



Resolution 11234

Harrington Grove Affordable Housing Loan

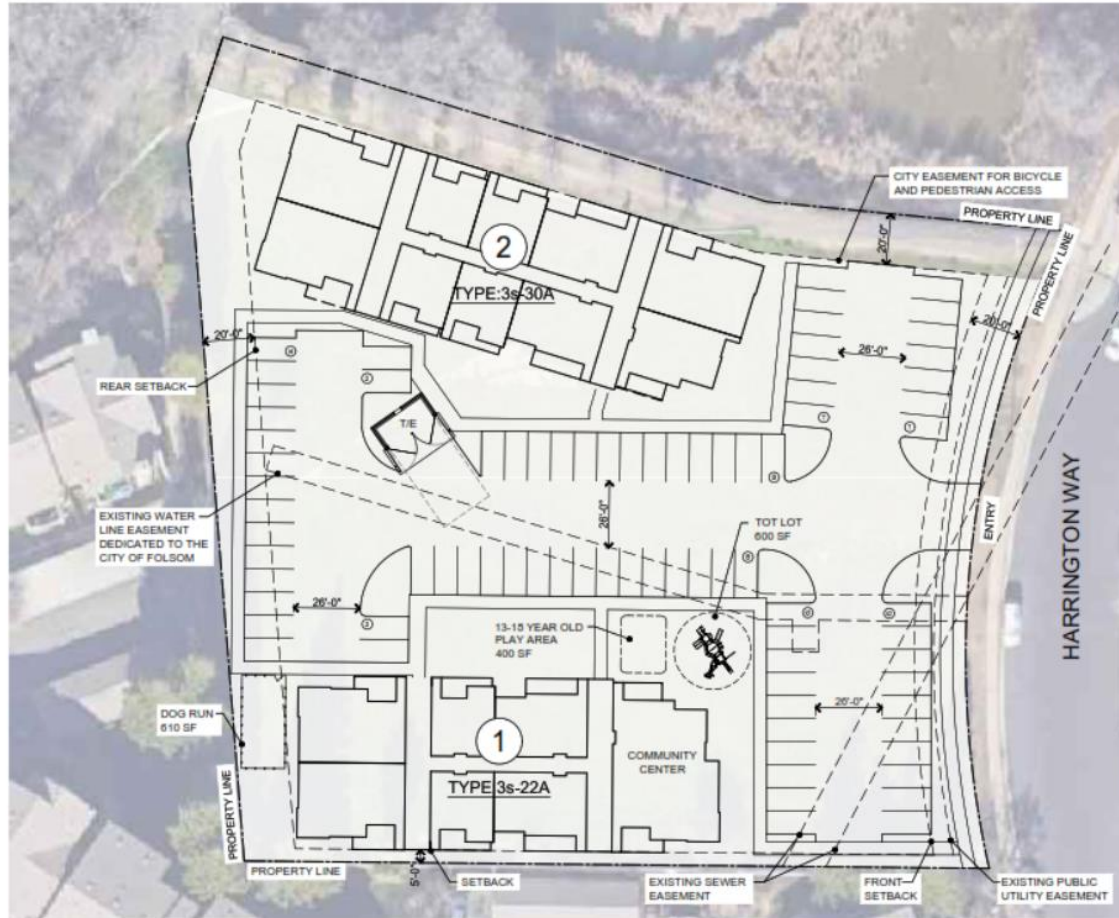


Project Location and Details



- Located within East Bidwell Street Mixed-use Corridor
- 1.94 acre site
- 52 multifamily affordable one-, two-, and three-bedroom units
- Project will provide 51 additional affordable units towards Folsom's RHNA
- Affordable to low-, very-low-, and extremely-low-income households
- Site close to amenities and bike trail
- Requesting \$2,700,000 from City's Housing Fund

Conceptional Site Plan



PROJECT DATA	
Jurisdiction	Folsom, CA
APN: 07111600060000, 07111600070000, 07111600080000	751, 771, 791 Harrington Way
Current Zoning - CMU Mixed Use Commercial	C - Commercial Land Use
Gross Land Area (Including Easements and Dedications)	84,510 S.F. 1.94 ACRES
Net Land Area (Excluding Easements and Dedications)	70,512 S.F. 1.62 ACRES
Total Units Proposed	52
Product Type: Affordable Multi-Family	
Density Proposed (DU/AC.)	26.80
Density Proposed per Net Acre (DU/AC.)	32.12

PROJECT SUMMARY UNIT MIX				
3 BED	U1	600 S.F.	24	46.15%
2 BED	U2A	848 S.F.	6	28.92%
	U2B	807 S.F.	8	
3 BED	U3	1,118 S.F.	14	26.92%
	U3A	1,118 S.F.	0	
			TOTAL UNITS	52

