes	None for now	
5	0-1	0.2	Portola	765	Substation	No		076270080	Yes	None for now	2019 8 units proposal, possible to increase to 10-12
6	0-5	1.8	Portola	765	Soccer Field	No		076270080	Yes	None for now	Report at AHSEC 12/3/24. Can fit 50 units with some green space.
7	0-5	2.9	Portola	815	Christ Church	Yes		076262030	Yes	Awaiting info from Church	6 in RHNA today as AMI, exploring more units
8	0-5	11.0	Portola	765	Town Center Buildings	No		076270080	Yes	None for now	Public
9	5-20+	41.2	AP Corner	501 Portola	Sequoias	Yes		079200030	Yes	Carter outreach	
10	0-5	3.0	Alpine	3350	Across from DFP	No		077271050	Yes	None for now	Owner supportive, Westridge CC&Rs, AB 721
11	0-5	2.4	AP Corner	4370 Alpine	Office Tennis Courts	Yes		079072060	Yes	None for now	
12	5-20+		Portola			No			No	None for now	7th RHNA? Needs more analysis of future potential
13	0-5		Los Trancos			No			No	None for now	
14	0-5		Los Trancos			No			No	None for now	
15	5-20+		AP Corner			No			No	Carter outreach	
16	5-20+	13.7	Alpine	3639	Glen Oaks	Yes		077282030+	Yes	None for now	HE site, no new info
17	0-5		Portola			No			No	Possible 2nd outreach	No interest for now. Outreach to non local owner?
18	0-5		Portola			No			No	None for now	KA complete 11/24. No interest for now
19	0-5		Portola			No			No	None for now	Needs further outreach
20	5-20+	75.4	Alpine		Portola Terrace	Yes		077281020	Yes	None for now	HE site, no new info
21	5-20+	360.0	Skyline	19501	Fogarty	No		various	Yes	Meet with owners	Welcome a feasibility assesment
22	0-5	7.7	Alpine		Dorothy Ford Park	Yes		077272010	Yes	None for now	HE site, no new info
23	0-5		Alpine			No			No	None for now	
24	0-5	13.6	Los Trancos		Blue Oaks Strip	No		080241380	Yes	None for now	Rejected due to fire and slope issues
25	0-5	1.1	AP Corner	683	Parking Lot and Orchard	No		079072080	Yes	None for now	
26	0-5	16.1	Los Trancos	800	Hawthorns Historic	No		079080090	Yes	Meet with Anna Ruiz	Anticipating long process with MROSD
27	0-5		Portola			No			No	KA Outreach 12/9, 12/17	No response yet
28	0-5		Portola			No			No	Possible 2nd outreach	No interest for now. Formerly included with #17

Ad Hoc Site Evaluation Committee Report to Town Council

(Draft/Proposal 12/17/2024)
(Revised 12/28/2024)

Overview

- Status
- Sites evaluated in this report
- Evaluation criteria
- Voting process
- Recommendations
- Questions for Town Council

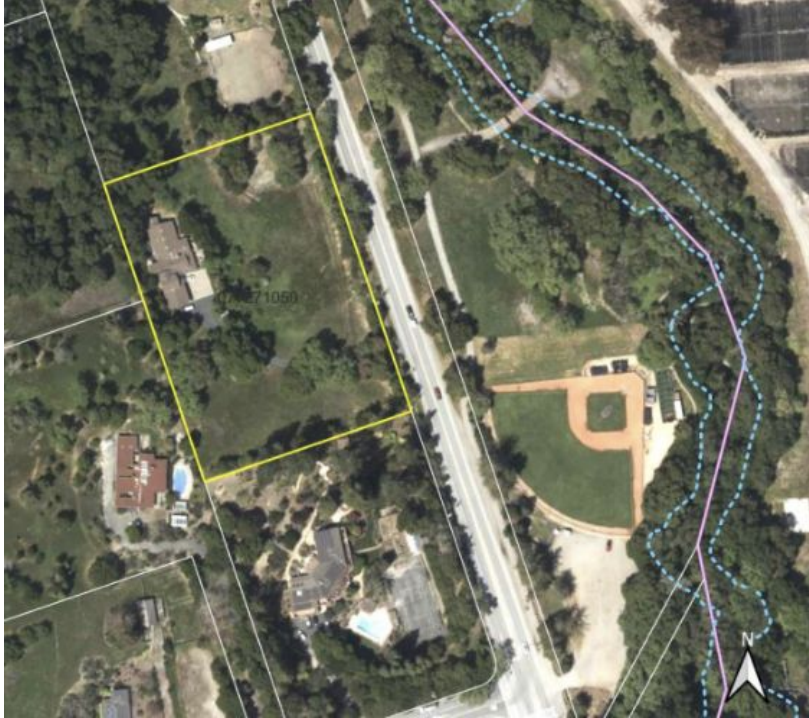
Status

- Town Council Sunrise Provision Outreach Subcommittee (Hufty and Hasko) provided a list of 26 sites for consideration
- 7 are in our currently adopted Housing Element (HE)
- 11 are private properties in stalled discussions or with no interest
- 2 HE sites and 6 new sites are included in this report (including several previously considered by AHHEC¹)
- AHSEC continues to consider additional sites

Sites evaluated in this report

1. 3350 Alpine Rd.
2. 19501 Skyline Blvd. (Fogarty property)
3. Blue Oaks town owned strip east of Los Trancos Rd.
4. Christ Church (in current HE)
5. Town Center substation/restroom/parking strip
6. Town Center soccer field + substation/restroom/parking strip
7. Hawthorns Historic Complex
8. Dorothy Ford Park (DFP) (*TBD placeholder - for purposes of comparative ranking*)

1. 3350 Alpine Rd.



- Across from DFP HE site; 3.0 acres, relatively flat
- Town and/or developer would likely need to buy property, finance project
- Owner supportive of ~10 units
- Lot split may be required to get VLI density at 20 units/acre
- Could combine with DFP to distribute density (consistent with “Gateway” concept in HE)
- Impact on neighbors
- Westridge CC&Rs; AB 721 may apply

2. 19501 Skyline Blvd. (Fogarty property)



- ~360 acres, varying terrain, could likely support many units
- Owner interested in farmworker housing, ~?? units
- Williamson Act may apply
- Independent evacuation route(s)
- Smallest parcel is 13.6 acres

3. Blue Oaks strip east of Los Trancos Rd.



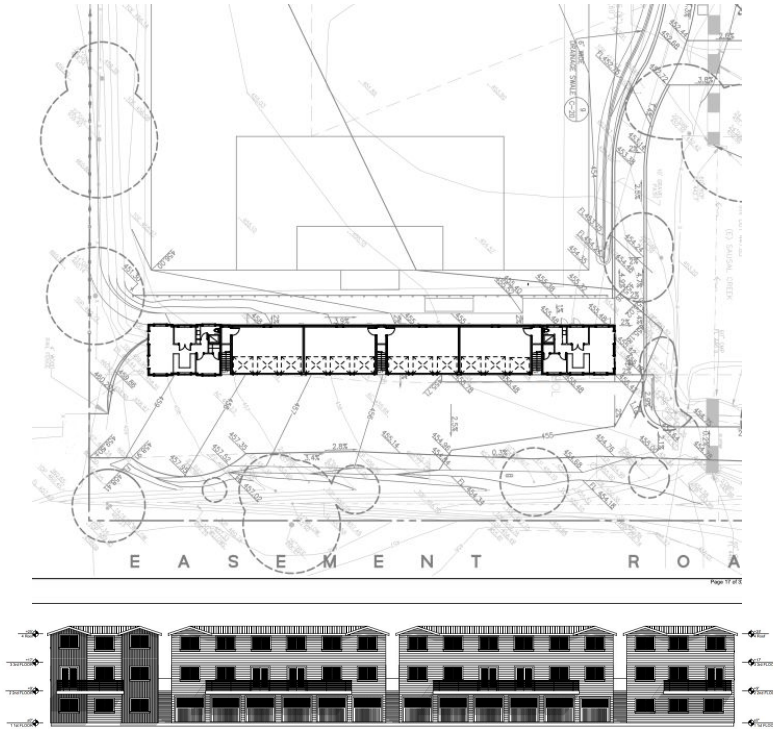
- Previously considered by AHHEC¹, rejected due to development difficulty and wildfire risk ([5/2/2022 meeting summary](#))
- Steep slope along eastern edge
- Creek setback requirements will likely impact development opportunity
- Could support small market rate development

