



DATE: June 16, 2021

TO: Honorable Mayor and City Council Members and
Chairperson and Members of the Community Development Commission

FROM: Neighborhood Services Department

SUBJECT: **COMMITMENT OF \$3,500,000 IN INCLUSIONARY HOUSING IN-LIEU FEES AND SECTION 8 PROJECT-BASED HOUSING CHOICE VOUCHERS TO NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA AND SAN DIEGO COMMUNITY HOUSING CORPORATION FOR AN AFFORDABLE HOUSING DEVELOPMENT**

SYNOPSIS

Staff recommends that the City Council commit \$3,500,000 in Inclusionary Housing In-Lieu Funds and that the Community Development Commission commit 59 Project-Based Section 8 Housing Choice Vouchers to National Community Renaissance of California (NCRC) and San Diego Community Housing Corporation (SDCHC) for an affordable housing development located on the west side of Greenbrier Drive, between Apple Street and Oceanside Boulevard, for homeless individuals and extremely low-income persons in response to the City's call for proposals and Notice of Funding Availability (NOFA); authorize staff to enter into an Exclusive Negotiating Agreement upon receipt of all supporting documents and issue a letter of conditional approval; and authorize the City Manager to execute the agreement.

BACKGROUND

On September 9, 2020, staff presented a Housing Strategy to the City Council. The City Council directed staff to issue a Notice of Funding Availability (NOFA) for local, state, and federal housing funding sources and to prioritize proposals that assist persons experiencing homelessness, and extremely low-income individuals and families (defined as incomes at or below 30 percent of county median income based on household size). A NOFA is a method to allow for all entities interested in utilizing government funds to submit proposals and compete for the funding.

On March 1, 2021, staff issued a NOFA requesting proposals for sheltering for persons experiencing homelessness and affordable housing development for extremely low-income individuals and families. A variety of funding sources were included in the NOFA including Project-Based Vouchers, HOME Investment Partnership Program, Permanent Local Housing Allocation, Low-Mod Successor Agency Funds, and Inclusionary Housing Funds.

The two proposals submitted by the April 16, 2021, deadline were from Red Point Homes, Inc. and the partnership of NCRC and SDCHC (NCRC/SDCHC). NCRC/SDCHC requested \$3.5 million in Inclusionary Housing In-Lieu funds and 59 Project-Based Housing Choice Vouchers (PBV). Red Point Homes, Inc. requested 8 PBV for its Sandpiper Villa project (previously known as Viri Estates). Staff will bring forward a recommendation about this project to the Housing Commission and the Community Development Commission at a later date.

ANALYSIS

NCRC/SDCHC has proposed a 60-unit apartment community, Greenbrier Village Apartments, for extremely low-income individuals and families. The apartment community would be located on a vacant site, which is approximately .71 acres and is located on the west side of Greenbrier Drive, between Apple Street and Oceanside Boulevard. Fifty studio apartments will be permanent supportive housing (PSH) for persons experiencing homelessness at time of occupancy. Nine one-bedroom apartments will house persons at risk of homelessness. There will be one two-bedroom manager’s apartment. All residents will be eligible for supportive services. Proposed service providers include County of San Diego Behavioral Health Services, the Veteran’s Administration, Interfaith Community Services, San Ysidro Health (through the PACE program for seniors), and Hope through Housing Foundation; memorandums of understanding with Interfaith Community Services, Hope through Housing Foundation and San Ysidro Health were included with the proposal.

NCRC has operated since 1992 as a non-profit affordable housing developer. SDCHC is also a non-profit affordable housing developer in business since 1994. The City has partnered with National CORE for the development of the Mission Cove and La Mision Apartments and rehabilitation of Cape Cod Senior Villas. NCRC has developed, owns and manages 12 special needs and PSH apartment communities (199 units).

The NOFA made available \$4.5 million in Inclusionary Housing In-Lieu Fee funds; NCRC/SDCHC’s proposal requests \$3.5 million. In-lieu fee funds are governed by Chapter 14C of the Oceanside City Code and must be used exclusively to provide housing opportunities for low or moderate-income households.