RENTABLE UNIT MIX TOTAL				
3 BED	U1	600 S.F.	24	47.06%
2 BED	U2A	848 S.F.	6	27.45%
	U2B	807 S.F.	8	
3 BED	U3	1,118 S.F.	13	25.45%
	U3A	1,118 S.F.	0	
			TOTAL RENTAL UNITS	51

MANAGERS UNIT				
3 BED	U3	1,118	1	2%
			TOTAL MANAGER UNITS	1

SITE DATA				
PARKING SUMMARY				
Total Required	1.5 SPACES PER UNIT	1.5	52	78
Total Covered Parking				
Standard Parking Stalls				
Accessible Stalls - CBC 11B-208.2.3.1				
Accessible Stalls - Van				
Total Uncovered Parking				
Accessible Stalls - CBC 11B-208.2.3.2				
Accessible Stalls - Van				
			Total Proposed	80

346.039 TPC Harrington Way
Folsom
June 5, 2024

Background/Timeline



May 2024	Developer submitted \$2.7 million loan request to the City for the proposed Harrington Grove 100% affordable housing project		
July 2024	Affordable housing loan consultant (TDA) preliminary review of proposal		
July 23, 2024	Loan Request to City Council		
August 2024	Developer to submit design review entitlement package to City		
August 2024	Developer to submit TCAC application for the August 27, 2024 funding round		
	<u>Housing Fund Name</u>	<u>Source</u>	<u>Fund Balance</u>
	Housing Trust Fund (Fund 221)	Commercial Fees	\$664,295
	Folsom Housing Fund (Fund 238)	Inclusionary In-lieu Fees	\$18,033,233
	Oaks at Willow Springs (Fund 274)	Willow Springs Inclusionary Fee	\$24,721
	Bonds Fund (Fund 280)	Former Redevelopment Bonds	\$144,153
	Total City Housing Funds		\$18,866,403

Funding Analysis

- Developer Pro Forma analyzed by City's consultant (TDA) for reasonableness and accuracy of assumptions, methods, and calculations
- TDA found the requested \$2.7M loan reasonable based on preliminary project details, but recommended adding conditional provisions to the Term Sheet
- Per unit price comparable to other City loans (average is \$51,922/unit)
 - **Harrington Grove Project: \$52,941 per affordable unit**
 - Mangini Place Project: \$45,733 per affordable unit
 - Bidwell Place Project: \$55,333 per affordable unit
 - Bidwell Point Project: \$53,000 per affordable unit
 - Forestwood Apartment Project: \$54,545 per affordable unit
 - Granite City Apartment Project: \$51,000 per affordable unit

Loan Terms

- Loan Amount \$2.7 million
- 3% simple interest
- 35-year repayment term
- Repayment equal to 50% of residual cash flow
- City's loan will be deferred until the earlier of:
 - 15 years following Permanent Loan Conversion, or
 - Repayment of the Deferred Developer Fee, provided further that the Deferred Developer Fee note shall carry no interest
- 100% of principal balance + accrued interest due at expiration of loan term
- Binding commitment, closing, and funding is conditional per Term Sheet

Affordable Housing Loan Summary



		Oaks at				
		Folsom Housing	Successor Agency	Housing Trust	Willow Springs	
		Fund 238	Fund 279	Fund 222	Fund 274	
Vintage Willow Creek	2003	\$861,875	\$1,175,625			\$2,037,500
Creekview Manor	2007	\$1,400,000				\$1,400,000
Mercy Village (remodel)	2009	\$1,215,000				\$1,215,000
Forestwood	2011	\$2,500,000		\$500,000		\$3,000,000
Granite City	2012	\$855,000		\$382,000	\$2,829,055	\$4,068,067
Bidwell Pointe	2019	\$5,300,000				\$5,300,000
Parkway (Peterson Place)	2019	\$4,680,000				\$4,680,000
Bidwell Place	2021	\$4,150,000				\$4,150,000
Scholar Way (Sage)	2021	\$2,750,000				\$2,750,000
Mangini Place	2021	\$6,860,000				\$6,860,000
		\$30,571,875	\$1,175,625	\$882,000	\$2,829,055	\$35,460,567

- 10 affordable housing loans
- Totaling \$35.5 million
- Producing 964 lower income units

Recommendation



Adopt Resolution No. 11234 - A Resolution of the City of Folsom Conditionally Approving an Affordable Housing Loan in the Amount of \$2,700,000 from the City's Housing Fund to Pacific West Communities, Inc., Authorizing the City Manager to Execute a Loan Agreement and Related Documents for the Construction of 52 Affordable Housing Units at the Proposed Harrington Grove Multifamily Affordable Project, and Appropriation of Funds