

Robinson, Tracy

From: Falk, Steven
Sent: Thursday, January 02, 2014 7:56 AM
To: Robinson, Tracy; Tatzin, Don; Michael Anderson
Subject: Fwd: City Owned Site at 949 Moraga

TR-

Please send confirmation.

Tx.

SF

Sent from my iPhone. Forbearance on the tpyos, please.

Begin forwarded message:

From: "Falk, Steven" <SFalk@ci.lafayette.ca.us>
Date: January 2, 2014 at 10:52:13 AM GMT-5
To: "Falk, Steven" <SFalk@ci.lafayette.ca.us>
Subject: Fwd: City Owned Site at 949 Moraga

Sent from my iPhone. Forbearance on the tpyos, please.

Begin forwarded message:

From: "Tan, Lydia" <lydia.tan@related.com>
Date: January 1, 2014 at 9:26:51 PM GMT-5
To: "sfalk@lovelafayette.org" <sfalk@lovelafayette.org>
Subject: City Owned Site at 949 Moraga

Hello Steven,

I apologize but a couple of deadlines right before the start of the holidays prevented me from getting a proposal to you before I left for a family vacation, and I am now abroad and cannot access the official City form that is due today. So while I am unable to officially respond to the City's request due to the lack of the form, I am sending these thoughts to you with the hope that they will prove helpful in your deliberations.

I appreciate the time you, Niroop, Mayor Tatzin and Councilmember Anderson spent with me a couple of months ago. Based on that meeting and a little bit of follow up due diligence, I believe the following affordable housing options could be further explored as permanent uses for the City owned property located at 949 Moraga Road:

1. Veterans Housing: As we discussed, there may be some funding available for rental housing for Veterans that have special needs. The Veterans Administration administers a rent subsidy program for Veterans who are homeless or in an unstable/unreliable living situation. Additionally, the State of California administers, through the County, funding from the Mental Health Services Act (MHSA) program that could potentially be accessed to provide mental health services/ support. Depending on a variety of factors, the site could accommodate 30 - 40 apartments for singles, or 15 - 20 units for families. Homes would likely be affordable to low, very low and extremely low income veteran households.

2. First Time Homebuyer Opportunity: Another affordable housing option would be to provide condominium and townhome for sale opportunities for first time homebuyers earning between 100% and 120% of the area median income. In addition to the aggressive loan products available through FHA or CalHFA, we would also seek an allocation of mortgage. Reedit certificates that will provide additional tax incentives to the homebuyer, thus helping them afford a larger mortgage. To the extent it would be of interest to the City, we can explore the ability to provide a priority for those who already live or work within the City limits. The development could be 100% affordable, or mixed income, consisting of approximately 15 - 20 homes. A mixed income development would allow the market rate homes to help subsidize the cost of the affordable homes.

3. Senior Housing: I understand that this is likely not an option, given the City's strong track record of providing senior housing in past projects. However, to the extent that the City had the opportunity and interest in supporting another affordable senior development, approximately 30 to 40 apartments could be developed on the City owned site. We would be interested in exploring the idea of partnering with a service provider, (one with access to PACE or similar funding would be ideal) that can assist seniors with remaining in their home for as long as possible.

4. Mixed Income Housing: The City can also explore the possibility of a mixed income development, in which the market rate portion can help subsidize the affordable portion. This would likely include a market rate for sale component, along with a smaller senior or veterans housing rental component. Funding sources would be similar to those described above.

Funding for Affordable Rental: In addition to the funding sources mentioned above, the County HOME and CDBG programs should be considered as potential sources for affordable rental development. Additionally, a new funding source for affordable rental may be in place within a couple of years either at the state level or regionally. Depending on timing of developing the site, these sources may also be available to assist with development.

Church Property: To the extent it would be of benefit to both the City and the adjacent Church to swap properties, any of the above options would work equally well at that site. While the flatter terrain will help keep grading costs under control, we'd need to explore the adequacy of the existing bridge over the creek, or the cost of building a new crossing to accommodate new development.

As you may know, Related California has been developing affordable and market

rate housing throughout the state for 30 years. With 10,000 rental and for sale homes completed in that time, we have a broad range of expertise in family, special needs, and senior housing, with a third of this portfolio located in Northern California. Our work often involves a partnership with a local non-profit as co-developer or resident services partner. Current projects in the Northern California pipeline include public-private ventures with the Cities of Oakland, San Francisco, Sacramento, Palo Alto, Santa Clara, Richmond, as well as Stanford University. More information about Related can be found at www.relatedcalifornia.com.

As stated above, I hope these thoughts will prove to be helpful to you and the Task Force as you contemplate a permanent use for 949 Moraga. Please don't hesitate to contact me if you have questions, could use further assistance exploring one or more of these ideas, or simply would like someone to consult with as you moved forward. Good luck to you and the Task Force with your deliberations.

Sincerely,

Lydia Tan
Executive Vice President
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