SECTION 7

2013 - 2014

HOME INVESTMENT PARTNERSHIPS PROGRAM

APPLICATION FORM
CITY OF DAVIS
2013-2014 HOME INVESTMENT PARTNERSHIPS PROGRAM APPLICATION

Organization Name: LINC Community Development Corporation

Street Address: 110 Pine Avenue, Suite 500, Long Beach, CA 90802
Mailing Address: Same as above
E-mail Address: spaul@linchousing.org
Phone Number: 562-684-1131
Fax Number: 562-684-1137

Contact: Sid Paul  Address: 110 Pine Ave., Suite 500 Long Beach, CA 90802
Phone: 562-684-1131
(Be sure to list the best contact to get information to the organization as quickly as possible.)

Total Proposal Request: $101,087

Is the applicant claiming status as a Non-Profit Community Housing Development Organization (CHDO)? (Applicants will be required to provide qualifying documentation)

X Yes  No

*Two copies of LINC’s CHDO documentation are included in this submittal.

HOME Eligible Activities Category: Rental Housing Development
(See List A)

Low Income Benefit: 50% and 60% of Median Income
(See List B)

City Council Identified Critical Needs: (See List C)

1) Development of Affordable Housing Units
2) Housing for Very-low Income Residents
3) _______________________

Beneficiary Information:

131* Total number of beneficiaries in proposed project

*Apartment communities include 3 additional manager units

131 Number of beneficiaries in proposed project to be served with HOME funds

100 Percentage of the HOME beneficiaries with low income

___ Cost ($) per HOME beneficiary (HOME Request/HOME Beneficiaries)
PROJECT NARRATIVE

a. Need

California’s population reached 32 million at the millennium and is expected to climb to 49 million by the year 2025. Even with the ups and downs of our economy, Californian’s continue to need housing. Unfortunately, our state has second-most expensive rental housing in the nation, resulting in many residents, particularly low-wage workers, struggling to afford safe and decent rental housing. Many of those that did have homes are now devastated by foreclosure and unemployment, making the need for affordable housing even more critical.

The Housing Needs Assessment outlined in the City of Davis’ 2010 Housing Element underscores the high level of housing demand in Davis with approximately 41 percent of all Davis households experiencing some level of excessive housing cost burden in 2000. Additionally, at the time of the assessment, home prices in Davis were out of reach for households earning below-moderate income levels, resulting in renting as their only option.

LINC Community Development Corporation proposes to acquire and rehabilitate three Davis properties that are currently owned by Community Housing Opportunities Corporation (CHOC):

- Fox Creek – 1515 Valdora Street, 36 Apartments
- Heather Glen – 2324 Shasta Drive, 62 Apartments
- Tuscany Villas – 2526 East Eighth Street, 36 Apartments

The properties, constructed between 1992 and 1993, have been an important source of affordable housing opportunities for Davis residents. LINC intends to continue to operate the properties at the current affordability levels and secure new equity and debt financing to facilitate a rehabilitation of the properties and extend their useful life.

b. Benefit

The support of the City of Davis’ HOME funds will allow LINC to rehabilitate three apartment communities and extend their affordability for a new 55-year period. As a result, low-income residents of Davis will benefit from affordable housing opportunities that are updated with energy and water efficient appliances, fixtures, and operations. The surrounding neighborhoods will benefit from the beautifully maintained grounds and excellently managed apartment communities. The City of Davis will benefit from an improved affordable housing stock with LINC as an experienced and stable owner and U.S.R.G. as a professional management company. Our rehabilitation will include the creation of a new community center for all three communities to utilize. This new center will increase their access to services and benefits from LINC Housing’s resident services department LINC Cares.

LINC Cares provides direct services and referrals at no cost to our residents to address their financial, social, educational, and health needs. Since our programs are offered directly where residents live, LINC Cares is uniquely positioned to create positive outcomes among households served. The goal of the resident services program for Fox Creek, Heather Glen, and Tuscany Villas will be to develop and implement a comprehensive approach to helping residents sustain their housing and experience the best quality of life. LINC Cares programs can often lessen the impact of service gaps as a result of government budget cuts. For example, our after-school programs provide homework help, arts and crafts, and extracurricular activities which supplement the traditional school program. Our individualized tutoring program assists students who need additional attention and instruction. LINC’s resident services programs are supported by teams of local volunteers who are recruited and managed by LINC staff.

c. Other Resources and Collaboration

LINC’s financing plan includes assumption of the existing subordinate debt and accrued interest on each of the properties. In addition to the assumed debt and accrued interest LINC plans to secure new 4% low-income-
housing-tax-credit equity and debt to acquire the property and fund the rehabilitation. LINC intends to maintain the existing affordability of the properties and comply with the existing regulatory agreements.

d. Organizational Capacity

LINC Community Development Corporation is a nonprofit housing provider to those underserved by the marketplace in California. Founded in 1996, LINC CDC has developed more than 300 units of affordable housing and has a pipeline of more than 200 units either currently under construction or in predevelopment. Of those units, LINC CDC has secured over $3.9 million in CHDO funds to finance 179 units. LINC CDC also has extensive experience in utilizing affordable housing financing including funds from tax credits, tax-exempt bonds, Prop 1-C funds, CalReUse, and has relationships with many private foundations that have provided grants for several projects.

Our work is mission driven, with a sharp focus to provide housing for people who are underserved by the marketplace. We fulfill our mission with the business savvy and intensity necessary to work efficiently and quickly. The goal of every LINC property is to enhance the lives of people and the communities in which they live, by increasing the supply of well-managed and service-enriched housing. LINC’s staff is experienced in working with various product types, with a core focus on multi-family rental and senior housing projects. Our portfolio of completed developments includes affordable apartments for families, seniors, and people with special needs such as people with developmental disabilities and young adults aging out of the foster care system.