4. Christ Church



- In current HE with 6 AMI¹ units
- Could potentially reclassify as 6 VLI, and possibly increase units
- A total of 2.9 acres
- Depends on congregation, leadership, and funding
- Congregation wishes to maintain hillside views
- Exploring possible locations
- Acquired grant to do exploration
- Town Council can help with clear path for applying for town affordable housing funds

5. Town Center substation/restroom/parking strip



- In 2019 Town considered developing 8 units next to soccer field
- Sheriff's substation, restrooms, and parking strip would be removed
- Sheriff's office has requested better facilities
- 16 year old building was financed with public funds and donations
- Considered by AHHEC, deprioritized in 5/2/2022 meeting due to easement issue ([link1](#), [link2](#))

6. Town Center Soccer Field + substation/restroom/parking



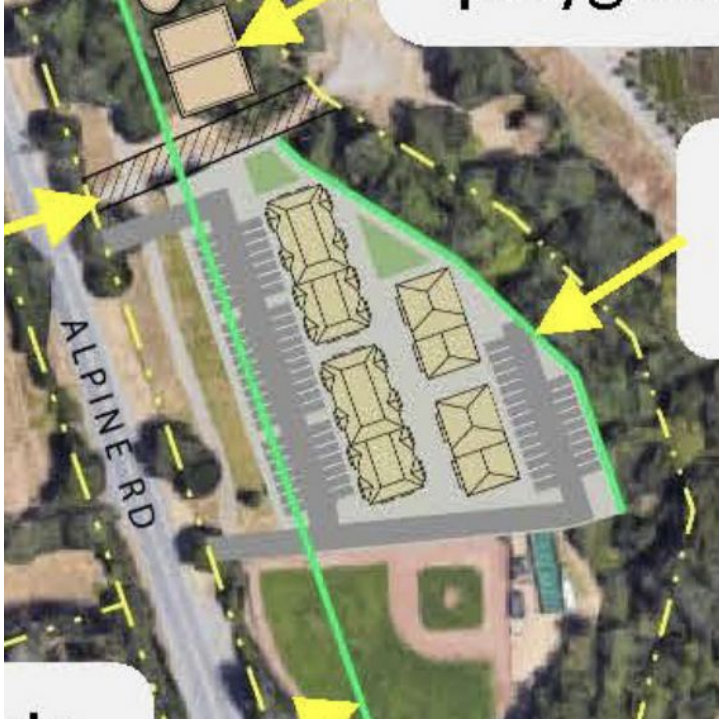
- Town-owned land, ~1.8 acres
- Tight fit for ~50 units
- “Sophie's choice”
- If it's a likely candidate, consider conducting resident survey
- Moving soccer field to DFP is not viable
- AHHEC briefly considered the soccer field during the 6/20/222 meeting and voted for DFP ([link1](#), [link2](#))

Hawthorns Historic Complex



- Preliminary discussions with MROSD
- Board-approved Historic Complex Goals include, *“Consider housing, either short-term or long-term, that supports the District’s mission”*
- Unknown process and timeline
- Conservation easement issue

8. Dorothy Ford Park (for purposes of comparative ranking)



- Dorothy Ford Park site in current HE
- Included for comparative ranking purposes

Evaluation criteria

- Number, Type and Location of Units
 - Capable of supporting 40-50 units
 - Straightforward development of VLI Units
 - New site or previously considered in previous Housing Element discussions
 - A location that disperses units throughout town
- Safety:
 - Wildfire Risk
 - Geological Risk
 - Evacuation Risk
 - Flood Risk
- Infrastructure Capability
 - Water
 - Power
 - Sewer
 - Cell service
 - High speed internet
 - Road access
- Site development Constraints
 - Slope
 - Setbacks
 - Drainage
 - Shape of parcel
 - Sensitive indigenous cultural areas
 - Endangered species
- Property Owner Interest and Preparedness
 - Self Directed and/or Financed
 - Town Driven Project
 - Additional costs due to unique characteristics
 - Rental property management
- Community Resource Impact
 - Removing Open Space
 - Removing recreational fields
 - Removing retail businesses
 - Removing professional service businesses
 - Obstructing wildlife corridor
- Scenic Impact
 - Alpine and Portola Scenic Corridors
 - Vista Impacts
 - Mindful of rural character of town
- Neighborhood Impact
 - Distance to Neighbors
 - View shed impact
 - Traffic impact
 - Sound impact (proximity of cars, machinery, and people)
 - Light impact
 - Pollution impact (gas exhaust)

Voting Process



1	YES	I can say an unqualified “yes” to the recommendation.
2	Some concerns	I find the proposal acceptable. It appears to be the best of the available options at this time.
3	Significant concerns	I can live with the proposal, although I am not especially enthusiastic about it.
4	Abstain	I do not fully agree with the proposal, but I am willing to stand aside, remain neutral, so the process can move forward.
5	Not in favor	I do not fully agree with the proposal. I have some suggestions and I would like the working group to do more work to see if we can reach a higher level of agreement.
6	NO	I do not agree with the proposal, and I will work actively to oppose it.

Recommendations

	Question	Carter	Joslyn	Karen A	Karen V	Mary	Nona	Ronny	Avg.	Summary (yes/abs/no)
1	AHSEC should focus on 1 site for ~50 units									
2	AHSEC should focus on ~2-3 sites for ~50 units									
3	AHSEC should focus on ~5 sites for ~50 units									
4	Private sites with ~10 units are viable for VLI (excl. farmworker/churches)									
5	Recommend 3350 Alpine Rd. for ~50 units									
6	Recommend 3350 Alpine Rd. for ~10 units, joint dev. with DFP									
7	Recommend 3350 Alpine Rd. for ~10 units, independent									
8	Recommend 19501 Skyline Blvd. (Fogarty property) for ~50 units									
9	Recommend 19501 Skyline Blvd. (Fogarty property) for ~10 units									
10	Recommend Blue Oaks strip east of Los Trancos Rd. for ~10 units									
11	Recommend Christ Church for ~10 VLI units (vs. current HE 6 AMI)									
12	Recommend TC substation strip for ~10 units									
13	Recommend TC soccer field + substation strip for ~50 units									
14	Recommend Hawthorns Historic Complex for ~10 units									
15	Recommend Dorothy Ford Park for ~50 units									

Questions for Town Council

1. What is your feedback on the site recommendations? Are we done, or what more would you like to see for the recommended sites?
2. Would you like AHSEC to attempt to find new sites (beyond those identified by the TC sunrise provision outreach subcommittee)?
3. Do you prefer AHSEC to pursue a single site for ~50 VLI units, or multiple sites distributed throughout town?
4. If we are unable to find site(s) for ~50 VLI units, should we pursue an option where DFP remains in our HE but with reduced density (e.g. ~30–40 units)?
5. Should AHSEC explore financing options for VLI development at ~10 units (vs. ~40–50 units typically considered viable for affordable housing)?
6. Could TC budget staff and/or consultant time/fees for more formal analysis, either for financing options or to take steps to revise our HE with new site(s)?

2024 San Mateo County Income Limits

as determined by HUD - effective June 1, 2024

revised 05/14/2024

For HUD-funded programs, use the Federal Income Schedule. For State or locally-funded programs, you may use the State Income Schedule. For programs funded with both federal and state funds, use the more stringent income levels.

Please verify the income and rent figures in use for specific programs.

San Mateo County (based on Federal Income Limits for SMC)

Prepared 5/14/2024 - HUD-established area median Income **\$186,600** (based on household of 4).

