

Project Profile

Name of Project/Program: The Maidu Villages

Organization: Project GO, Inc.

Location of Project/Program:

Maidu Village I - 1750 Eureka Road, Roseville, CA 95661

Maidu Village II - 101 Sterling Court, Roseville, CA 95661

Maidu Village III - 109 Sterling Court, Roseville, CA 95661

Year Project Completed/ Program Began Operation:

Maidu Village I – 1990

Maidu Village II – 2000

Maidu Village III - 2005

Funding Sources: Low-Income Housing Tax Credit funding, tax-exempt bond financing, and a conventional loan

Populations Served: Senior citizens, aged 55/62+ with income levels at 50-60% of Placer County median income

Number of People Served: Approximately 300

Number of Staff: 4 full-time; 4 part-time

Total Cost of Development/ Operation: \$20,000,000

Partners: Limited Partner Investors

Services Provided: Affordable housing for seniors; 81 units at Maidu Village I – 3 separate buildings, 84 units at Maidu Village II – 1 building; 76 units at Maidu Village III – 1 building

REAL ESTATE DEVELOPMENT: Multi-Unit Low-income Rental Housing

(Italicized portions offer further explanation. If the standard is not fulfilled by the project, it is noted in the italicized explanation. Crossed-out portions are not applicable.)

Level 1: Project Feasibility Assessment

These basic criteria determine the feasibility of a real estate development project. The focus is on the organizational and financial readiness of the project.

1. NEED

a. Community Need

i. The project serves a need for low-income housing.

1. *The organization had firsthand knowledge of the need for low-income housing because of the high occupancy levels and constant demand and inquiries for housing that it received at its offices and other housing sites. The principal staff involved with the project live and work in Roseville, so they were aware of the affordable housing scene in Roseville.*

ii. If the project has a specific focus such as multifamily, it corresponds to a need in the community.

1. *The project specifically addresses the need for senior low-income housing. The project provides housing for seniors, a resource that was lacking in the community. At the time that Maidu Village I was built, there were no other senior tax credit apartment communities in Roseville. There were only a small number of older Farmers Home projects for seniors.*

b. Market Study

i. The market study confirms the need for, and viability of the project.

1. *For all three phases, the organization hired a consultant to conduct a market study, and it was determined that there was a large need for low-income senior housing in Roseville.*

ii. The market study informs the organization about competition, demographics of the area, and barriers to entry.

c. Local Support & Initial Site Assessment

i. The project fits the zoning of the site.

1. *All three sites were pre-zoned and designated for low-income senior housing through the specific plan zoning process of the City of Roseville.*

ii. The project is compatible with local land use.

1. *All three sites were designated for low-income senior housing through the specific plan zoning process in the City of Roseville, so there were no issues with land use.*

iii. The project is not located in an area with a moratorium or interim control ordinance that cannot be bypassed.

iv. Neighbors and local community members support the project.

1. *The organization informed community members and neighbors through community meetings during the entire process of developing Maidu Village I and II. Maidu Village III faced initial opposition from neighbors because it is located on the last vacant of a 4,000-unit planned housing community. Neighbors opposed the three-story design of the project, but the organization planted a large number of redwood trees and other evergreens as a barrier between Maidu Village III and the neighbors, to resolve the privacy issue.*

- v. The project is in alignment with local city, county, state and/or federal housing goal(s).
 - 1. *Since the project was pre-zoned in association with the City of Roseville, it is in alignment with local housing goals.*

2. ORGANIZATIONAL READINESS

- a. The organization is willing and able to do this project.
- b. The project is in alignment with the mission of the organization.
 - i. *One of the major tenets of Project GO, Inc's mission is to: develop, build and manage affordable housing."*
- c. The Board of Directors embraces a CED strategy and/or embraces the project as a part of the CED strategy.
- d. The organization and/or its partners have a track record of completing similar projects.
 - i. *The organization's first senior housing project was Maidu Village I. By the time it built Maidu Village II and III, it had successfully completed two senior housing projects: Maidu Village I and Cameron Park Village.*
- e. The organization has the financial and operational capacity to undertake the proposed development.
 - i. The organization can support the additional debt (if any) created by the project.
 - ii. The organization has qualified staff that can undertake the project.
 - iii. The organization has access to reliable, qualified vendors and service providers.