NCRC/SDCHC has requested 59 of the 100 Project-Based Vouchers (PBV) offered in the NOFA. Five studio units will be set aside for homeless veterans using Veteran’s Affairs Supportive Housing (VASH) vouchers; supportive services are provided by the VA. Twenty-nine studio units will be set aside for non-elderly adults with disabilities using Mainstream vouchers; the proposal indicates that supportive services for these units will be provided by the County of San Diego, Behavioral Health Services. Sixteen regular vouchers will be attached to 16 PSH studio units; services for these units will be provided by Interfaith Community Services and The Hope Through Housing Foundation. Finally, nine regular vouchers will be attached to one-bedroom units and available to extremely-low income families and individuals at risk of homelessness; on-site activities provided by The Hope Through Housing Foundation are available to these residents.

Staff has reviewed the proposal and determined that the project meets the affordable housing needs of the City. All units in the project will be dedicated to extremely low-income families and individuals, with 50 units dedicated to persons experiencing homelessness and 9 units for families and persons at risk of homelessness. In addition, voluntary supportive services will be made available to residents in a way that is voluntary, flexible, and individualized. Residents will be assertively and respectfully encouraged to participate in the supportive services available to them. Services will typically be provided on-site, with the frequency depending upon individual need.

The Greenbrier Village site is designed with the most active uses and architecturally hierarchy oriented towards the street. The building insulates the courtyard and common outdoor spaces from the street, while maximizing access to natural light and air. The courtyard will include an outdoor terrace and barbecue area, community garden space, and a separate designated outdoor smoking area. Landscaping will enhance the courtyard with a variety of plants and trees to create a natural garden space for the residents. The project will provide a variety of recreational amenities, including a 2,700 square foot community center that will serve as a hub for supportive services and programs accessible to all residents and the surrounding neighborhood. The site is located within a half mile of public transit, a grocery store, pharmacy, and a public health clinic.

The architecture of the four-story building is designed in a Mediterranean "Mission" style of architecture, echoing the white stucco and tile roof Spanish style of buildings across the street. The main entrance will be located on Greenbrier in a tower element containing elevator and stairs. A secondary entrance will be located off the inner courtyard. Laundry facilities will be provided on each floor.

An Exclusive Negotiating Agreement (ENA) between the City and NCRC/SDCHC will provide for 180 days to negotiate an Affordable Housing Agreement (AHA). The AHA or other agreement will outline, among other legal obligations, the amount of the City loan funding, number of Project-Based Vouchers (PBVs), on and off-site infrastructure conditions of approval, scope of development, legal descriptions, development timeline, and other related conditions and requirements.

The conditional letter of approval will notify NCRC/SDCHC that the City has committed \$3.5 million of Inclusionary Housing In-Lieu Fees and 59 Project-Based Housing Choice Vouchers will be awarded provided that specific conditions are met. For the financing from the In-Lieu Fees, the financing assistance is a loan and the minimum of term of affordability is 55 years; a deed restriction on the property will enforce this obligation. For PBVs, the commitment is contingent upon environmental clearance, a subsidy layering review and execution of a contract with the City.

FISCAL ANALYSIS

Staff requests that \$3,500,000 be committed in the Inclusionary Housing In-Lieu Fee Fund 278 which has a current available balance of \$9,521,555. Funds will be

committed to account number 1278.3015.0008 and identified as Greenbrier Village Apartments.

COMMISSION/COMMITTEE REPORT

At a Special Meeting of the Housing Commission held on June 1, 2021, the Housing Commission unanimously recommended that the City Council and Community Development Commission commit \$3,500,000 in Inclusionary In-Lieu Funds and 59 Project-Based Housing Choice Vouchers for the Greenbrier Village Apartments affordable housing project.

CITY ATTORNEY ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

Staff recommends that the City Council commit \$3,500,000 in Inclusionary Housing In-Lieu Funds and the Community Development Commission commit 59 Project-Based Section 8 Housing Choice Vouchers to National Community Renaissance of California (NCRC) and San Diego Community Housing Foundation (SDCHC) for an affordable housing development located on the west side of Greenbrier Drive, between Apple Street and Oceanside Boulevard, for homeless individuals and extremely low-income persons in response to the City's call for proposals and Notice of Funding Availability (NOFA); authorize staff to enter into an Exclusive Negotiating Agreement upon receipt of all supporting documents and issue a letter of conditional approval; and authorize the City Manager to execute the agreement.