<u>Income Category</u>	<u>Income Limits by Family Size (\$)</u>							
	1	2	3	4	5	6	7	8
Extremely Low (30% AMI) *	41,150	47,000	52,900	58,750	63,450	68,150	72,850	77,550
Very Low (50% AMI) *	68,550	78,350	88,150	97,900	105,750	113,600	121,400	129,250
HOME Limit (60% AMI) *	82,260	94,020	105,780	117,480	126,900	136,320	145,680	155,100
Low (80% AMI) *	109,700	125,350	141,000	156,650	169,200	181,750	194,250	206,800

NOTES

* Income figures provided by HUD for following San Mateo County federal entitlement programs: CDBG, HOME, ESG.;

California State Income Limits for SMC

Effective 5/9/2024 - Area median Income **\$186,600** (based on household of 4)

<u>Income Category</u>	<u>Income Limits by Family Size (\$)</u>							
	1	2	3	4	5	6	7	8
Extremely Low (30% AMI) *	41,150	47,000	52,900	58,750	63,450	68,150	72,850	77,550
Very Low (50% AMI) *	68,550	78,350	88,150	97,900	105,750	113,600	121,400	129,250
Low (80% AMI) *	109,700	125,350	141,000	156,650	169,200	181,750	194,250	206,800
Median (100% AMI)	130,600	149,300	167,950	186,600	201,550	216,450	231,400	246,300
Moderate (120% AMI)	156,750	179,100	201,500	223,900	241,800	259,700	277,650	295,550

NOTES

* 2024 State Income limits provided by State of California Department of Housing and Community Development ;

2024 San Mateo County Income Limits

as determined by HUD, State of CA HCD, and County of San Mateo

Income limits effective 06/01/2024.

Please verify the income and rent figures in use for specific programs.

HUD-defined Area Median Income **\$186,600** (based on household of 4). State median **\$186,600** (household of 4) due to hold harmless policy.

Income Category	Income Limits by Family Size (\$)								NOTES
	1	2	3	4	5	6	7	8	
Extremely Low (30% AMI) *	41,150	47,000	52,900	58,750	63,450	68,150	72,850	77,550	
Very Low (50% AMI) *	68,550	78,350	88,150	97,900	105,750	113,600	121,400	129,250	
HOME Limit (60% AMI) *	82,260	94,020	105,780	117,480	126,900	136,320	145,680	155,100	
HERA Special VLI (50% AMI) ***	78,350	89,550	100,750	111,900	120,900	129,850	138,800	147,750	See Note regarding HERA for FY2024***
HERA Special Limit (60% AMI) ***	94,020	107,460	120,900	134,280	145,080	155,820	166,560	177,300	See Note regarding HERA for FY2024***
Low (80% AMI) *	109,700	125,350	141,000	156,650	169,200	181,750	194,250	206,800	
State Median (100% AMI)	130,600	149,300	167,950	186,600	201,550	216,450	231,400	246,300	

Income Category	SRO *+	Maximum Affordable Rent Payment (\$)					
		Studio	1-BR	2-BR	3-BR	4-BR	
Extremely Low *	771	1,028	1,101	1,322	1,527	1,704	
Very Low *	1,284	1,713	1,836	2,203	2,545	2,840	
Low HOME Limit*	1,284	1,713	1,836	2,203	2,545	2,840	effective 6/01/2024; 2024 HOME Limit
High HOME Limit *	1,656	2,208	2,366	2,842	3,275	3,634	effective 6/01/2024; 2024 HOME Limit
HERA Special VLI (50% AMI) ***	1,468	1,958	2,098	2,518	2,910	3,246	
HERA Special Limit (60% AMI) ***	1,762	2,350	2,518	3,022	3,492	3,895	
Low**	2,056	2,742	2,938	3,526	4,073	4,544	CA Tax Credit Rent limits for Low and Median Income Group
HUD Fair Market Rent (FMR)		2,292	2,818	3,359	4,112	4,473	HUD-published Fair Market Rents
Median **	2,448	3,426	3,672	4,406	5,090	5,680	CA Tax Credit Rent limits for Low and Median Income Group

NOTES

* Income figures provided by HUD for following San Mateo County federal entitlement programs: CDBG, HOME, ESG.

** CA Tax Credit Rent Limits for Low and Median Income Group

*** For San Mateo County, the Housing & Economic Recovery Act of 2008 (HERA) & the HUD 2010 HOME hold-harmless provision permit multifamily tax subsidy projects (MTSPs) & HOME projects placed in service before 1/1/2009 to continue to use HOME/tax credit/tax exempt bond rents based on the highest income levels that project ever operated under. Once these units are placed in service, the rents will not adjust downward should HUD establish lower incomes/rents in any subsequent year. Marketing of vacant units should be targeted to the current year's income schedule. However, HUD's Section 8 income limits are larger than those defined by Section 3009(a)(E)(ii) of the Housing and Economic Recovery Act of 2008 (Public Law 110-289). Therefore, for FY2024 no special income limits are necessary.

*+ SROs with -0- or 1 of the following - sanitary or food preparation facility in unit; if 5+ SRO HOME-assisted units, then at least 20% of units to be occupied by persons with incomes up to 50% AMI.

OTHER NOTES (generic)

- 1 Maximum affordable rent based on 30% of monthly income and all utilities paid by landlord unless further adjusted by HUD. Utility allowances for tenant-paid utilities may be established by Housing Authority of County of San Mateo Section 8 Program.
 High HOME Limit rent set at **lower of**: (a) 30% of 60% AML, or (b) FMR (HUD Fair Market Rent).
 For 2024, the FMR for Studio is the lower rent.

- 2 Rent Calculations - The following is the assumed family size for each unit: Studio:1 person 1-BR:1.5 persons 2-BR:3 3-BR: 4.5 4-BR:6

- 3 Table below provides rent guidance on appropriate income schedule to use:

Placed in Service Date	Maximum Inc. Limits Schedule
On or before 12/31/2008	2024 HERA Special
1/1/2009 to 5/13/2010	2024
5/14/2010 to 5/31/2011	2024
6/1/2011 to 11/30/2011	2024
12/01/2011 to 11/30/2012	2024
12/01/2012 to 12/17/2013	2024
12/18/2013 to 03/05/2015	2024
03/06/2015 to 03/27/16	2024
03/28/2016 to 4/14/2017	2024
04/14/2017 to 3/31/18	2024
4/01/2018 to 4/23/2019	2024
4/24/2019 to 3/31/2020	2024
4/01/2020 to 3/31/2021	2024
4/01/2021 to 4/17/2022	2024
4/18/2022 to 5/14/2023	2024
5/14/2023 to 3/31/2024	2024
4/01/2024 to present	2024

Rent schedules at www.huduser.org/portal/datasets/mtsp.html for additional information as well as the various income schedules. Please also refer to www.treasurer.ca.gov/ctac/2014/supplemental.asp

From: Sarah Wernikoff <swernikoff@portolavalley.net>
Date: Fri, Nov 22, 2024 at 9:25 AM
Subject: Re: Communication
To: Karen Askey [REDACTED]
Cc: Terrence Grindall <tgrindall@portolavalley.net>, Corie Stocker <cstocker@portolavalley.net>, Catherine C. Engberg [REDACTED]

Hi Karen:

Thanks again for volunteering to Chair the new Ad Hoc Site Evaluation Committee. Here are some initial quick thoughts for the Committee to consider based on my observations of the first meeting:

1. Ford is on the HE for 50 Very Low Income (VLI) units, with 20 units/acre zoning ([page 129 in the HE](#)). In order for HCD to accept an alternative location the landowner will need to be willing to re-zone at 20 units/acre. *Terrence, please correct me if I'm misunderstanding.*
2. Attached is the most recent data on requirements for the VLI category from SMC, including rental rates.
3. Regarding financing, the CEO of Alta Housing confirmed with me last month that 40 units at a single location is likely the lowest number of units a nonprofit developer would go to ensure economies of scale. This is based on the competitive process of how organizations like Alta or MidPen get funded by the State. I'm happy to share more about what I learned if there is interest from anyone on the Committee.
4. Attached is a presentation on affordable housing financing from an event I attended last year. I think Craig Adelman from [LeSar Development Consultants](#) could be a good resource. I shared this with the Council Post-Adoption subcommittee last year; I'm not sure if they pursued it, but you may want to check. At the time, Mr. Adelman shared that in his experience, he had not seen these funding models achieved in smaller developments.
5. Some of the questions from the Committee suggested a lack of familiarity with [180 hours of meetings](#) during the AHHEC and beyond including the post-approval meetings between Jan-May 2023 (process with HCD, past discussions on Town-owned property, zoning requirements, etc.). Given the cost of that process which significantly contributed to our budget issues, I want to ensure the information is leveraged, vs. spending precious staff time on re-educating Committee members. I'm happy to help provide background on all prior work to any interested Committee member.

