



## Yolo Mutual Housing Association

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### **2006 – 2007 CDBG/HOME APPLICANT QUESTIONS AND RESPONSES**

Name of Organization: **Yolo Mutual Housing Association**  
Project Title: **Owendale Community Room & YMHA Office Construction**

***1. Describe in detail why you are requesting 100% funding from the City of Davis CDBG and nothing from any other source.***

This is a very understandable critique of our proposal.

Approximately a year ago YMHA submitted a letter to the City Manager expressing our interest in development on a small parcel of land dedicated for the purpose of affordable housing that is directly adjacent to Owendale, the 45-unit community described in the proposal. While we never received a response from the City Manager, discussions with city staff revealed that projections for the availability of city development funds would be extremely limited for several years.

The parcel sought is a small, irregular shaped lot envisioned to be large enough for 16 to 20 units of affordable housing. The number of units depends on unit size and a good deal of architectural creativity with regard to density. In order to maximize the number of units constructed, YMHA planned to partner with the existing development so that the Owendale Community room would be enlarged to accommodate a larger number of residents, and to allow residents at the new development to utilize amenities such as the swimming pool at Owendale.

Over a period of numerous months YMHA engaged in exploring strategies for development on the site without the use of any type of city funding. Given financial cutbacks in virtually every affordable housing funding source, YMHA was unable to discern that it was possible to develop on the site under the conditions outlined. Additional discussions with city staff confirmed financial constraints for new affordable housing developments continued.

Given these and other circumstances YMHA proposed this construction project as a way to begin progress on the planned development by completing a small portion—the community room expansion and construction of on-site offices for YMHA. These projects would lower the building costs for the planned affordable housing development, reduce operating costs for YMHA, and prepare YMHA for maximum oversight of the planned housing construction. By the time this was identified as a possibility there was insufficient time to identify additional sources of funding.

YMHA believes the proposal for the community room expansion/office addition is a good investment because it would allow the full .75 acres of dedication property to be devoted to the building of affordable housing units. If the project is appealing to the Commission, YMHA would invite a matching provision as a condition for funding of this project.

**2. *What circumstances prevent YMHA from reducing costs by operating at the current administration level? Why does the relocation of the Owendale Community cost over \$300,000?***

The YMHA Finance Committee has been exploring strategies of revenue enhancement as well as cost cutting strategies. One cost cutting strategy identified is locating the YMHA offices to the Owendale site. This would cut rental costs associated with our downtown office and integrate the office with a resident community.

Owendale is the only property that would permit an on-site administrative office. Each of our other properties includes tax credit financing and limited partnerships that include regulations that effectively disallow an arrangement.

The funds identified are primarily construction costs. None of the costs are associated with relocation. The amount quoted is based on professional cost estimates. We were surprised by the high cost, but given the comparables cited it appears to be a reasonable cost estimate.

**3. *Is this proposal for the purchase of real estate? If not, why is your RFP in an amount three times the annual operating budget?***

The proposal is to support construction costs on property that YMHA currently owns. Specifically the project includes expanding the community room at Owendale, a 45 unit community, and adding administrative offices for YMHA. Construction costs are unfortunately expensive. Fortunately YMHA is able to operate on a much smaller budget.