PREPARED BY:



Megan Crooks
Interim Neighborhood Services Director

SUBMITTED BY:

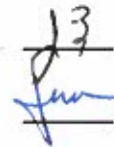


Deanna Lorson
City Manager/Executive Director

REVIEWED BY:

Jonathan Borrego, Deputy City Manager

Jane M. McPherson, Financial Services Director



Attachments:

Greenbrier Village Apartments Proposal Link
Draft Exclusive Negotiating Agreement
Draft Commitment Letter

MEMORANDUM

DATE: June 16, 2021

TO: Honorable Mayor and Councilmembers

FROM: Julia Gautho, City Manager's Office

SUBJECT: **COMMITMENT OF \$3,500,000 IN INCLUSIONARY HOUSING
IN-LIEU FEES AND SECTION 8 PROJECT-BASED HOUSING
CHOICE VOUCHERS TO NATIONAL COMMUNITY
RENAISSANCE AND SAN DIEGO COMMUNITY HOUSING
CORPORATION FOR AN AFFORDABLE HOUSING
DEVELOPMENT**

Attachment 1 (Greenbrier Village Apartments Proposal) can be found at the following link:

<https://app.box.com/s/dzledna6b14v9zvdh0qjpy89g61dsjo6>

DRAFT EXCLUSIVE NEGOTIATING AGREEMENT

This Exclusive Negotiating Agreement (“ENA”) along with a standard conditional letter of commitment for City housing funding is entered into this ____ day of June 2021, by and between the City of Oceanside, a public body, corporate and politic (“City”) and National Community Renaissance of California, a California non-profit public benefit corporation (“NCRC”) and the San Diego Community Housing Corporation, a California non-profit public benefit corporation (“SDCHC”)

In consideration of the mutual understandings provided herein, the parties hereto execute this ENA and a standard conditional letter of commitment for City housing funding to negotiate an Affordable Housing Agreement (AHA) or Disposition Development Agreement (DDA) based upon the following terms and conditions:

1. Good Faith Negotiations. City, NCRC and SDCHC agree for a period of 180 days following the date of execution of this ENA and a standard letter of commitment of City housing funding to negotiate in good faith the development, construction and operation by NCRC and SDCHC of a combined Permanent Supportive Housing (PSH) and extremely low-income (ELI) apartment home community (“Greenbrier Village”) and enter into an AHA or DDA. NCRC will contract with Interfaith Community Services, County of San Diego BHS, Hope Through Housing Foundation, San Ysidro PACE All Inclusive for the Elderly and the Veterans Administration for needed case management services and other social integration programs. Greenbrier Village will help the City of Oceanside with fair share housing responsibilities, housing goals and to address the dire need for PSH and housing for ELI households in the City of Oceanside.
2. Greenbrier Village. Greenbrier Village will be developed on a vacant parcel of land on Greenbrier Drive (APN – 151-010-44) approximately 30,927 SF. Legal Description attached as Exhibit “A”.
3. Acquisition and Escrow Closing. NCRC and SDCHC have worked very diligently to place the parcel in escrow in March 2020 and maintain the parcel in escrow. Since

March 2020, NCRC and SDCHC have released to the seller non-refundable over \$300,000. NCRC and SDCHC will acquire the parcel on or prior to August 31, 2021 subject to any closing extensions. NCRC and SDCHC have conducted at their own expense the due diligence work to determine viability for this type of development.

4. Negotiation Period. During the term hereof (180 days), NCRC, SDCHC and the City agree to use their best efforts to negotiate, complete and execute a AHA or DDA and any other such agreement(s) satisfactory to the City, together with necessary or proper ancillary agreements, that will address the financial loan terms of the development and the operation of Greenbrier Village. It is anticipated that the parties will enter into such agreements as soon as is practical after the adoption and approval of this ENA and a conditional letter of commitment of funding in June of 2021. Subject to the reasonable approval of the City Manager, the term of this ENA may be extended for a period not to exceed an additional 180 calendar days upon the request of NCRC and SDCHC to allow additional time for any land use approvals and County environmental approvals and to enter into the AHA or DDA. The City may also request up to 90-day extension.