6. While I understand the preference for anonymity from property owners, at this point after many months of review, as a taxpayer, I'm concerned about the lack of transparency in the process proposed in your first meeting, especially if the Committee is planning to use Town resources/staff. (I'm also a little surprised given several on the Committee have been strong public advocates for, or critics of perceived lack of, transparency over the last several years). Regarding staff, we must not lose sight that we also need Planning staff focused on items where we are already sorely behind in the HE (including several ADU programs, see page 33-41 from [the 4/10/23 Council meeting packet, and recording](#) including my questions that start around timestamp 48:00) as will be evident at the next annual review in April 2025.
7. Our Housing Element is the only HE in SMC to be decertified, evidence that our Town is already under scrutiny by HCD, and we are currently pursuing recertification.
8. Our HE has drawn both local and national media attention ([most recent example last week in the SF Standard](#)).

To be clear, **I too would 100% prefer an alternative location to Ford and will be the first to join what will be a chorus of gratitude from the community if an alternative is identified**, but given my experience with HCD's requirements and our robust and expensive efforts over the last 3+ years, I encourage a cost-effective, transparent and efficient approach toward realistic outcomes in the pursuit of an alternative by the new Ad Hoc Committee.

Thank you,
Sarah

Sarah Wernikoff
Portola Valley Town Council
swernikoff@portolavalley.net

DEVELOPING AND FINANCING AFFORDABLE HOUSING



Mission & Teams

Our Mission

Our mission is to end the housing affordability crisis and homelessness.

Our Approach

We leverage our expertise, experience, and creativity to solve complex, multi-disciplinary challenges and make positive lasting change in communities.

Housing Team



- Systems Change Leadership
- Policy Analysis & Planning
- Real Estate Technical Services

Homelessness Solutions Team



- Systems Change Leadership
- Homelessness Planning
- Homelessness Technical Services

AFFORDABLE HOUSING MODELS

Public Housing

LIHTC Affordable Housing

Limited Equity
Cooperative Housing

Cooperative Housing

Social Housing Ownership

Rental Social Housing

Density Bonus Law /
Inclusionary Zoning

Community Land Trust

Homeownership Programs

FORMS OF CAPITAL: DEBT VS. EQUITY



Debt

- Funding lent with specific conditions of repayment (timing, interest, etc.)
- Can be amortizing or interest only (bridge)
- Priority repayment means lower risk profile
- Lower risk typically means lower cost of funds



Equity

- Includes an ownership interest in the project
- Financial participation in success or failure of project
- Degree of control varies
- Financial return based on share of cash flow after debt
- Higher risk typically means higher cost of funds

FORMS OF CAPITAL: HARD DEBT



Market Rate	Affordable
<ul style="list-style-type: none">• Debt is sized on the project's net operating income• Construction loans are typically replaced on completion by "permanent" debt, often fixed-rate• Debt usually makes up roughly 70%-80% of the overall project capital	<ul style="list-style-type: none">• Debt is sized on the project's net operating income• Banks make loans based on restricted rents, plus any rent or operating subsidies• This is "must-pay" or "hard" debt, meaning that lender expects full repayment along with interest

FORMS OF CAPITAL: EQUITY



Market Rate

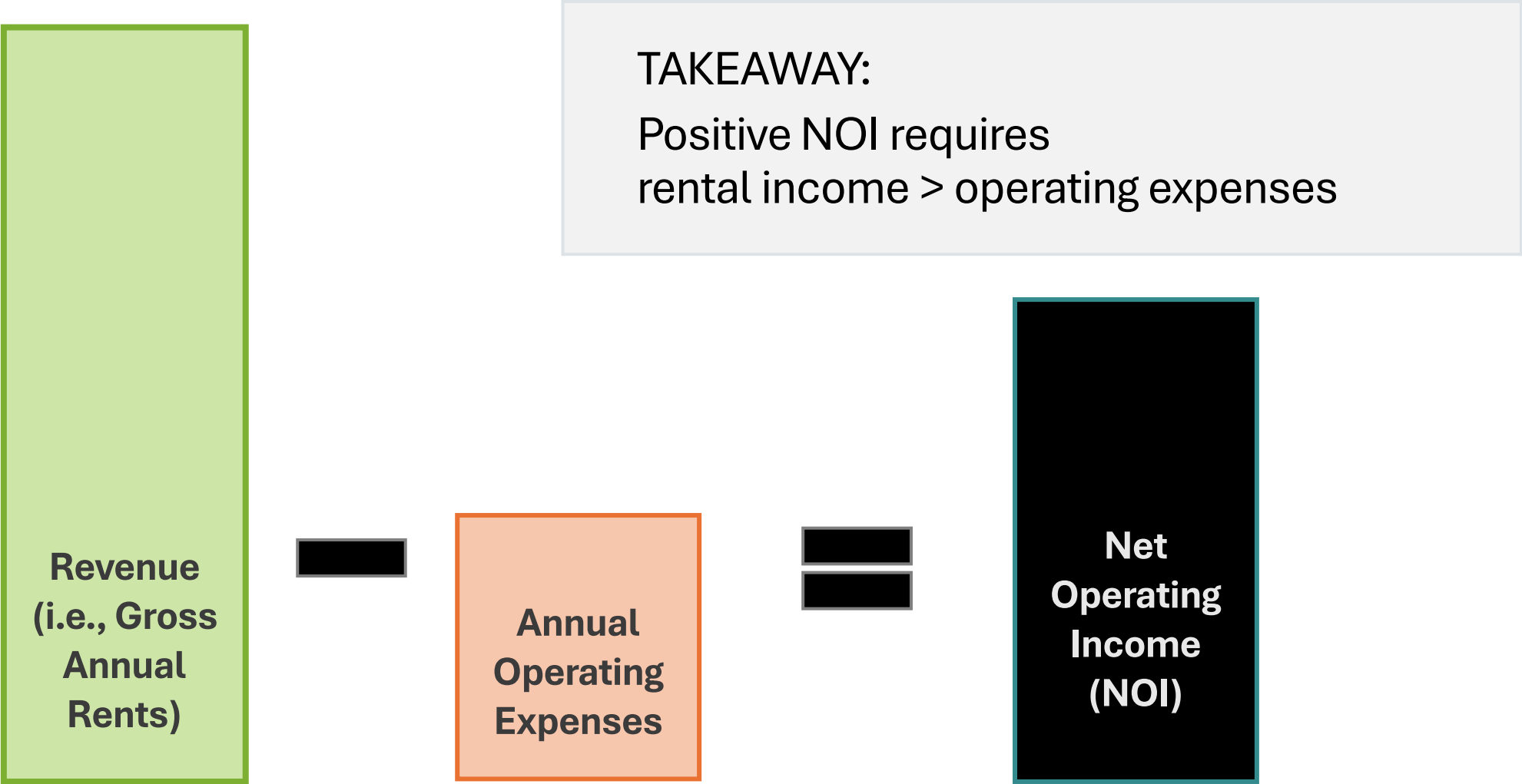
- Equity investors are paid by project cash flow, and by sale at exit
- Equity carries the most risk, and can be wiped out if the project fails to make enough to pay off loans
- However, equity investors also retain all the upside

Affordable

- Usually almost entirely comprised of Low-Income Housing Tax Credits (LIHTCs)
- Investors (banks) purchase the credits to reduce tax liabilities, not as a traditional real estate investment
- Tax credits are calculated on development costs

REAL ESTATE FINANCE FUNDAMENTALS (STEP 1 OF 2)