3. FINANCIAL FEASIBILITY

- a. Project cost
 - i. The project is affordable to the developer, and the cost is appropriate to the concept or design.
 - ii. If the total development cost is not readily available, the project is phased.
 - 1. *The project was divided into 3 phases.*
 - iii. The contractor or operator providing the cost estimates is qualified and experienced in multi-unit rental affordable housing.
- b. Funding sources
 - i. There are enough sources of funding for the uses.
 - 1. *The project costs were covered by Low-Income Housing Tax Credit funding, tax-exempt bond financing, and a conventional loan.*
 - ii. The developer has endeavored to secure all available competitive and noncompetitive funding sources for which the project qualifies.
 - iii. The actual disbursement of each source is timely and in sync with the needs of the project.
 - iv. The developer is aware of the compliance implications of each source.
- c. Cash flow
 - i. The project produces enough cash flow to support the proposed debt structure.
 - ii. The project minimally pays for itself over time. It has a sustainable cash flow.
 - 1. *Each project is not necessarily sustainable because the fully allowable tax credit rent is not charged because the current market rate is similarly low. However the organization's real estate projects as a whole have sustainable cash flow.*

Level 2: Practical Considerations

These criteria are essential for further developing a successful, operating project.

1. MARKET BARRIERS

- a. The organization understands why past proposals have not worked and instead addresses prior issues in innovative alternative ways.
2. DEVELOPMENT TEAM & PARTNERSHIPS
 - a. The organization has assembled the best team for the project, including architects, project managers, property managers, contractors, and other third party consultants.
 - ~~b. If the organization is lacking in any area (financial, experience), it has partnered with another entity to develop the project.~~
 - i. The organization did not partner with any developers for this project.*
 - c. The project is supported by public sector, private sector, and community partners.
 - i. The public sector's support of the project is evident in the pre-zoning of the sites, the private sector supported the project with a conventional loan, and the community expressed their support during community meetings.*
 - d. Through an open dialogue with the community, the organization has sought and incorporated community input and approval.
 - i. The organization informed community members and neighbors through community meetings during the entire process of developing the project.*
3. SITE CHARACTERISTICS AND PROJECT DESIGN
 - a. The location makes sense for the project.
 - b. The project is located near or adjacent to existing or future transit.
 - i. The Roseville bus line conveniently connects the project to nearby healthcare facilities and shopping, as well as Maidu Park and the library.*
 - ~~c. If the site is a known brownfield or historic structure, the project accounts for increased time, costs, and other issues associated with these environmental and/or historic considerations.~~
 - i. None of the three project sites are located on a brownfield.*
 - d. The proposed project is the highest and best use of the site.
 - e. The design is compatible with the characteristics of the community and surrounding buildings.
 - f. The project does not "look" like an affordable housing project.
 - ~~g. If located in a redevelopment area or contains blighted or dilapidated structures, the project accounts for increased costs and also takes advantage of resources for redevelopment projects.~~
 - i. The project is not located in a redevelopment area.*
 - ~~h. If the project does not comply with the underlying zoning and land use intensity, the timeline and budget for entitlement have been extended.~~
 - i. The sites were pre-zoned and therefore are in compliance with zoning and land use requirements.*
4. CONSTRUCTION
 - a. Project met major construction milestones and was completed on schedule.
 - i. Maidu Village I and II met construction deadlines. Maidu Village III faced issues with financing/syndication, causing a delay in construction by about 3-4 months.*
 - b. Construction timeline was in sync with financing requirements.
 - i. Maidu Village I and II met construction deadlines. However, Maidu Village III faced issues with financing/syndication, causing a delay in construction by about 3-4 months.*
 - c. Construction loan was converted to permanent loan on time.
5. RENT UP, MANAGEMENT & OPERATION

- a. Upon construction, the lease up of the project was completed in a timely manner.
 - i. *Due to the delay in financing/syndication, marketing efforts were rushed in order to meet the deadline for occupancy as required by the partnership agreement. Full occupancy was met by the end of the year as required.*
- b. The project is fully occupied.
- c. Residents are provided with opportunities to participate in self-governance through structures such as resident associations.
 - i. *Attempts to structure resident associations were not productive. Instead, various groups (i.e. Garden clubs, computer clubs, coffee klatches, regular functions and events) have been formed to provide an opportunity for the tenants to gather and enjoy "more than a roof over their heads."*

Level 3: From Feasible to Exemplary

These criteria elevate a functioning project to an exemplary project.