LINC Community Development Corporation often collaborates with LINC Housing Corporation, a California nonprofit public benefit corporation. The Board of LINC Community Development Corporation consists of three Board Members, two from the LINC Housing Corporation Board of Directors and one LINC Housing Corporation staff member.

Founded in 1984, LINC Housing Corporation develops, operates, and provides resident services to communities throughout California. With a track record of more than 7,000 units of development and 5,000 units under its management, LINC Housing Corporation is one of the largest and most successful nonprofit affordable housing developer/operators in Southern California and one of the 25 largest developers in the country. During its 28 years in business, LINC Housing Corporation has assisted 42 cities in response to their affordable housing needs. Over the last three years, LINC Housing Corporation secured over $120 million of funding from sources including: Prop 1-C funds, low-income-housing-tax-credits, tax exempt bonds, state and local government funds, and private grants.

**SCOPE OF SERVICES**

a. **Project Description** (Activity Summary: Describe the activities of the proposed budget)

With the support of City of Davis HOME funds, LINC proposes to rehabilitate a scattered-site project consisting of three existing Davis properties:

- Fox Creek – 1515 Valdora Street, 36 Apartments
- Heather Glen – 2324 Shasta Drive, 62 Apartments
- Tuscany Villas – 2526 East Eighth Street, 36 Apartments

The proposed rehabilitation will include replacement of building components that are in need of repair or replacement and the addition of sustainable features into the community to minimize energy use and heat gain. Energy efficient upgrades such as new dual pane low-e windows, dual flush toilets, and energy star appliances as well as new planting to reduce irrigation will be considered. These important renovations will enhance healthy living environments for the residents as well as lengthen the life of the buildings, increasing affordable housing opportunities for future Davis residents.
All three apartment communities are centrally located and have several amenities located nearby. Each community has a grocery store, pharmacy, hospital, and a public elementary school within a mile.

As the properties are already developed, the sites are well positioned for rehabilitation. There are no unusual features that pose significant challenges to the rehabilitation. We are excited to work with a local team of experts to preserve and enhance this property while having an opportunity to utilize funding within the Davis area community. We will seek to hire local businesses as much as possible. Additionally, the project will provide employment for approximately 125 local workers during the construction phase through roughly 20 different subcontractors, suppliers, and vendors.

By utilizing an existing asset we can preserve the homes of 134 families at a fraction of the cost to build a new replacement community. In times of significant financial hardship at all levels of government and in our communities, where public funds for affordable housing are limited, this opportunity allows us to leverage public and private resources and find creative ways to preserve affordable housing.

b. Target Group

This project will serve 131 low- and very low-income Davis households.

c. Outreach

Prior to beginning construction, LINC will outreach to the apartments’ current residents to introduce ourselves as the new owners, outline the construction process, and welcome feedback. We will also introduce our LINC Cares resident services program which will outreach to the community to tailor their services to meet the specific needs of the residents.

As part of the assumption of debt, LINC will present to the Davis City Council and Senior Commission for approval.
PERFORMANCE SCHEDULE

(Prepare a Work Plan for implementation/completion of the services and activities identified in the Scope of Services.)

**Work Plan**  (Identify activities and completion dates)

<table>
<thead>
<tr>
<th>List Activity</th>
<th>Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Begin unit rehabilitation and community room construction</td>
<td>December 2013</td>
</tr>
<tr>
<td>• Complete rehabilitation and community room construction</td>
<td>June 2014</td>
</tr>
</tbody>
</table>

PERFORMANCE MEASUREMENTS

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>INDICATOR</th>
<th>OUTCOME</th>
</tr>
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<tbody>
<tr>
<td>Rehabilitation of 134 apartments across three scattered sites reserved for low- and very-low Davis families.</td>
<td>Completion of rehabilitation of 134 apartments across three scattered sites reserved for low- and very-low Davis families.</td>
<td>Improved quality of affordable housing units for Davis families.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Improved quality of life for program participants.</td>
</tr>
</tbody>
</table>
## CITY OF DAVIS
### HOME INVESTMENT PARTNERSHIPS PROGRAM

### BUDGET SUMMARY FOR PROPOSED CAPITAL PROJECT *

<table>
<thead>
<tr>
<th>Budget Category</th>
<th>Proposed Project &quot;HOME&quot; Portion</th>
<th>Other Funds (Non-HOME)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Direct Project Related Costs</td>
<td>General Admin Costs of Service Provider</td>
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<tr>
<td>ACQUISITION</td>
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<td>Consulting Fees</td>
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<td>Materials</td>
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<tr>
<td>Other Costs</td>
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<td>Final Development</td>
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<tr>
<td>Community Room</td>
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<td>Rehabilitation</td>
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<td>Contingency</td>
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<td>General Requirements</td>
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<td>Contractor Overhead</td>
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<td>Contractor Profit</td>
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<td>Soft Costs</td>
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<td>Architecture/Engr.</td>
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<td>Const. Financing</td>
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<td>Perm. Financing</td>
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<td>Appraisal Costs</td>
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<tr>
<td>Other Soft Costs</td>
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<tr>
<td>TOTAL</td>
<td>101,087</td>
<td>4,761,596</td>
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* Please revise this form and annotate budget items as needed

**REQUIREMENTS:** All applicants are requested to submit a copy of their Operating Budget. (ATTACHED)