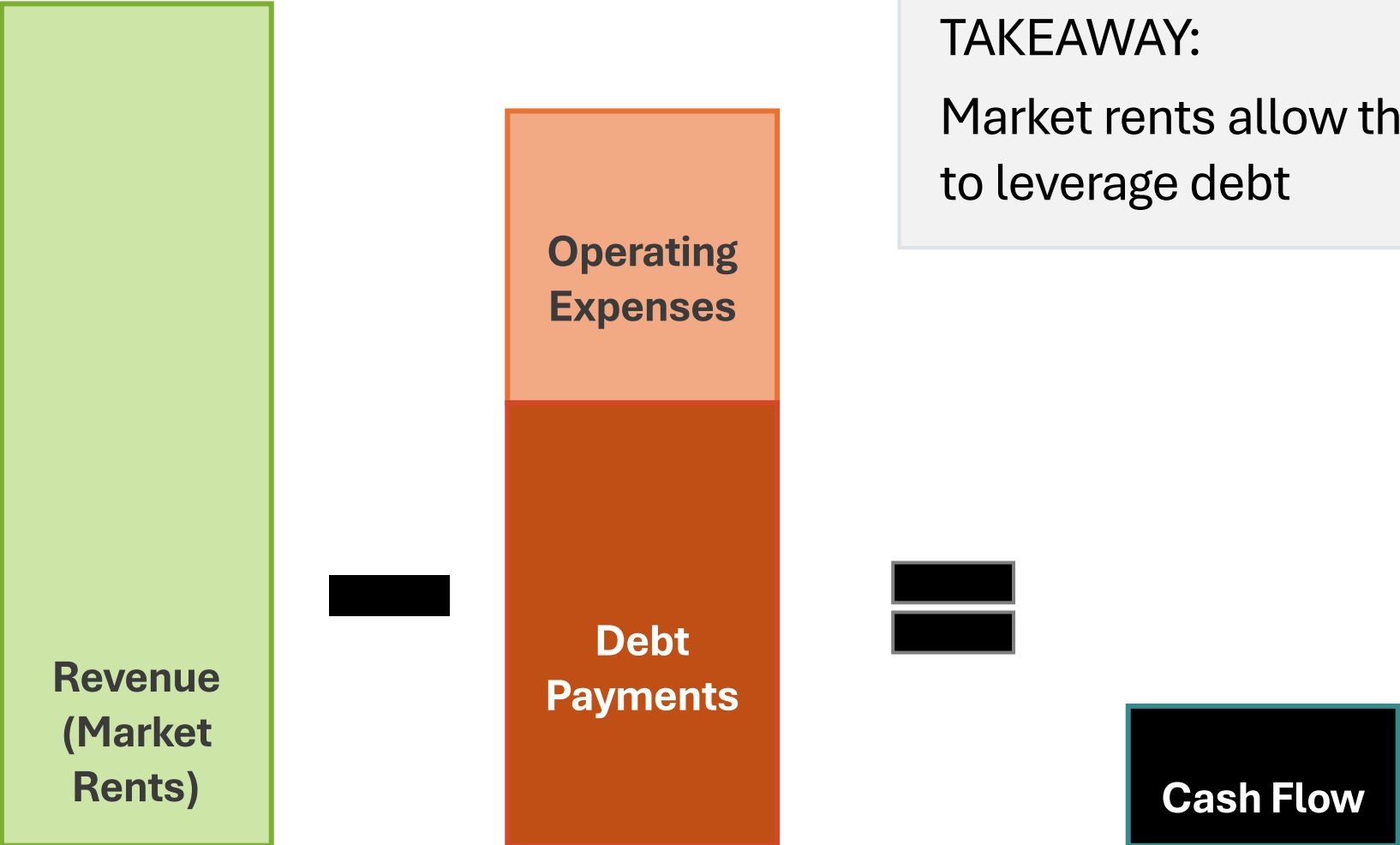
MAKING SURE IT PENCILS OUT



TAKEAWAY:
Positive NOI requires
rental income > operating expenses

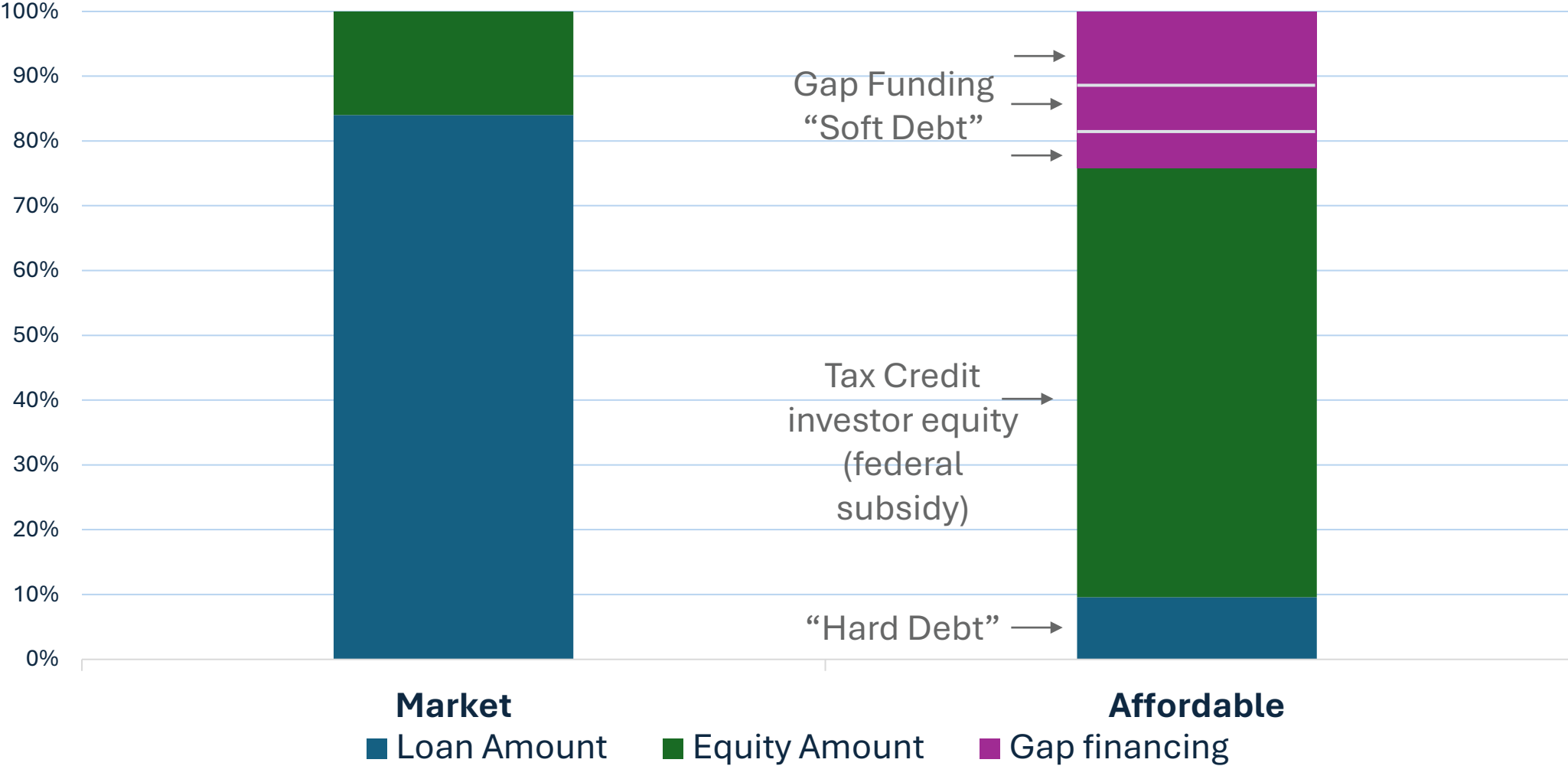
REAL ESTATE FINANCE FUNDAMENTALS (STEP 2 OF 2)

MAKING SURE IT PENCILS OUT



TAKEAWAY:
Market rents allow the project to leverage debt

MARKET-RATE VS. AFFORDABLE HOUSING FINANCING



PROFORMA FUNDAMENTALS

DEVELOPMENT SOURCES AND USES OF FUNDS

Sources

Sample Development

- Groundbreaking January 2021
- New Construction
- Large Family
- Resident Incomes 30%-60% AMI
- 96 Residential Units, 1 Building
 - 12 SRO/Studio Units, 21 One BR Units, 33 Two BR Units, 29 Three BR Units
 - 1 One BR Manager Unit
- On-Site Case Managers
- Adult Ed/Health & Wellness/Skills Classes
- **Total Cost Per Unit: \$543,860**

