



## PROJECT NARRATIVE

### **a. Need**

The consumers YCCC serves—individuals disabled by serious mental illness—have limited resources and restricted opportunities to earn. Most must survive on poverty-level incomes, and housing is always the biggest expense in their personal budgets. Seriously mentally ill adults who do not have affordable housing and suitable support services are at increased risk of homelessness, transience, substance abuse and despair, resulting in increased hospitalizations, arrests, and attempts of suicide.

Yolo Community Care Continuum serves fifty-five Davis residents, most of these live in fair-market rental housing and are subject to rent increases which they may not be able to afford. In many cases, a 5% rent increase may mean the difference between being housed and being homeless.

A housing committee, appointed by the Yolo County Board of Supervisors, spent several months interviewing clients and reviewing data. The report recommended developing no less than 20 units of affordable housing for people with a mental illness each year for the next ten years; and concluded that even with these additional housing units the need will continue to exceed capacity. Developing the Homestead project will help address the need for affordable housing for individuals with a mental illness.

### **b. Benefit**

Twenty very-low income individuals with a serious mental illness will be housed in affordable units. This will provide them with housing stability and, as demonstrated in YCCC's outcomes data, will improve mental health stability.

### **c. Other Resources and Collaboration**

YCCC and CHOC will apply for an award of Multi-family Housing Program Supportive Housing funds from the State for additional permanent financing. CHOC and YCCC will jointly own Homestead. CHOC's affiliate, Sterling Asset Management Company, will provide property management services. YCCC will be the supportive service provider.

### **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, Winters, West Sacramento and Fairfield. CHOC has a core staff of 17 plus 38 full-time and part-time site-based property management, maintenance and resident services employees at our multi-family properties. Sterling Asset Management Company, CHOC's affiliate, is a HUD-approved property management agent. SAMC manages more than 1,100 multi-family units.

YCCC was incorporated in 1979 to provide an array of services aimed at assisting individuals with a severe mental illness to remain in the community. YCCC has contracted with Yolo County Mental Health for over 25 years to provide services.

This is the second housing collaboration between CHOC and YCCC. We are also co-sponsors and owners of a newly constructed 15-unit permanent housing development in Woodland.

## SCOPE OF SERVICES

### **a. Project Description** (Activity Summary: Describe the activities of the proposed budget)

YCCC and CHOC have negotiated purchase terms to acquire the Homestead Coop property from Solar Community Housing Association and preserve it as 15 units of affordable rental housing. The property is configured with a group of 5 buildings each of which has shared kitchen and living areas. This shared housing plan is an ideal living environment for supportive housing and will provide much needed permanent housing for the client base that YCCC serves – very low income adults with chronic mental illnesses.

SCHA has owned and operated Homestead since 1997. The project, developed on a City land dedication, was originally funded with City Housing Trust Fund and State HOME loans as well as a conventional bank mortgage. As such it is subject to permanent affordability covenants. Over the years the property has experienced high vacancy rates making it difficult for SCHA to generate sufficient rental income to cover all of the routine operating and maintenance costs. In addition, one of the major systems - an innovative heating and cooling system – has required costly maintenance and repairs. It has now been partially abandoned and requires replacement.

Although operating the property has been challenging for SCHA, CHOC and YCCC will be able to bring resources to make physical improvements to the property that are not available to SCHA and offer housing to a resident population that will be able to maximize the benefits of this affordable housing project. CHOC and YCCC will renovate the property to correct deferred repairs, replace the heating and cooling system and modify the existing roofing system.

Our CDBG funding request is for acquisition assistance and consultant “soft” costs. Rehabilitation expense, additional consultant costs and relocation assistance will be applied for separately. CHOC and YCCC will also apply for MHP Supportive Housing funds as a source of permanent financing which will allow us to pay off the existing bank loan and operate the property with minimal debt service. By assuming the ownership and management of Homestead Coop, CHOC and YCCC will be able to improve and preserve this affordable housing project and provide housing for chronically mentally-ill adults.

### **b. Target Group**

The population served will be Davis residents with a severe and persistent mental illness such as schizophrenia and manic depression. Individuals served qualify as very-low income under federal guidelines. Often the mental illness is compounded by other health problems, substance abuse, and poverty.

Potential residents will be interviewed by Sterling Asset Management Company to ensure that applicants meet all regulatory income guidelines.