5. Exclusive Negotiations. City agrees for the term of this ENA and any subsequent extensions as provided herein to negotiate in good faith exclusively with NCRC and SDCHC concerning the acquisition, development and operation of the Greenbrier Village.

6. Funding of Predevelopment Costs for Due Diligence and Development Timeline. Exhibit "B" to this ENA is the Predevelopment Budget. The Predevelopment Budget outlines estimated expenses which have already been incurred and will be incurred by NCRC and SDCHC after adoption of this ENA and the standard conditional letter of commitment for City housing funding. The expenses incurred under the Predevelopment Budget are part of the Project's eligible basis and will become part of the total development costs. The AHA or DDA and other such agreement(s) shall outline, among other legal obligations, the amount of the City GAP residual receipts loan funding, number of Project Based Vouchers, on and off-site infrastructure conditions of approval, scope of development, legal descriptions, development timeline, and other related conditions and

requirements. NCRC and SDCHC will leverage the City's GAP residual receipts loan with other local sources of funding including such sources as the County of San Diego No Place Like Home Funds (NPLH), the County Innovation Housing Trust Funds if available and if necessary, various funding sources at the state level, Affordable Housing Program grants if available and if necessary, private sector tax credit equity and private sector construction loan and private sector permanent loan. It is acknowledged by all parties that an application to the County of San Diego NPLH funding source is a critical funding element and the submittal of such application to the County requires both an executed ENA and an executed standard conditional letter of commitment for City housing funding. Time is of the essence. Exhibit "C" to this ENA is the Development Timeline to also be incorporated into the AHA or DDA.

7. Discretionary Approval. Nothing herein shall be deemed a covenant, promise or commitment by the City to enter into a final binding AHA or DDA. NCRC and SDCHC acknowledge and agree that nothing herein shall be deemed to restrict City in the exercise of its discretion or in the exercise of its executive and legislative powers.

8. City Approvals. Prior to the development of Greenbrier Village, NCRC and SDCHC shall be required to obtain all necessary and required permits and approvals from all appropriate governmental authorities and agencies and this ENA shall not be deemed to constitute a pre-judgement or commitment on the part of the City to grant such approvals. The City shall use its best efforts to expedite the processing of plans and project entitlements through the appropriate City agencies and other reviewing bodies.

9. Prohibition Against Assignment. The qualifications of NCRC and SDCHC and its local non-profit partners including Interfaith Community Services, Hope Through Housing Foundation and San Ysidro PACE All Inclusive for the Elderly and others are of particular interest to the City. Consequently, no person or entity, whether a voluntary or involuntary successor of NCRC or SDCHC, shall acquire any rights or powers under this ENA, nor shall NCRC or SDCHC assign all or any part of this ENA without the prior written approval of the City, which approval the City may grant, withhold or deny in its sole and absolute

discretion. Any purported transfer, voluntarily or by operation of law, shall be absolutely null and void and shall confer no rights whatsoever upon any purported assignee or transferee.

10. Nondiscrimination. NCRC and SDCHC shall not discriminate against or segregate any person, or group of persons, on account of sex, race, color, marital status, religion, creed, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of any property, nor shall NCRC and SDCHC establish or permit any such practice or practices of discrimination or segregation in the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of any real property.

11. Amendment. This ENA may be amended only by the written consent of all of the parties to this ENA at the time of such amendment.

12. Authority. Execution of this ENA shall be presumed to be made by an individual authorized by his or her respective corporation by resolution of its board of directors and such execution shall constitute a waiver by the party of any lack of such a resolution.

13. Entire Agreement. This ENA constitutes the entire agreement between the parties and supersedes all agreements, representations, warranties, statements, promises and/or understandings, whether oral or written, with respect to the subject matter hereof and no party shall be bound by any such representation, statement, promise or understanding not specifically set forth in this ENA.

14. Governing Law. This ENA shall be construed and governed in accordance with the laws of the State of California.

15. Severability. In the event that any of the provisions, or portions thereof, of this ENA is held to be unenforceable or invalid by any court of competent jurisdiction, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby.

16. Time of Essence. Time is of the essence of every portion of this ENA in which

time is a material part.

