

**CITY OF DAVIS**  
**2004-2005 COMMUNITY DEVELOPMENT BLOCK GRANT APPLICATION**

**Organization Name:** Community Housing Opportunities Corporation

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(Be sure to list the best contact to get information to the organization as quickly as possible.)

**Total Proposal Request:** \$ 42,236

(Check one) \_\_\_ On-going Support  New Project

**CDBG Eligible Category:** Housing/Special Activities by Sub-recipients  
(See List A)

**National Objective Compliance/Low and Mod Benefit:** Housing  
(See List B)

**City Council Identified Critical Needs:** (See List C)

- 1) Development of Affordable Units

PUBLIC SERVICE \_\_\_

NON-PUBLIC SERVICE

**Beneficiary Information:**

450 Total number of beneficiaries in program (10 households/ 4 – 5 persons each)

450 Total number of beneficiaries in program served with CDBG funds

100% Percentage of the CDBG beneficiaries with low/moderate income

\$93.85 Cost per CDBG beneficiary (CDBG Request/CDBG Beneficiaries)

## PROJECT NARRATIVE

a. **Need**

Average home prices in Davis have now reached \$498,000. The dwindling inventory of inclusionary single family lots that are zoned but not built is hovering around 250 – 95% of which will be affordable at 120% of median income (\$65,640 for a 4-person household). That leaves a significant gap in the City’s spectrum of housing options for low and moderate-income households. The City’s housing element has set as policy goals the development of “appropriate mechanisms to assure recapture of ... subsidies and... appreciated value upon resale, or refinance, or termination of affordability restrictions” and that inclusionary for-sale “housing and the land on which it is located shall be subject to easements or deed restrictions” to meet those long-term affordability and recapture objectives. Over the past year the limited equity coop model has been implemented but it is a form of housing that by definition offers a narrow range of ownership.

b. **Benefit** - **Affordable Ownership Opportunities** - Average Davis rents for a 3-bedroom rental are \$1,548 a month which is affordable to a 4-person family at 110% of median income. Development of a community land trust project will offer an alternative homeownership model that is affordable to families below median income.

c. **Other Resources and Collaboration** - The development of a community land trust (“CLT”) will involve the creation of a governing board with broad community representation. Beneficiary members (CLT homeowners) will participate on the Board. Their representation will be in a minority role to ensure against self-interested decision-making.

d. **Organizational Capacity** - Since its establishment in 1984, CHOC has developed housing projects totaling more than 1,100 multi-family units and 74 single-family homes in Davis, Sacramento, Woodland, West Sacramento and Fairfield. CHOC has a core staff of 15 plus 38 full-time and part-time site-based property management, maintenance and resident services employees at our multi-family properties. CHOC’s property management affiliate, Sterling Asset Management Company (“SAMC”) is a HUD-approved, licensed California real estate broker that serves exclusively as a property management agent.

## SCOPE OF SERVICES

### **Project Descriptions**

**Affordable Ownership Opportunities** – With a goal of creating new models of providing and sustaining affordable home ownership, the City is addressing a challenge that high cost housing markets across the State are facing. Land trusts have been used on a small scale in California and more widely in other States, notably Oregon and Massachusetts. With the adoption by Fannie Mae of standard underwriting criteria for homeownership on community land trusts, opportunities for affordable mortgage financing for CLT homebuyers have become readily available. CHOC proposes to establish a Davis CLT organization and begin development of a specific project on a Davis land dedication consistent with the recommendations in our 2003-2004 CDBG CLT project proposal.

### **b. Target Group**

<b>PROJECT/ACTIVITY</b>	<b># HOUSEHOLDS</b>	<b>INCOME LEVEL</b>
Home ownership	10	80%
Total	10	

### **c. Outreach**

- Home Ownership – CHOC will establish a community land trust with recruitment of a Board of Directors with broad community representation. CHOC will seek out representation from the neighborhood proximate to our proposed development project, membership including prospective CLT homebuyers and community members with an understanding of affordable housing issues.

**2004-05 CDBG  
WORK PLAN**

<b>PROJECT</b>	<b>PRODUCT</b>	<b>UNITS/ BENEFICIARIES</b>	<b>SCOPE OF SERVICE: JULY 04 – JUNE 05</b>
LAND TRUST	Low-income home ownership	10	Initiate development of a community land trust homeownership project