Funding Source	Amount
Commercial Bank	\$2,135,000
CA HCD – MHP	\$18,222,571
Local Housing Agency	\$7,000,000
County	\$7,000,000
Accrued Interest on Soft Debt	\$422,916
GP Contribution: Dev. Fee	\$1,177,288
Deferred Dev. Fee	\$1,500,000
Total Tax Credit Equity (4%)	\$14,752,814
Total Sources	\$52,210,589

PROFORMA FUNDAMENTALS

DEVELOPMENT SOURCES AND USES OF FUNDS

Development Costs “Uses”

Acquisition Costs

- Land costs

Hard Costs

- Contractor Price
- Contingency (5-10%)

Soft Costs

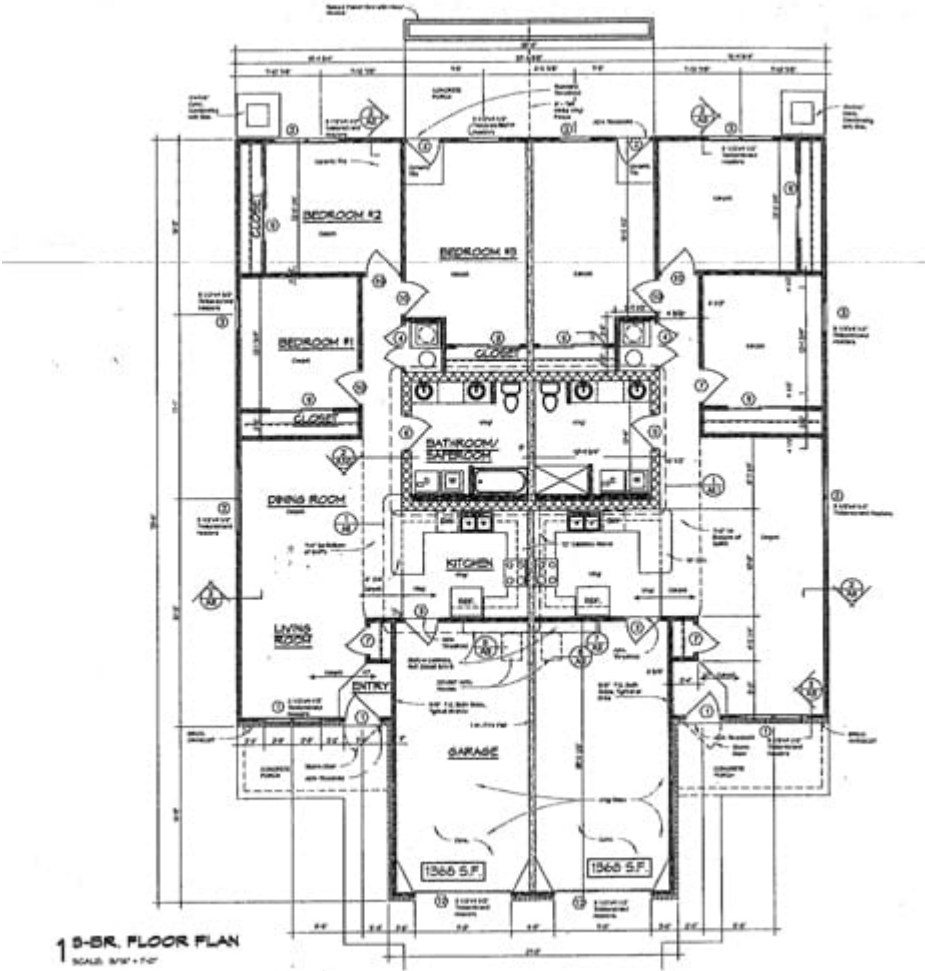
- Architect and Engineering
- Environmental Survey
- Appraisal
- Consultant Fees
- Survey
- Tax Exemption Filing Fee
- Title Insurance
- Mortgage Recording Tax
- Developer Fee
- Construction Loan Interest
- Marketing and Leasing

PROFORMA FUNDAMENTALS

DEVELOPMENT SOURCES AND USES OF FUNDS

Sample Development

Uses



Project Uses	Amount
Land/Acquisition	\$10,007,090
Relocation Costs	\$1,232,546
Construction	\$25,633,519
Architecture & Engineering	\$1,705,260
Loan Interest and Costs	\$3,729,053
Legal & Consulting	\$90,000
Reserves	\$285,474
Contingency	\$2,932,727
Other	\$1,917,732
Developer Profit	\$4,677,188
Total Project Cost	\$52,210,589

PROFORMA FUNDAMENTALS

OPERATING INCOME AND EXPENSES

Operating Expenses

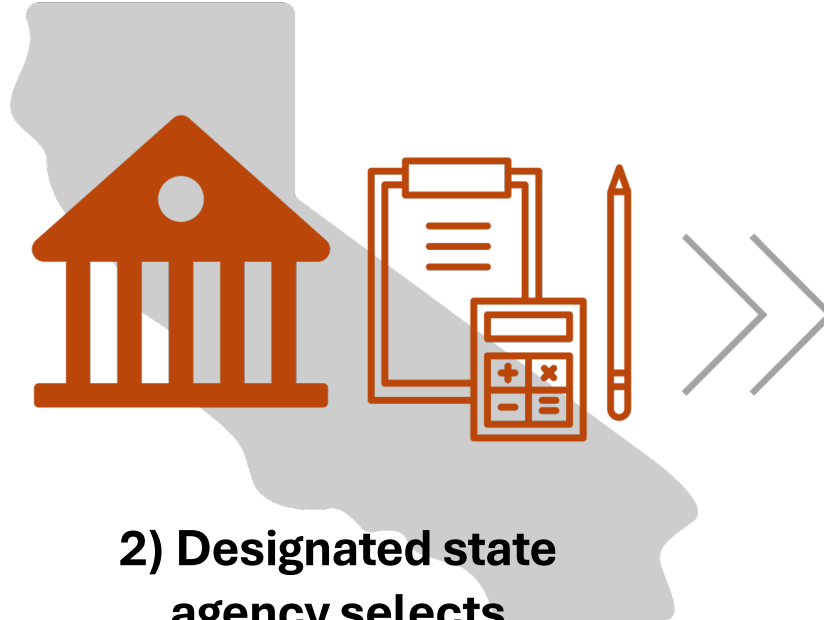
Income & Expenses	
Annual Rental Income	\$903,131
Annual Rental Subsidy	\$78,318
Laundry Facility Income	\$9,216
Potential Gross Income	\$990,204
Total Expenses and Reserves	-\$659,875
Net Operating Income	\$330,329

- Real Estate Taxes
- Insurance
- Payroll
- Elevator Maintenance
- Water and Sewer
- Cleaning/Extermination/ Supplies
- Heating Utilities
- Repairs and Replacements
- Painting
- Legal and Accounting
- Management Fee

Low-Income Housing Tax Credit (LIHTC)



1) IRS allocates LIHTCs to each state based on its population.



2) Designated state agency selects housing projects based on its Qualified Allocation Plan.



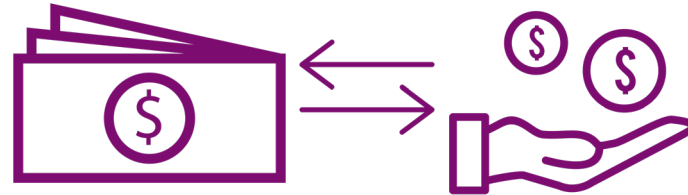
3) Developers submit proposals to state agency for LIHTCs.

Source: Adapted from [Wilson Center](#)

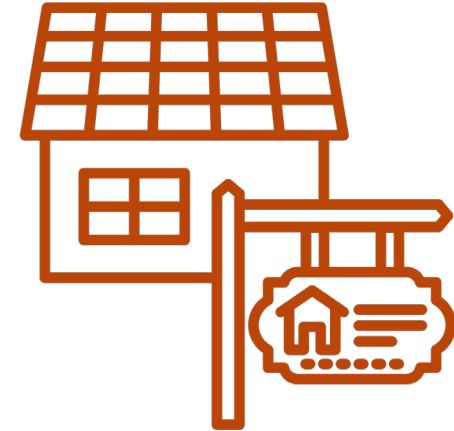
Low-Income Housing Tax Credit (LIHTC)



4) Developers receive allocations of tax credits for the project.