17. Hold Harmless. NCRC and SDCHC shall indemnify, hold harmless, and defend the City and its officers, employees and agents, its City Council, boards and commissions, and their officers, agents and employees (hereinafter referred to collectively as "City Indemnities") from and against any and all claims and losses, costs or expenses for any damage including due to death or injury to any person and injury to any property proximately resulting from any act or omissions of NCRC or SDCHC or any of its officers, employees, agents or subcontractors in the performance of this ENA. Such cost and expense shall include reasonable attorney fees.

IN WITNESS WHEREOF, the parties hereto have executed this ENA on the date and year first above written.

CITY OF OCEANSIDE

By: _____ Date: _____

Deanna Lorson

Its: City Manager

APPROVED AS TO FORM:

By: _____ Date: _____

City Attorney

NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA

By: _____ Date: _____

Michael Ruane, Executive Vice President

SAN DIEGO COMMUNITY HOUSING CORPORATION

By: _____ Date: _____

Theodore T. Miyahara, President & CEO

EXHIBIT "A"
DRAFT LEGAL
DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF OCEANSIDE IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

THAT PORTION OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 25, TOWNSHIP 11 SOUTH, RANGE 5 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF OCEANSIDE, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 25;

THENCE ALONG THE WESTERLY LINE OF SAID NORTHWEST QUARTER OF THE NORTHEAST QUARTER, NORTH 00°00'20" WEST, (RECORD - NORTH 00°04'00" EAST), 86.62 FEET TO THE SOUTHEASTERLY LINE OF THAT 80.00 FOOT ROAD AS DESCRIBED IN EASEMENT DEED TO THE CITY OF OCEANSIDE, RECORDED OCTOBER 15, 1931 IN BOOK 30, PAGE 408, OF OFFICIAL RECORDS OF SAID COUNTY;

THENCE ALONG SAID SOUTHEASTERLY LINE, THE FOLLOWING COURSES AND DISTANCES; NORTH 56°04'40" EAST (RECORD - NORTH 55°59'50" EAST), 159.71 FEET TO THE MOST NORTHERLY CORNER OF THE LAND DESCRIBED IN DEED TO QUALITEE DAIRY COMPANY, RECORDED JANUARY 23, 1957 IN BOOK 6430, PAGE 13, OF OFFICIAL RECORDS;

THENCE CONTINUING NORTH 56°04'40" EAST, 198.00 FEET TO MOST WESTERLY CORNER OF THE LAND DESCRIBED IN DEED TO ROBY F. HAYES, RECORDED AUGUST 22, 1962 AS INSTRUMENT NO. 143780, OF OFFICIAL RECORDS;

THENCE NORTH 29°59'14" WEST, (DEED NORTH 29°58'27" WEST) 10.02 FEET TO THE NORTHWESTERLY LINE OF THE SOUTHEASTERLY 10.00 FEET OF THAT PORTION OF APPLE STREET VACATED AND CLOSED TO PUBLIC USE, SEPTEMBER 28, 1960 BY RESOLUTION NO. 60-136 OF THE CITY COUNCIL OF THE CITY OF OCEANSIDE, A COPY OF WHICH RECORDED NOVEMBER 3, 1960 AS INSTRUMENT NO. 218257, OF OFFICIAL RECORDS;

THENCE ALONG SAID NORTHWESTERLY LINE, NORTH 56°04'40" EAST, 35.54 FEET TO THE BEGINNING OF A TANGENT 1030.00 FOOT RADIUS CURVE CONCAVE NORTHWESTERLY;

THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 04°17'14" A DISTANCE OF 77.07 FEET TO THE BEGINNING OF A REVERSE 20.00 FOOT RADIUS CURVE;

THENCE NORTHEASTERLY AND EASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 97°02'53" A DISTANCE OF 33.78 FEET;

THENCE TANGENT TO SAID CURVE SOUTH

31°09'41" EAST 82.36 FEET TO A POINT BEARING NORTH 31°09'41" WEST, 377.63 FEET FROM A POINT ON THE NORTHWESTERLY LINE OF THAT LAND DESCRIBED IN DEED TO THE CITY OF OCEANSIDE, RECORDED FEBRUARY 7, 1955 IN BOOK 5522, PAGE 260, OF OFFICIAL RECORDS, AND BEING THE TRUE POINT OF BEGINNING;