### **c. Outreach**

Outreach will include:

- Informing the mental health community of the availability of a new affordable housing opportunity.
- Providing service coordination for residents with Yolo County Mental Health.

- Providing payee, case management, and socialization support at the Davis Regional Resource Center as necessary for each resident.
- Providing as needed on-site support to residents. This support is provided no less than weekly.

### PERFORMANCE SCHEDULE

**Work Plan** (Identify activities and completion dates)

<u>List Activity</u>	<u>Completion Date</u>
Apply for funds from MHP	July 2005
Complete acquisition of Homestead	September 2005
Begin rehabilitation of Homestead units	September 2005
Begin advertising for residents	September 2005
Start application and interview process for applicants	October 2005
Complete rehabilitation of Homestead units	December 2005
Begin move-in of residents	January 2006

### PERFORMANCE MEASUREMENTS

<b>ACTIVITY</b> (What the program does to fulfill its mission)	<b>INDICATOR</b> (The direct products of program activities)  Service #s	<b>OUTCOME</b> (Benefits that result from the program)
<b>Acquisition of Real Property for very low income mentally disabled residents and low-income households</b>	<b>15 units, of which 10 are for mentally disabled residents</b>	<b>(1) Preservation of existing affordable housing in Davis; (2) Affordable housing units for mentally disabled residents, and; (3) Affordable housing units for very-low income residents</b>

**CITY OF DAVIS  
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**

***CAPITAL PROJECT BUDGET SUMMARY\****  
**For Homestead: Please see attached**  
**Construction Sources & Uses**

<b>Budget Category</b>	<b>Proposed Budget</b>	<b>Other Sources</b>	<b>Total</b>
<b>Project Development</b> Wages and Salaries Fringe Benefits Materials Other Costs			
<b>Land Acquisition</b>			
<b>Design</b> Consulting Fees Materials Other Costs			
<b>Final Development</b> Wages and Salaries Fringe Benefits Materials Soft Costs Carrying Costs Fees Permits Other Costs			
<b>Renovation or Construction</b> Electrical Plumbing Heating Interior Rehabilitation Exterior Rehabilitation Grounds Improvements Framing Rough Finish			
<b>Maintenance</b> Grounds Other Maintenance			
<b>TOTAL PROJECT BUDGET</b>			