5) Developers (sometimes through intermediaries) sell tax credits to investors.



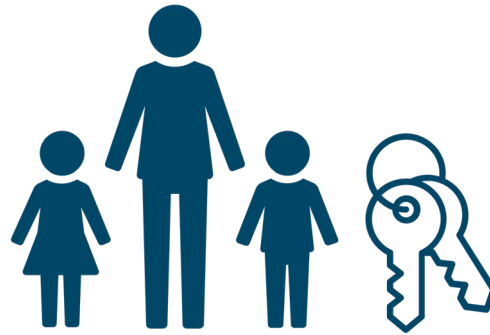
6) Developers use the equity from selling tax credits to build housing that will stay affordable for 55 years.

Source: Adapted from [Wilson Center](#)

Low-Income Housing Tax Credit (LIHTC)



7) In addition to LIHTC program, developers typically compete for subsidies to reduce costs.



8) Tenants of LIHTC properties can also receive subsidies, such as Housing Vouchers, to further reduce housing costs.



9) Investors take tax credits and other benefits to reduce liability on corporate tax returns for 10 years.

Source: Adapted from [Wilson Center](#)

9% TAX CREDITS VS. 4% TAX CREDITS

9% Credits

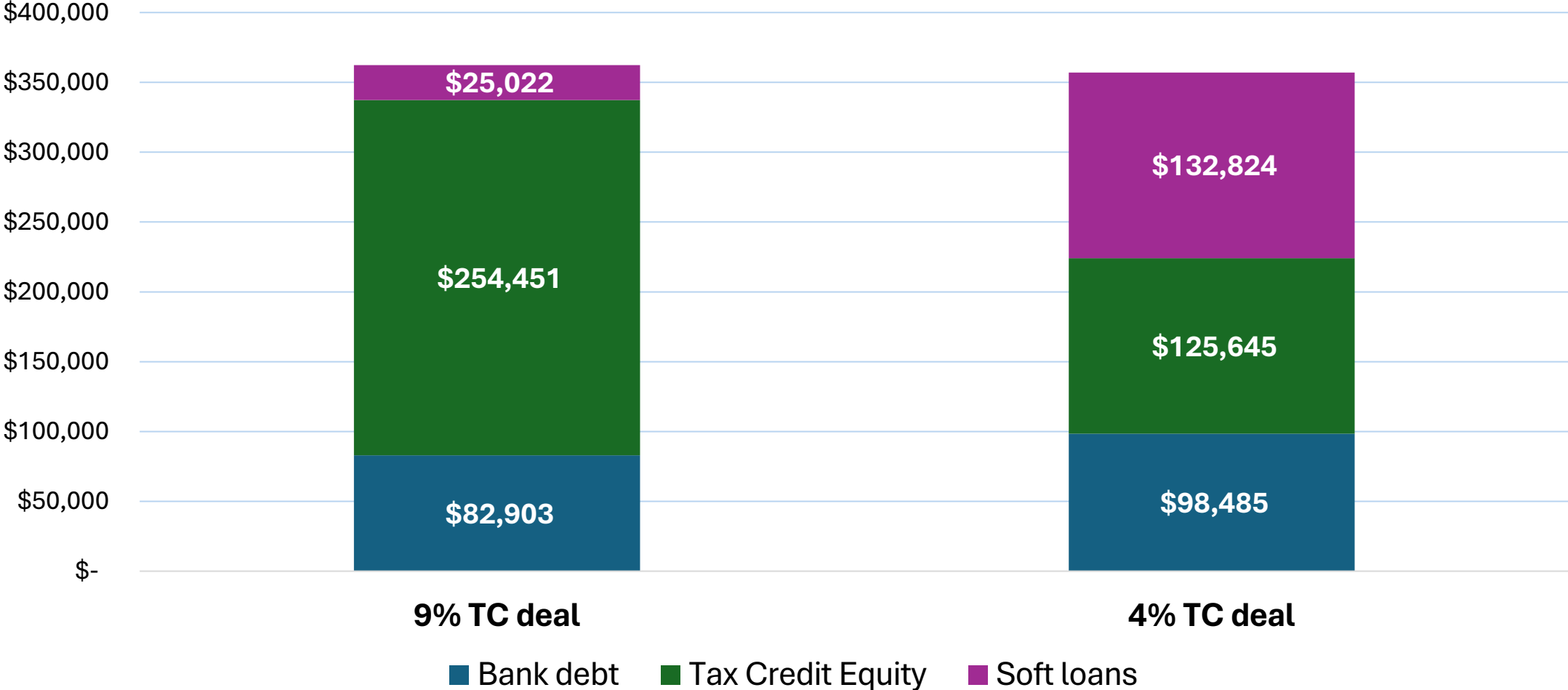
- Developers apply to CTCAC (“TCAC”) for 9% credit allocation for each project.
- Can combine with taxable loans
- Offers more equity
- “Sellable” credit capped at \$2.5 million per year
- Can require more restrictions
- Difficult to combine with other funds, less often necessary

4% Credits

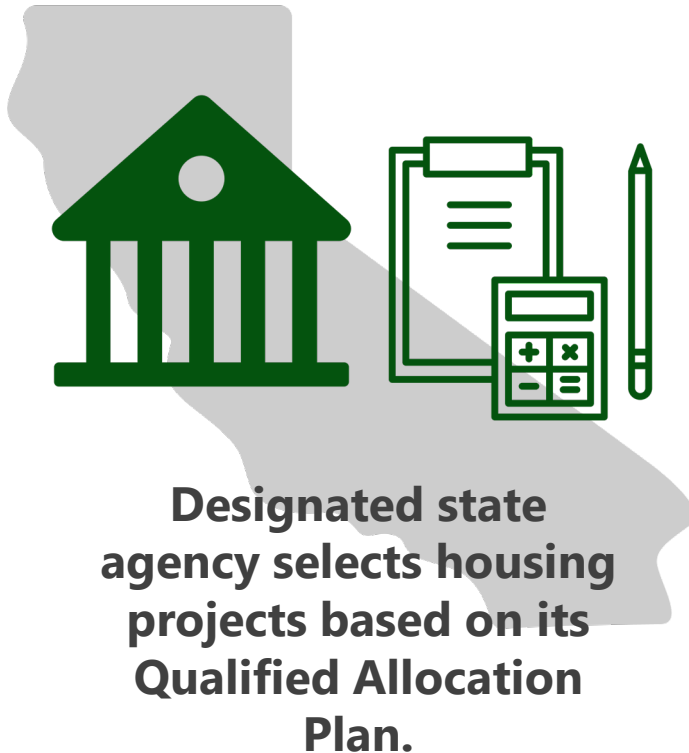
- Developers apply to CDLAC for bond allocation for each project, 4% tax credits given to projects that get bonds.
- Bonds are used to make tax-exempt loan
- Offers less equity per dollar
- Adjustable basis limit
- Less restrictive
- Typically combined with other competitive funds, often necessary

