

El Cerrito Plaza – Parcel C East Staff Report

Prepared for Affordable Housing Finance Committee Review

Project Overview

Project Name: El Cerrito Plaza – Parcel C East

Applicant/Sponsor: The Related Companies of California, LLC

Location: 6671 Fairmount Ave, El Cerrito

Consistency with Program Priorities: Production of Affordable Rental Housing

The project is for the new construction of an 84-unit multi-family affordable housing rental project, including one manager’s unit. This project is the second affordable housing phase within the multi-phased master plan transit-oriented development at the El Cerrito Plaza BART Station. The master plan includes market rate and affordable housing units. This is a public-private partnership between the San Francisco Bay Area Rapid Transit District (BART), City of El Cerrito, and the development team. The development team consists of Related California, Holliday Development, and Affordable Housing Access, Inc. (AHA) with Satellite Affordable Housing Associates (SAHA) providing resident services for the affordable housing units in the development. AHA will be the non-profit managing general partner.

The project will include one-, two-, and three-bedroom units for households earning between 30% to 60% Area Median Income (AMI). The project amenities include a community room, bike storage, shared laundry facilities, outdoor courtyard and play area, secured parking, central air, and appliances. The new building will include an approximate 1,500 square-foot commercial retail café at the ground floor that is not part of the housing development.

Sources of Funds (Permanent Financing)

• FY 2026/27 Measure X (Requested):	\$4,500,000	applied
• 4% Federal/State LIHTC Equity:	\$38,347,698	proposed
• State of CA HCD AHSC Loan:	\$24,850,000	proposed
• State of CA HCD AHSC HRI Grant:	\$4,150,000	proposed
• State of CA HCD IIG Catalyst Loan:	\$2,300,000	committed
• City of El Cerrito Loan:	\$350,000	committed
• Permanent Loan:	\$3,967,000	proposed
• Deferred Costs:	\$587,855	committed
• GP Equity Contribution:	\$100	committed

Total Permanent Sources: \$79,052,653

Uses of Funds (Development Budget)

- Acquisition Costs: \$115,000
- Hard Construction Costs (Structures and Modular Housing): \$32,319,449
- Hard Construction Costs (Modular – Factory Built): \$15,680,551
- Other Construction Costs (Non-Structures/Modular): \$4,697,718
- Soft Costs: \$10,456,920
- Owner Hard Cost Contingency: \$4,215,817
- Soft Cost Contingency: \$522,846
- Financing Costs: \$6,191,975
- Reserves: \$357,377
- Developer Fee: \$4,495,000

Total Uses: \$79,052,653 (balanced with sources)

Unit and Affordability Mix

The project will help alleviate the need for safe, decent, affordable housing through the new construction of 39 affordable rental units for families including:

1 Bedroom Units

Number: 35

Proposed County-Assisted Units: 8

Affordability Level: 30–60% AMI

2-Bedroom Units

Number: 25

Proposed County-Assisted Units: 5

Affordability Level: 30–60% AMI

3-Bedroom Units

Number: 24

Proposed County-Assisted Units: 5

Affordability Level: 30-60% AMI

Manager's Unit (2-Bedroom)

Number: 1

Affordability Level: Unrestricted

Total Units: 84

Financial Analysis and Underwriting

The estimated per-unit cost is \$952,442 per unit. The hard cost per residential square foot is projected at \$490.21. The per unit cost is high compared to other new construction podium parking project applications submitted to the County this application round. The residential square foot cost is within range of similar project applications. Operating pro formas reflect positive stabilized cash flow, a 1.20 debt-service coverage ratio, and long-term sustainability across a 20-year operating period. The project demonstrates sufficient rental income to support operations, debt service, reserves, and regulatory compliance obligations.

Scoring Criteria

Project evaluated using the following metrics:

- **Project Readiness (31 pts)**
The project has approximately four percent of its non-County funding committed to the project. The development has all planning approvals and environmental review clearance.
- **Project Location (10 pts)**
The project is a transit-oriented development and will be built on City of El Cerrito BART property subject to a long-term lease agreement. The property is located within 1 mile of multiple grocery stores, commercial retail, pharmacy, and medical services.
- **Project Targeting and Characteristics (20 pts)**
The project has demonstrated a score of higher than 110 points on the Build It Green GreenPoint Rated Checklist. The income targeting exceeds the minimum requirements and includes additional affordable units with restricted rents at or below 30% AMI.
- **Developer Experience and Capacity (39 pts)**
The developer has 36 years of experience building over 50 affordable housing developments in California. The developer has successfully completed the development of more than three similar development projects of similar size and scope within the past 10 years. Related Affordable Management, formerly named Related Management Company, is interested in serving as the property management agent. They were founded in 1974 and currently manages over 35,000 units with 3,000 units located in Contra Costa, San Francisco, and Alameda counties. They have experience working with local, state, and federal programs such as HOME, Section 8 and Low Income Housing Tax Credits.
- **Penalty for Nonperforming Previously Funded Projects – Not Applicable**

Total Score: 100 points out of 189 possible for rental projects.

Funding Recommendation Amount

Staff does not recommend any funding at this time.

Rationale for Recommendation

The project did not score as competitively as other projects reviewed this application round. Given the limited funding, staff is unable to recommend funding this year. The applicant intends to apply for additional state funding and anticipates an application for tax credits in 2027.