

January 15, 2020

Molly Rattigan
Deputy County Executive Officer
County of Napa
1195 Third Street, Suite 310
Napa, CA 94559

RE: Napa Pipe Affordable Housing Apartments – Request for County of Napa Funding Commitment

Dear Ms. Rattigan,

MidPen Housing, in partnership with Napa Valley Community Housing, is the affordable housing inclusionary developer for the Napa Pipe mixed used master plan development (“Napa Pipe”). Napa Pipe received City Planning Commission Approval in December 2019 and anticipates receiving City Council Approval January 21, 2020.

Following these approvals, MidPen and Napa Valley Community Housing are poised and ready to begin working on a design program for the first of two affordable housing phases for Napa Pipe. One of the greatest barriers at the early stages of development is funding for pre-development design work. MidPen often advances funds to cover the expense of early feasibility design fees, however incurring these design expenses over the course of the pre-development phase through start of construction represent a significant cost for MidPen to carry. Initial pre-development funding is a necessity to fund architecture, engineering, and other studies through to start of construction. Affordable housing also relies on early local funding commitments to show local support for developments when applying for state housing funding.

Napa Pipe will contain housing available at a variety of income levels, including providing 140 rental apartments for Very Low and Low Income residents. The first phase is proposed as an 85 unit family affordable community. The initial financing plan for this development assumes that the majority of funding will come from both 4% Tax Credits and the California Department of Housing and Community Development (“HCD”) Multifamily Housing Program (“MHP”), as well as other state and local sources. Attached to this request, please find the initial Phase I Financing Plan showing anticipated funding sources and uses.

MidPen Housing respectfully requests a County of Napa pre-development funding award in the amount of \$750,000 for the first phase affordable development which will result in 85 permanently affordable homes. Please don’t hesitate to contact me directly should you have any questions.

Sincerely,



Ali Gaylord
Director of Development- North Bay

SOURCES AND USES			
CONSTRUCTION SOURCES		per unit	
Construction Loan	\$ 32,131,166	382,514	
Land Donation	\$ 1,500,000	17,857	
Napa Pipe Community Linkage Fee (\$ 725,000	8,631	
Napa County Housing Fund	\$ 750,000	8,929	
State HOME	\$ 2,498,750	29,747	
Tax Credit Investor Proceeds	\$ 1,860,058	22,144	
GP Equity	\$ 3,440,916	40,963	
<i>total</i>	<i>\$ 42,905,891</i>	<i>510,784</i>	
PERMANENT SOURCES		-	
Amortizing Perm Loan, Tranche A	\$ -	-	
Amortizing Perm Loan, Tranche B	\$ 3,110,400	37,029	
Land Donation	\$ 1,500,000	17,857	
Napa Pipe Community Linkage Fee (\$ 725,000	8,631	
Napa County Housing Fund	\$ 750,000	8,929	
State HOME	\$ 2,498,750	29,747	
MHP	\$ 18,568,127	221,049	
Tax Credit Investor Proceeds	\$ 18,600,584	221,436	
GP Equity	\$ 3,440,916	40,963	
Deferred Developer Fee	\$ -	-	
<i>total</i>	<i>\$ 49,193,777</i>	<i>585,640</i>	
PERMANENT USES			
ACQUISITION	total	per unit	per SF
Land	\$ 1,500,000	\$ 17,857	\$ 19
Other Acquisition Costs	\$ 30,000	\$ 357	\$ 0
<i>Total Acquisition Costs</i>	<i>\$ 1,530,000</i>		<i>\$ 19</i>
HARD COSTS			
Resid. Site Work and Structures	\$ 22,470,000	\$ 267,500	\$ 286
Commercial Costs	\$ -	\$ -	\$ -
Escalation Contingency	\$ 4,943,400	\$ 58,850	\$ 63
Overhead & Profit/GC/Ins. Bond	\$ 4,249,077	\$ 50,584	\$ 54
Owner Contingency	\$ 3,166,248	\$ 37,693	\$ 40
<i>Total Hard Costs</i>	<i>\$ 34,828,725</i>	<i>414,628</i>	<i>\$ 443</i>
SOFT COSTS			
Architecture and Engineering	\$ 1,388,800	\$ 16,533	\$ 18
Construction Loan interest and fees	\$ 2,864,644	\$ 34,103	\$ 36
Permanent Financing	\$ 15,000	\$ 179	\$ 0
Legal Fees	\$ 110,500	\$ 1,315	\$ 1
Reserves	\$ 704,605	\$ 8,388	\$ 9
Permits and Fees	\$ 1,014,169	\$ 12,073	\$ 13
Other Soft Costs	\$ 796,418	\$ 9,481	\$ 10
Relocation	\$ -		
Developer Fee	\$ 5,940,916	\$ 70,725	\$ 76
<i>Total Soft Costs</i>	<i>\$ 12,835,053</i>	<i>152,798</i>	<i>\$ 163</i>
TOTAL DEVELOPMENT COSTS	\$ 49,193,777	\$ 585,640	\$ 626