9% CREDITS PROVIDE MUCH OF THE NEEDED FUNDING

4% CREDITS REQUIRE MORE “GAP” FUNDING SUBSIDIES



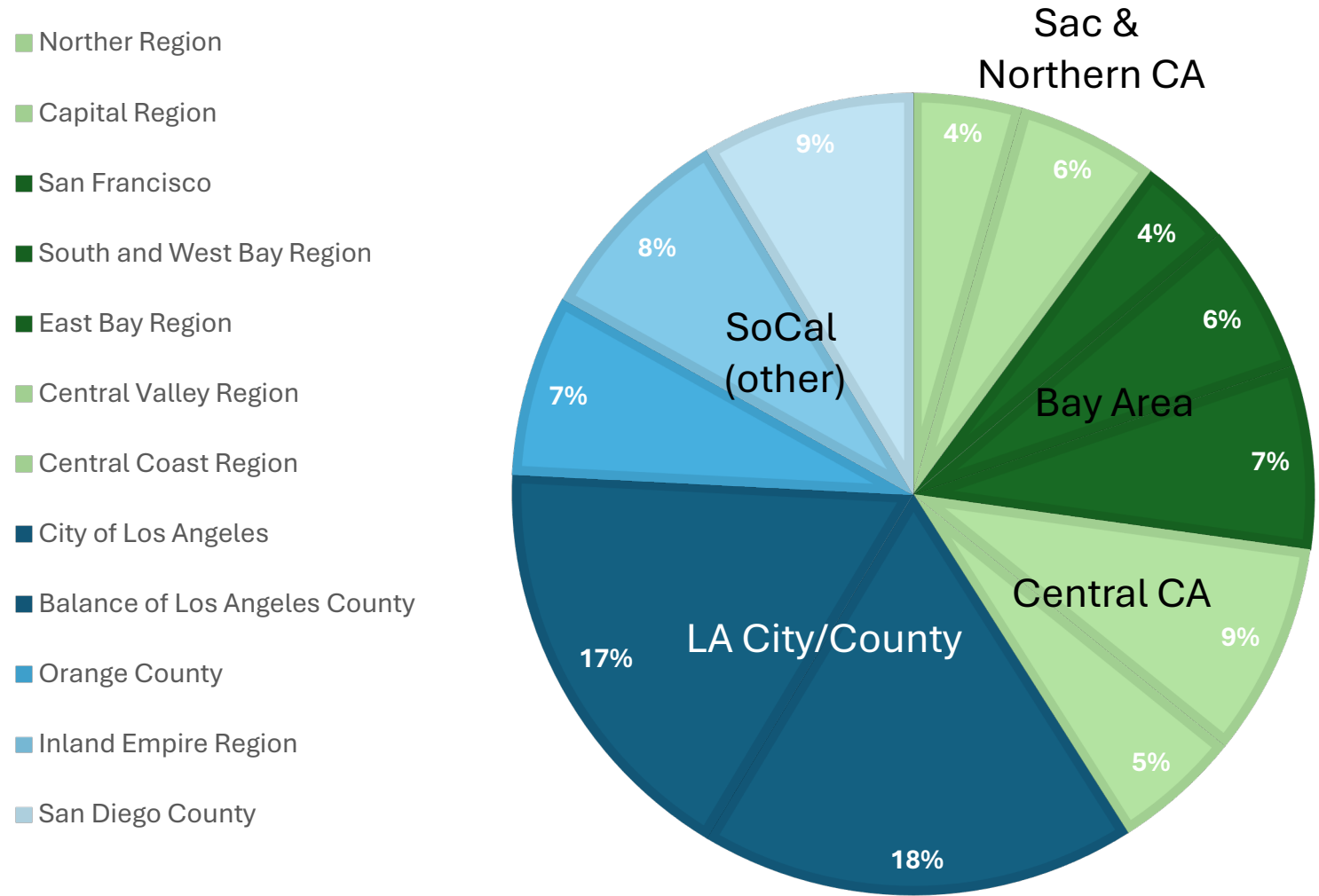
LOW-INCOME HOUSING TAX CREDIT (LIHTC) QUALIFIED ALLOCATION PLAN (QAP)



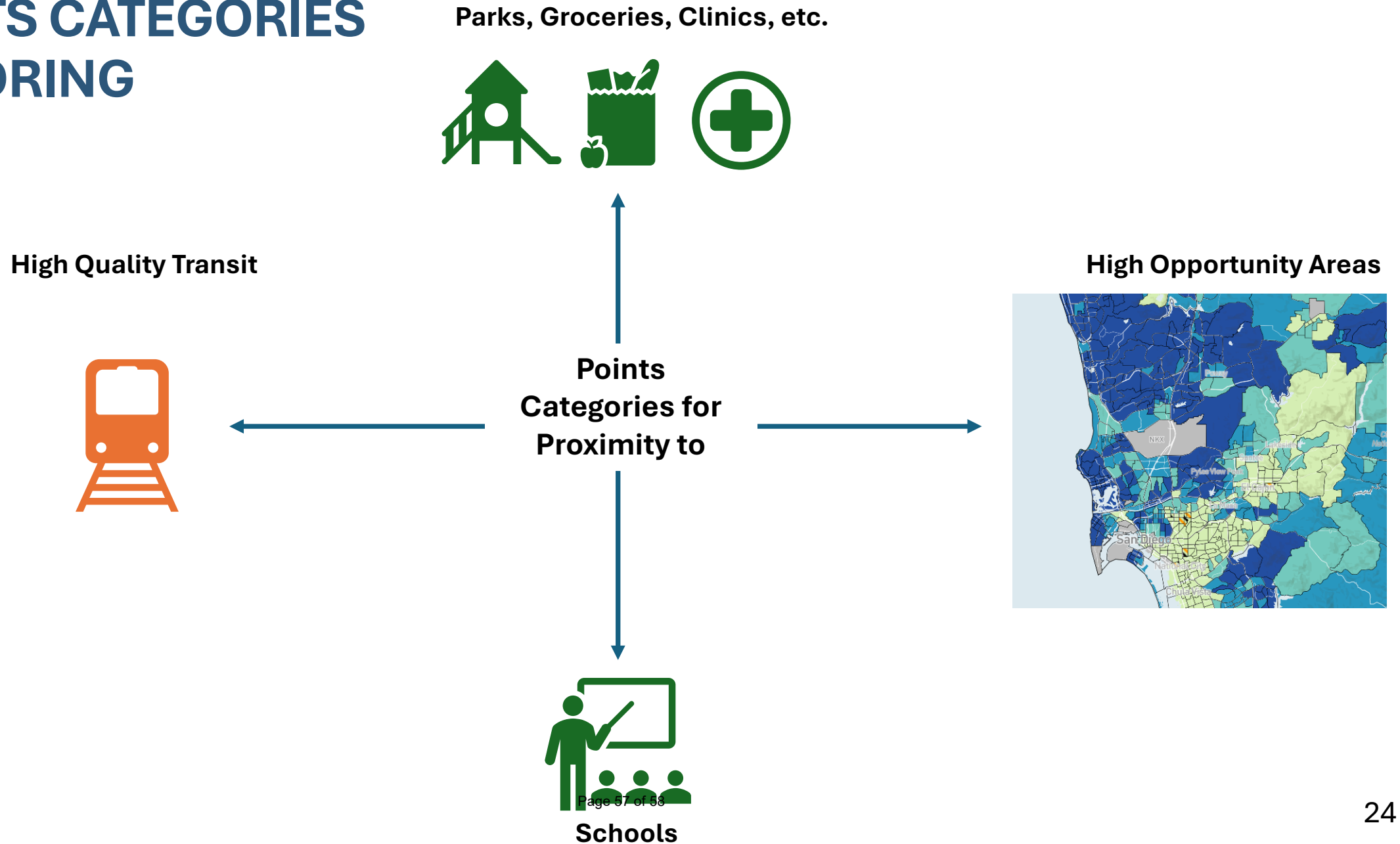
California QAP Priorities

- Specified max. percentage for different housing types (large family, special needs, single room occupancy, at-risk, seniors, acquisition/rehab)
- Geographic apportionment of federal and state credits after set asides
- 10% set-aside for nonprofit developers
- 20% set-aside for projects in rural areas
- 5% set aside for projects at risk of losing affordability
- 4% set aside for special needs groups who typically have difficulty accessing housing

DETERMINE GEOGRAPHIC APPORTIONMENT



POINTS CATEGORIES & SCORING



DIRECT PUBLIC SUBSIDIES / GAP FINANCING

Federal Soft Financing Sources



State Soft Financing Sources



Multifamily Housing
Program (MHP)



Infill Infrastructure Grant
(IIG) Program




Veterans Housing and
Homelessness
Prevention (VHHP)
Program




Joe Serna, Jr. Farmworker
Housing Grant (FWHG)
Program

Local Soft Financing Sources



Cap and Trade
Dollars at Work
INVESTMENTS



Affordable Housing &
Sustainable Communities
Program