THENCE SOUTH 31°09'41" EAST, 225.00 FEET TO A POINT DISTANT NORTH 31°09'41" WEST, 152.63 FEET FROM SAID NORTHWESTERLY LINE OF THE CITY LAND;

THENCE SOUTH 58°50'19" WEST, 141.27 FEET TO A POINT IN THE WESTERLY LINE OF SAID HAYES LAND, SAID POINT BEING DISTANT THEREON NORTH 29°59'14" WEST, 150.00 FEET FROM THE NORTHWESTERLY LINE OF SAID CITY LAND;

THENCE NORTH 29°59'14" WEST, 225.05 FEET TO A LINE WHICH BEARS SOUTH 58°10'19" WEST, FROM THE TRUE POINT OF BEGINNING;

THENCE NORTH 58°10'19" EAST 136.66 FEET TO THE TRUE POINT OF BEGINNING.

APN: 151-010-44-00

EXHIBIT "B"

Draft Predevelopment Budget	
Description	Budget
Land Acquisition	\$ 1,225,000
Engineer boundary, ALTA, etc.	\$ 10,000
Architectural Fees Civil Design	\$ 400,000
Fees Soil/geotechnical	\$ 150,000
Inspections Environ/Phase 1 & 2/Soil Report Soil Mitigation	\$ 7,500
Appraisal and Market Study	\$ 10,000
Legal Fees	\$ 120,000
Title & Escrow	\$ 10,000
	\$ 20,000
	\$ 20,000
Total	\$ 1,972,500

EXHIBIT "C"

DRAFT DEVELOPMENT TIMELINE

CITY

City of Oceanside RFP Issued	3/1/2021
Proposal Due Date	4/16/2021
Council Recommendation to Award Contract	6/16/2021
Executed Exclusive Negotiating Agreement (ENA) and standard letter of City Housing conditional commitment (needed for NPLH funding and other sources of funding prior to the AHA/DDA)	6/16 - 6/30/2021
NEPA Approval	6/16 - 11/30/2021
Subsidy Layering Review for PBVs	8/1 - 11/30/2021
Enter into Affordable Housing Agreement (AHA) within 180 days of adoption of ENA	12/30/2021
Agreement to Enter into Housing Assistance Payment contract (AHAP) Executed	12/1/2021
Housing Assistance Payment Contract (HAP) Executed at commencement of Lease-Up Period	3/1/2024

PLANNING/DUE DILIGENCE

Due diligence studies - Soils, Phase 1, ALTA, Traffic, Noise, Appraisals, Market Study	5/12 - 12/1/2021
Environmental - Developer to enroll in County Dept of Environmental Health Voluntary Enrollment Program	6/16/2021 to 6/30/2021
Construction Document Design	1/1 - 7/15/2022
Plan Check Submittal	7/1/2022
Permit Ready Plans	12/1/2022

FINANCING

City of Oceanside RFP Funds	6/16/2021
Apply for San Diego County No Place Like Home (NPLH) program funds	6/1 - 7/1/2021
Awards for San Diego County NPLH Funds	10/15/2021
Apply to CTCAC for Tax Credits	3/1/2022
CTCAC Award	6/10/2022
Construction Financing Close (CTCAC 180-DAY)	12/10/2022

MARKETING

Lease-up & Marketing Kick-off	3/1/2024
Accept Applications for Lottery	3/1 - 3/31/2024
Application Review & Approval	4/1 - 9/30/2024
Move-ins	6/1 - 9/30/24

CONSTRUCTION

Issuance of Building Permits	12/11/2022
Begin Construction	12/11/2022
Construction Completion	6/1/2024
Lease-up/Stabilization	10/1/2024
Permanent Loan Conversion	2/1/2025



CITY OF OCEANSIDE

NEIGHBORHOOD SERVICES DEPARTMENT / HOUSING

DRAFT

Date

National Community Renaissance of California
Michael Ruane, Executive Vice President
9421 Haven Avenue
Rancho Cucamonga, CA 91730

San Diego Community Housing Corporation
Theodore T. Miyahara, President & CEO
6160 Mission Gorge Road, Suite 204
San Diego, CA 92120

RE: Greenbrier Village Apartments – Funding Commitment Letter

Dear Mr. Ruane and Mr. Miyahara:

In accordance with the terms which will be outlined in the Affordable Housing Agreement (“AHA”), the City of Oceanside (“City”) will provide financing assistance for the development and operations of Greenbrier Village Apartments (“Project”), a 60-unit affordable housing development to be located on the west side of Greenbrier Drive, between Apple Street and Oceanside Boulevard in Oceanside, California (APN 151-010-44). The Project will be owned by National Community Renaissance of California in partnership with San Diego Community Housing Corporation.

