

Downtown San Pablo Staff Report

Prepared for Affordable Housing Finance Committee Review

Project Overview

Project Name: Downtown San Pablo

Applicant/Sponsor: Community Development Partners (CDP)

Location: 13717 San Pablo Avenue, San Pablo

Consistency with Program Priorities: Production of Affordable Rental Housing

The Downtown San Pablo project proposes the new construction of a 91-unit affordable multifamily community (90 affordable units + 1 manager unit) in a fully entitled five-story development along San Pablo Avenue next door to San Pablo Library. The project proposes a mix of studio, one-, two-, and three-bedroom units with approximately 8,500 ground floor commercial space to be affordable to households earning 30%-60% Area Median Income (AMI). The project is located in the heart of downtown San Pablo’s walkable, transit-friendly downtown corridor.

Sources of Funds (Permanent Financing)

• FY 2026/27 Measure X funds requested:	\$4,473,004	
• State of California HCD AHSC:	\$11,000,000	proposed
• City of San Pablo:	\$1,000,000	proposed
• Federal 4% LIHTC Tax Credits:	\$21,739,730	proposed
• Permanent Loan (Citibank):	\$12,800,000	committed
• Deferred Developer Fee:	\$769,909	committed
• <u>Contributed Developer Fee:</u>	<u>\$3,406,507</u>	committed
Total Permanent Sources:	\$55,189,150	

Uses of Funds (Development Budget)

- Land Acquisition: \$4,600,000
- Hard Construction Costs: \$32,669,000
- Other Construction Costs (Non-Structures): \$740,000
- Soft Costs: \$4,933,398
- Financing Loan Interest: \$2,146,647

- Owner Hard Cost Contingency: \$2,613,520
- Soft Cost Contingency: \$649,176
- Reserves: \$421,344
- Total Developer Fee: \$6,416,065

Total Uses: \$55,189,150

Unit and Affordability Mix

The project will help alleviate the need for safe, decent, affordable housing through the new construction of 90 affordable rental units for families including:

Studio Units

- Number: 4
- Proposed County-Assisted Units: 4
- Affordability Level: 30–50% AMI

1 Bedroom Units

- Number: 63
- Proposed County-Assisted Units: 10
- Affordability Level: 30–60% AMI

Manager’s Unit (2 Bedroom)

- Number: 1
- Affordability Level: Unrestricted

2 Bedroom Units

- Number: 16
- Proposed County-Assisted Units: 4
- Affordability Level: 30–60% AMI

3 Bedroom Units

- Number: 8
- Proposed County-Assisted Units: 2
- Affordability Level: 30–50% AMI

Total Units – 91

Financial Analysis and Underwriting

The estimated per-unit cost is \$613,213, which is competitive compared to similar applications submitted this NOFA round. The hard cost per residential square foot is \$488.17 which is on the lower end of average for similar projects submittals. Operating projections and reserve policies indicate positive cash flow beginning in year one, with sustainability projected over a 20-year period. Debt coverage ratios are expected to remain above 1.15 throughout the 20-year term, increasing to 1.58 in year 20.

Scoring Criteria

The Downtown San Pablo project has been evaluated based on the following scoring criteria:

- Project Readiness – 33 points
 - The developer has planning and environmental approvals from the City of San

Pablo. The proposed financing includes applying for the highly competitive Affordable Housing Sustainable Communities (AHSC) in 2026.

- Project Location – 15 points

The proposed project is located within a half mile walking distance of multiple bus stations with intervals of stops of at least every 30 minutes and within a third of a mile of a full-service grocery store. The project site is located within the City of San Pablo.

- Project Targeting and Characteristics – 8 points

The project is proposed to be built at the Gold Standard on the Build It Green – Green Point Rated Checklist. 11 percent of the overall unit’s mix are proposed to be affordable to and occupied by extremely-low-income households, earning less than 30% AMI.

- Experience and Capacity – 37 points

Community Development Partners was founded in 2011 and has built, preserved, or is actively developing over 55 projects (over 4,800 affordable units) throughout Oregon, California, Nevada, Arizona, and Colorado.

- Penalty for Nonperforming Previously Funded Projects – Not Applicable

The total score for Downtown San Pablo is 93 points out of a maximum 189 points for rental projects.

Funding Recommendation Amount

Staff recommends no funding at this time.

Rationale

While the Downtown San Pablo project is consistent with the County’s priority to produce new, permanent affordable rental housing, it is not as far along and did not score as well as other projects during this NOFA cycle. The project plans to seek the highly competitive AHSC funding in 2026 followed by 4% federal tax credits and tax-exempt bonds. In the County’s experience, projects seeking multiple other competitive funds rarely meet their initial timeframes for construction. Therefore, due to timeliness and competitiveness, staff does not recommend a funding award at this time.