

# Las Deltas Duplexes Staff Report

*Prepared for Affordable Housing Finance Committee Review*

## Project Overview

**Project Name:** Las Deltas Duplexes

**Applicant/Sponsor:** Community Housing Development Corporation (CHDC)

**Location:** Multiple Scattered Sites; 1529 Second Street; 114 West Ruby Avenue; 121 Chesley Avenue; 1511 Second Street; 1558, 1560, 1572, and 1574 First Street, Richmond

**Consistency with Program Priorities:** Increase homeownership Opportunities

This is a general affordable housing first-time homebuyer proposal that includes the rehabilitation of four duplex properties, formerly owned by the Housing Authority of Contra Costa, for a total of eight total units that will be rehabilitated and sold to first time homebuyers at or below 80% AMI. The intent is for the homebuyer to occupy one unit as a primary residence and rent the second unit in the duplex building to a low-income household. The requested funding will be used for predevelopment costs, rehabilitation costs, as well as for downpayment assistance. The renovation to the existing duplexes will include new kitchen and bathroom fixtures and finishes, exterior siding, insulation, windows, electrical and mechanical systems, new landscaping, irrigation, pavement at existing driveways, entry pathways, carports, and fencing.

## Sources of Funds (Permanent Financing)

- |  |                    |                 |
|--|--------------------|-----------------|
| • <b>FY 2026/27 Measure X Funds requested:</b> | <b>\$2,067,006</b> | <b>applied</b>  |
| • EPA Federal Cleanup Funding:                 | \$300,000          | applied         |
| • Bay's Future Policy Grant                    | \$220,000          | committed       |
| • <u>PNC Funding:</u>                          | <u>\$25,000</u>    | <u>proposed</u> |

Total Permanent Sources: \$2,572,406

The original application submitted in December 2025 included a Measure X request of \$2,572,406 (100 percent of the budget). A supplemental financing plan submitted by the applicant reduces the Measure X request to \$2,067,006, and added additional permanent financing sources, as noted above.

## Uses of Funds (Development Budget)

- Land Acquisition: \$34,725.13

- Hard Construction Costs (GC Contract): \$1,200,000
- Site Work: 120,000
- Hard Cost Contingency: \$198,000
- Soft Costs: \$666,924
- Soft Cost Contingency: \$100,039
- Developer Fee: \$250,519
- Sales and Marketing: \$149,600

Total Uses: \$2,572,406

## **Unit and Affordability Mix**

### **2-Bedroom Units**

Number: 4 units (in 2 duplexes)

Proposed County-Assisted Units: 4

Affordability Level: 80% AMI

### **3-Bedroom Units**

Number: 4 (in 2 duplexes)

Proposed County-Assisted Units: 4

Affordability Level: 80% AMI

**Total Number of Units: 8**

## **Financial Analysis and Underwriting**

The estimated per-unit cost is approximately \$321,550. The construction budget provided by CHDC did not include details or rationale for the budget line items provided. It is unclear how each line item amount was considered. The financing plan leverages County Measure X funds and federal cleanup funding. CHDC has demonstrated experience in completing similar projects.

## **Scoring Criteria**

Evaluation was conducted based on the following criteria:

- Project Readiness (3 pts)

The applicant is still seeking other funding sources at this time. A portion of the project requires planning approval for the lot split and zoning compliance review. The planning application was filed after the NOFA application deadline. The

environmental review for the lot split portion of the project has not been completed. The project's construction budget uses is inconsistent with the proposed permanent financing source totals.

- **Project Location (20 pts)**

The project is located within the unincorporated North Richmond. The site is within a half mile of a bus line. The site is within 1 mile of a full-service grocery store, within 1 mile of a medical clinic and healthcare facility.

- **Project Targeting and Characteristics (0 pts)**

The income targeted for this project is 80% AMI and does not exceed the minimum income targeting for homeownership projects. The application indicates that the project is exploring various energy efficient/green building improvements.

- **Developer Experience and Capacity (19 pts)**

The applicant has 33 years in the development and operating of affordable housing projects in California. The applicant has indicated the completion of four projects within the past 10 years for similar homeownership affordable housing developments.

- **Penalty for Nonperforming Previously Funded Projects - Not Applicable.**

The project earned a total score of 42 out of 124 points.

## **Funding Recommendation Amount**

Staff recommends no funding at this time.

## **Rationale for Recommendation**

The project is still seeking funding from other sources and appears to have a gap in their financing budget. In addition, the development is in the process of obtaining planning approval and environmental approval for a lot split proposed for the property where there are two duplexes on one lot.