**\* Please revise this form and annotate budget items as needed**

Construction Sources and Uses		\$	\$	(0)	\$	-	\$	-	\$	-	\$	(564,576)	\$	(68,243)	\$	(0)	
10.24.02		\$	27,472	\$	349,917	\$	45,000	\$	900,601	\$	-	\$	564,576	\$	68,243	\$	1,955,810
HOMESTEAD: 15-UNITS		\$	27,472	\$	349,917	\$	45,000	\$	900,601	\$	-	\$	-	\$	-	\$	1,955,809
	Total	Housing Trust Fund	CDBG	AHP	State HOME	1st Mortgage	City of Davis/ HOME/Bridge Loan	Deferred Until Permanent/MHP	Total								
<b>1. Site Acquisition</b>	\$ 1,308,750	\$ 27,472	\$ 265,677	\$ 45,000	\$ 900,601	\$ -	\$ 70,000	\$ -	\$ 1,308,750								
<b>2. Off-Site Improvements</b>	\$ -							\$ -	\$ -								
<b>3. Site Improvements/Landscape</b>	\$ -							\$ -	\$ -								
<b>4. Unit Construction</b>	\$ 311,844	\$ -					\$ 311,844	\$ -	\$ 311,844								
<b>5. Contractor Overhead:</b>																	
a. General Conditions	\$ -							\$ -	\$ -								
b. Overhead and Profit	\$ -							\$ -	\$ -								
c. Insurance (included in General Requirements)	\$ -							\$ -	\$ -								
d. Bond Premium	\$ -							\$ -	\$ -								
e. Contractor's Cost Certification	\$ -							\$ -	\$ -								
f. Contingency (15%)	\$ 46,777						\$ 46,777	\$ -	\$ 46,777								
<b>SUBTOTAL (#5: a. thru c.)</b>	\$ 46,777	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,777	\$ -	\$ 46,777								
<b>TOTAL Hard Const. Costs (#2 thru #5)</b>	\$ 358,621	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 358,621	\$ -	\$ 358,621								
<b>6. Construction Fees</b>																	
a. Architect/Engineer (Mogavero's Contract)	\$ 14,250		\$ 14,250					\$ -	\$ 14,250								
b. FEMA Flood LOMR, FLOMR, CLOMR	\$ -							\$ -	\$ -								
c. Construction Survey	\$ -							\$ -	\$ -								
d. Land Survey	\$ -							\$ -	\$ -								
e. Bond Premium	\$ -							\$ -	\$ -								
f. Construction Supervision	\$ -							\$ -	\$ -								
g. Planning Department Fees	\$ -							\$ -	\$ -								
h. County Environmental Planning/Building Fees	\$ -							\$ -	\$ -								
i. Building Permits & County Facility Fees	\$ 9,355						\$ 9,355	\$ -	\$ 9,355								
j. City Public Works & Development Fees	\$ -							\$ -	\$ -								
k. School Impact Fees	\$ -							\$ -	\$ -								
l. Environmental Assessment	\$ 9,000						\$ 9,000	\$ -	\$ 9,000								
k. Soils Assessments	\$ -							\$ -	\$ -								
l. Storm Water Pollution Prevention Plan (SWPPP)	\$ -							\$ -	\$ -								
m. Utility Hook-Ups and Coordination	\$ -							\$ -	\$ -								
<b>SUBTOTAL (# 6 : a. thru j.)</b>	\$ 32,605	\$ -	\$ 14,250	\$ -	\$ -	\$ -	\$ 18,355	\$ -	\$ 32,605								
<b>7. General Development Costs</b>																	
a. Construction Loan Fee (XX%)	\$ -							\$ -	\$ -								
b. HOME Construction Interest (2 years)	\$ -							\$ -	\$ -								
c. HUD Minimum Capital Investment	\$ -							\$ -	\$ -								
d. AHP Fee (Bank Processing Fee)	\$ -							\$ -	\$ -								
e. MHP Capitalized Operating Reserves	\$ 23,333		\$ 23,333					\$ -	\$ 23,333								
f. Real Estate Taxes	\$ 2,400		\$ 2,400					\$ -	\$ 2,400								
g. Insurance	\$ -							\$ -	\$ -								
h. Permanent Loan Fee/Rate Lock	\$ -							\$ -	\$ -								
i. Appraisals	\$ 5,000		\$ 5,000					\$ -	\$ 5,000								
j. Attorney	\$ 10,000		\$ 10,000					\$ -	\$ 10,000								
k. Predevelopment Interest/Fees	\$ -							\$ -	\$ -								
l. Title and Escrow (Construction Closing)	\$ 4,000		\$ 4,000					\$ -	\$ 4,000								
m. Relocation	\$ 117,600						\$ 117,600	\$ -	\$ 117,600								
n. Consultant	\$ -							\$ -	\$ -								
o. Furnishings - Office	\$ -							\$ -	\$ -								
p. Furnishings - Bedrooms	\$ -							\$ -	\$ -								
q. Marketing	\$ -							\$ -	\$ -								
r. Replacement Reserve	\$ 22,500		\$ 22,500					\$ -	\$ 22,500								
s. Audit	\$ 6,000		\$ 2,757					\$ 3,243	\$ 6,000								
t. Other Soft Cost Contingency	\$ 5,000							\$ 5,000	\$ 5,000								
<b>SUBTOTAL (# 7 : a. thru u.)</b>	\$ 195,833	\$ -	\$ 69,990	\$ -	\$ -	\$ -	\$ 117,600	\$ 8,243	\$ 195,833								
<b>Development Costs (# 1 thru #7)</b>	\$ 1,895,809	\$ 27,472	\$ 349,917	\$ 45,000	\$ 900,601	\$ -	\$ 564,576	\$ 8,243	\$ 1,895,809								
<b>8. Developer Services</b>	\$ 60,000	\$ -	\$ -		\$ -	\$ -	\$ -	\$ 60,000	\$ 60,000								
<b>Grand Total (#1 thru #8)</b>	\$ 1,955,809	\$ 27,472	\$ 349,917	\$ 45,000	\$ 900,601	\$ -	\$ 564,576	\$ 68,243	\$ 1,955,810								

Per Unit Costs \$ 130,387