The financing assistance will include Inclusionary Housing In-Lieu fee funds and Project-Based Housing Choice Vouchers.

The financing assistance will be \$3,500,000 from the City of Oceanside’s Inclusionary Housing In-Lieu Fee funds and all expenditures from this funding source are governed by Chapter 14C of the Oceanside City Code. The financing assistance will be in the form of a loan, which will have a term of 55 years. The loan shall be evidenced by a Promissory Note secured by a deed of trust in a form acceptable to the City. In addition, the City affordability requirements in the form of an Agreement Affecting Real Property restricting occupancy of the project to persons of extremely low-income for the longest feasible time, but not less than 55 years from the date of conversion, will be recorded against the property.

The City is committing 59 Project-Based Vouchers (PBV) to the project. The following vouchers are being committed: 5 Veteran's Affairs Supportive Housing (VASH), 29 Mainstream and 25 Regular vouchers. The commitment is contingent on NEPA clearance, approval of a subsidy layering review (SLR) and execution of an Agreement to Enter into a Housing Assistance Payments (AHAP) contract. Please be advised that construction may not begin prior to execution of the AHAP contract as defined in the PBV regulations at 24CFR 983.152. The AHAP must be executed by December 1, 2021 unless otherwise extended by the City.

The City is reserving PBV funding for 50 zero bedroom (studio) units and 9 one-bedroom units. The initial approved rents are \$1,480 for the studio units and \$1,589 for the one-bedroom units. The applicant may request higher rents prior to the execution of the AHAP. Changes in the approved rent amounts are at the discretion of the City and must be determined to be rent reasonable in accordance with Housing Choice Voucher program regulations. PBVs are governed by the City of Oceanside Housing Choice Voucher Administrative Plan and federal regulations at 24 CFR Part 983.

The commitment is contingent upon continued funding from HUD. In the event of a budget rescission or retroactive budget cuts, the City reserves the right to rescind the commitment up to the execution of the AHAP. The City reserves the right to rescind the commitment if the developer fails to secure necessary capital funding, such as tax credits, to complete the project in an expeditious manner.

Fair Housing, Section 3 and Section 504 compliance will be tracked and measured throughout the duration of construction.

The project must make supportive services available to all individuals and families receiving PBV assistance in the project, but the family does not have to accept and receive supportive services. Qualifying supportive services are described in the Housing Authority Administrative Plan. A minimum of one of the qualifying supportive services must be made available to at least one adult in each household for a minimum of one year.

The City shall be furnished with evidence that the project has received all required funding commitments, including an allocation of low income housing tax credits and all applicable government bodies and agencies, prior to commencement of construction. Such approvals shall include, but not be limited to, building permits, and planning approvals. The City shall also be furnished, prior to stabilization of the project, a Certificate of Occupancy and evidence of construction completion in accordance with any conditions that shall apply to such approvals or permits.

Construction must be completed and a Certificate of Occupancy issued within twenty-four (24) months of the start of construction.

Attached, please find the *Subsidy Layering Review Checklist, HUD 2880, and the Disclosure of Identify of Interest* form. The items on the list are required for submission of the Subsidy Layering Review to the Housing Credit Agency for approval and certification. Please provide electronic copies of Items 2 through 12 on the checklist (Items 11 and 12 are attached to this letter) to the City of Oceanside by July 20, 2021. Submit all information and documents to the Neighborhood Services Director at City of Oceanside, Neighborhood Services Department, 300 N. Coast Highway, Oceanside, CA 92054. Failure to submit items by the deadline may result in the City of Oceanside rescinding the commitment of PBV.

Sincerely,

Deanna Lorson
City Manager

Agreed and Accepted

Michael Ruane
Executive Vice President
National Community Renaissance of California

Theodore T. Miyahara
President & CEO
San Diego Community Housing Corporation