Project Description

Napa Pipe Affordable Housing is the 140 unit inclusionary housing component within the larger Napa Pipe mixed use development master plan. MidPen Housing, in partnership with Napa Valley Community Housing, is identified in the DDA as the Qualified Housing Developer for inclusionary housing component. Napa Pipe received City Planning Commission Approval in December 2019 and is anticipated to receive City Council Approval January 2020. The 142 affordable housing units will be spread across two phases of development on two separate parcels. The first phase of development will consist of 85 units, while the second phase consists of the remaining 57 units.

The current \$750,000 pre-development loan request will be for the 85 unit first phase, which will consist of 84 affordable units and 1 onsite manager's unit. It is anticipated that this first phase will be a family property, with a mixture of 1, 2 and 3 Bedroom units, which will target families with Area Median Incomes ranging from 30% AMI to 60% AMI. The building design is anticipated to be a 3 story walk-up with surface and tuck under parking. Each of our family properties offers a variety of amenities to our residents, many of which include an after school room and associated programming, community room for gathering and events, computer lab and conference room.

MidPen's mission is to provide safe, affordable housing of high quality to those in need and to establish stability and opportunity in the lives of residents. We create great communities by:

- Developing Beautiful Homes - Quality of the environment matters for quality of life.
- Being Good Neighbors - We self-manage to create great living environments.
- Empowering Residents - Advance lives by investing in people through strategic services

DEVELOPMENT SUMMARY:

- 3-story residential building with and garage parking
- Courtyard provides common open space

GP Land Use: Napa Pipe Mixed Use Residential Site
Area: +/- 1.2 Ac
Unit Count: 56 DU
Density: 46.7 DU/Ac
Building Height: 3-stories (55' Max.)

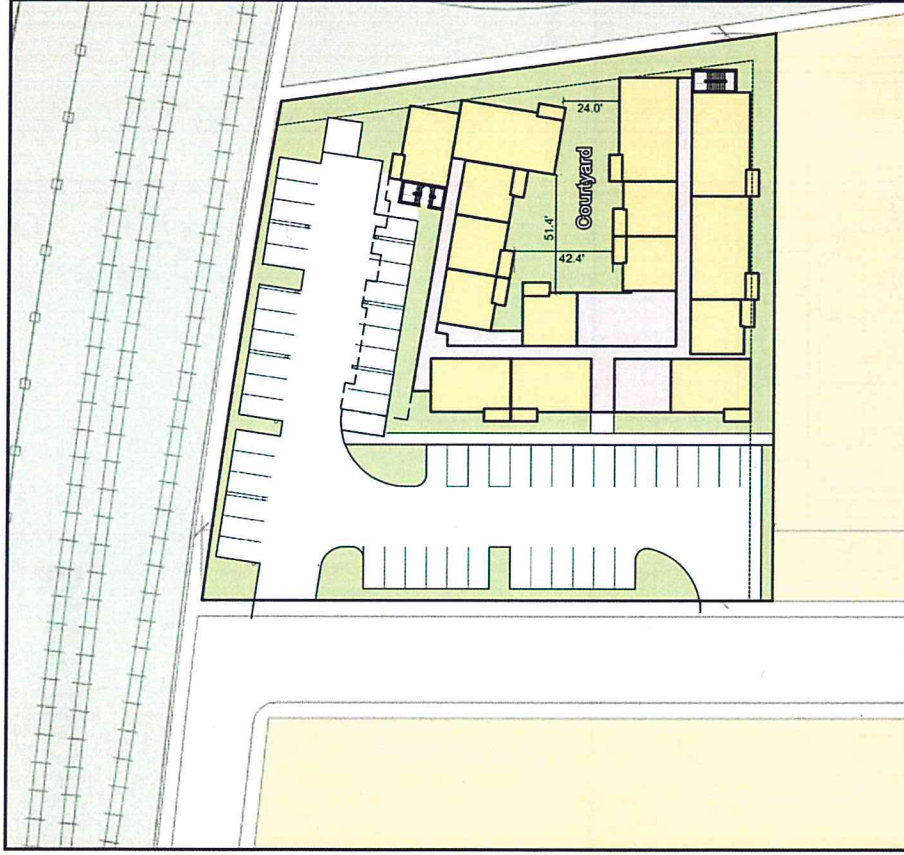
PARKING SUMMARY

Parking Provided: 53 Spaces (@ 0.96 space/unit)
53 On-site resident spaces
Additional 7 On-street spaces available