1. FUNDING & FUNDING REQUIREMENTS

- a. The project uses a program or funding source that is new and innovative.
 - i. *At the time that Maidu Village I was built, there were no tax credit senior housing projects in Roseville, so the organization pioneered the use of tax credits for senior housing in Roseville.*
- b. Each funding source was heavily leveraged to gain further resources.
- c. Certain features of the project were adapted to capture funding, but the project was not completely changed in order to capture one particular funding source.
- d. There are multiple stakeholders providing funding, and this mix of funding sources maximizes the feasibility of the project.
 - i. *The project was funded by three different sources.*
- e. The design of the project exceeds minimum standards required by funding sources.
 - i. The quality of the construction used on the project exceeds minimum standards required by funding sources.
 1. *At the time that Maidu Village I was built, design standards tied to the tax credit funding were virtually non-existent. Maidu Village II and III have exceeded California Tax Credit Allocation Committee standards.*
 - ii. The amenities provided by the project exceed minimum standards required by funding sources.
 1. *At the time that Maidu Village I was built, amenities standards tied to the tax credit funding were virtually non-existent. Maidu Village II and III have exceeded California Tax Credit Allocation Committee standards.*
 - iii. The sizes of the units exceed minimum standards required by funding sources.
 1. *At the time that Maidu Village I was built, design standards tied to the tax credit funding were virtually non-existent. Maidu Village II and III have exceeded California Tax Credit Allocation Committee standards.*
 - iv. The design of the project and units are culturally appropriate.
 - v. The project is located in close proximity to jobs and public transit.
 1. *The Roseville bus line conveniently connects the project to nearby healthcare facilities and shopping, as well as Maidu Park and Library.*
 - ~~vi. The project creates more jobs than required by the funding sources.~~
 - vii. There is deeper low and moderate income targeting than required by funding sources.

1. *The fully allowable tax credit rent is not charged because the current market rate is similarly low. Thus, the income targeting is deeper than that required by funding sources.*

2. FUTURE PROJECTS

- a. The project strengthens the position (financial, political, capacity, experience) of the organization.
- b. Through the development process, the reputation of the organization was enhanced. Issues that the project team faced were dealt with in a diplomatic manner, enabling future projects.
- c. The success of the project will enable future funding on other projects.
- d. The community is happy with the project and will support more/similar development in the future.
- e. The community is more knowledgeable about low-income rental housing.

3. ENVIRONMENTAL IMPACT

- a. The project has less environmental impact than traditional projects during construction and during operation.
 - i. *The project has been designed with the intention of keeping tenants' utility bills at a manageable and affordable level. The project utilizes energy efficient hydronic heating system, which is used in all of Project GO, Inc.'s communities. Additionally, Title 24 standards for items such as insulation levels, dual pane windows, and other energy conservation measures were exceeded, within the constraints of the construction budget and financing options.*
- b. The project meets green building standards such as adaptive reuse or LEED certification.
 - i. *The project does not meet green building standards*
- c. The project conserves energy and water.
 - i. *The project utilizes energy efficient hydronic heating system.*
- d. The project has an effective recycling program.
 - i. *Placer County opted to construct a Materials Recovery Facility (MRF), therefore no residents of Placer County are required to recycle. Trash is sorted at the MRF to extract any recyclable products.*
- e. The project fulfills the triple bottom line.
- f. The project has an educational component that teaches renters about using green features effectively.
 - i. *The project does not have an education component for using green features.*

4. ECONOMIC IMPACT

- a. The project will lead tenants to homeownership in the long-run.
 - i. *The project does not lead to homeownership because it houses seniors.*
- b. The project will increase the independence of tenants.
 - i. *The project's goal is not to increase tenant independence because it houses seniors.*

5. FOOD SECURITY

- a. The project contains a community garden, farmers' market, resident education, and/or urban gardening component.
 - i. *Community garden boxes for the use of residents are located at the sites of the project.*

6. COMPREHENSIVENESS

- a. There are multiple services provided by the project e.g. social services or education centers.
 - i. *Activities, such as potlucks, lectures, creative classes and game nights engage residents in the community clubhouse.*