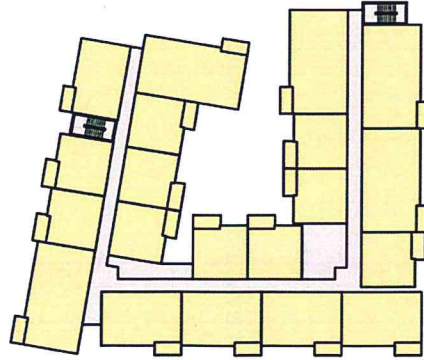
ARCHITECTURAL SUMMARY

1-Bedroom Units: 27 DU (48%)
2-Bedroom Units: 14 DU (25%)
3-Bedroom Units: 15 DU (27%)

This site plan study's purpose is to provide a preliminary estimate of unit and parking counts for the subject property, is conceptual in nature and was prepared based upon information provided by the client. It is understood that site constraints such as easements, dedications, and jurisdictional requirements such as certain zoning and other such development code criteria, may not have been known at the time the study was prepared. Therefore, the unit count, density, floor area ratio, and parking count may require revision once any previously unknown information is incorporated into the site plan study. In addition, certain variances from the applicable zoning criteria may be required to implement the clients intended program.



Ground Level



Level 2 & 3 Level Floorplan

NAPA PIPE - SITE STUDIES

BLOCK 1 - FAMILY HOUSING

BY MIDPEN HOUSING



DEVELOPMENT SUMMARY:

- 3-story residential building with and garage parking
- Courtyard provides common open space
- Parking buffers residential building from adjacent railroad parcel

GP Land Use: Napa Pipe Mixed Use Residential Site
Area: +/- 1.72 Ac
Unit Count: 84 DU
Density: 48.8 DU/Ac
Building Height: 3-stories (65' Max.)

PARKING SUMMARY

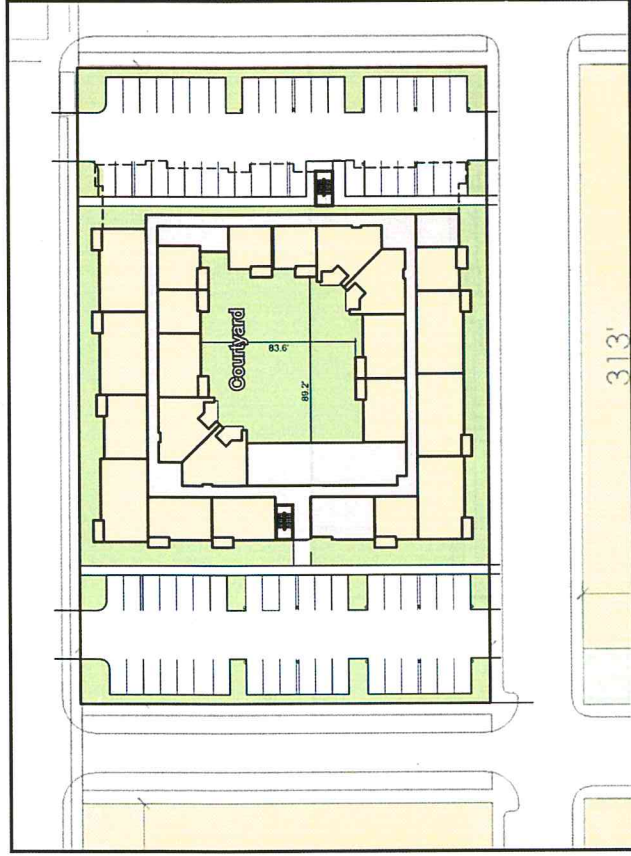
Parking Provided: 73 Spaces (@ 0.87 space/unit)

73 On-site resident spaces
Additional 32 On-street spaces available
assuming parking is allowed on all surrounding streets

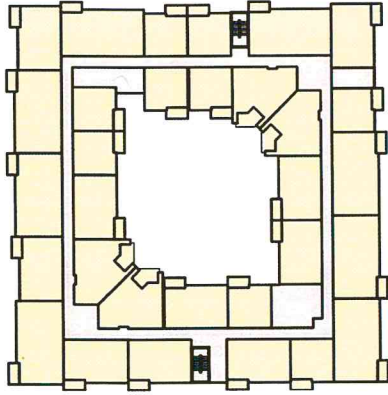
ARCHITECTURAL SUMMARY

- 1-Bedroom Units: 35 DU (42%)
- 2-Bedroom Units: 27 DU (32%)
- 3-Bedroom Units: 22 DU (26%)

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Ground Level



Level 2 & 3 Level Floorplan

NAPA PIPE - SITE STUDIES

BLOCK 23 - FAMILY HOUSING

BY MIDPEN HOUSING



DAHLIN

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