

San Pablo Avenue Apartments Staff Report

Prepared for Affordable Housing Finance Committee Review

Project Overview

Project Name: San Pablo Avenue Apartments

Applicant: Community HousingWorks (CHW)

Location: 11965 San Pablo Avenue, El Cerrito

Consistency with Program Priorities: Production of Affordable Rental Housing

San Pablo Avenue Apartments is a proposed twelve-story, podium parking 241-unit, 100% affordable multifamily residential community. The project expands the supply of deeply affordable housing proposing a mix of units affordable to households earning 20% -70% Area Median Income (AMI), advances inclusive development through 60 set-aside units for individuals with intellectual and developmental disabilities, and reinforces local revitalization efforts. The project site is transit-accessible, located less than ½ mile from the El Cerrito del Norte BART Station, and aligned with regional and municipal housing priorities.

Sources of Funds (Permanent Financing)

• FY 2026/27 Measure X funds requested:	\$3,500,000	applied
• 4% Federal Tax Credit Equity:	\$40,856,873	proposed
• Permanent Loan:	\$41,660,819	committed
• Leasehold Contribution:	\$2,500,000	proposed
• General Partner Loan Note:	\$280,000	committed
• Deferred Developer Fee:	\$9,136,437	committed
• <u>NOI Residual from Lease-Up:</u>	<u>\$45,066</u>	<u>committed</u>
Total Permanent Sources:	\$97,979,196	

Uses of Funds (Development Budget)

- Land Acquisition: \$4,248,400
- Hard Construction Costs (Structures): \$57,371,255
- Hard Construction Costs (Non-Structures): \$2,561,668
- Construction Interest and Fees: \$6,639,658
- Financing Fees: \$456,608

- Soft Costs: \$7,362,150
- Owner Hard Cost Contingency: \$4,922,816
- Soft Cost Contingency: \$690,507
- Reserves: \$2,106,656
- Total Developer Fee: \$11,619,478

Total Uses: \$97,894,989 (does not balance with permanent sources)

Unit and Affordability Mix

The project will help alleviate the need for safe, decent, affordable housing through the new construction of 239 affordable rental units for families including:

1-Bedroom Units

Number: 46 total

Proposed County-Assisted Units: 14

Affordability Level: 21-70% AMI

2-Bedroom Units

Number: 193

Proposed County-Assisted Units: 21

Affordability: 31–70% AMI

Manager's Units

Number: 2

Affordability: unrestricted

Total: 241

Accessible/Special Needs Units: 60 units designated for individuals with intellectual and developmental disabilities (I/DD)

Financial Analysis

The estimated per-unit cost is approximately \$409,955, consistent with the other new construction podium parking applications submitted to the County this round. The hard cost per residential square foot is projected at \$371.20. The financing plan blends tax-exempt bonds, 4% Low-Income Housing Tax Credits, private lending, CHW equity contributions, deferred developer fee, leasehold value, and Measure X funding. Operating projections indicate positive cash flow beginning in Year 1. The project demonstrates long-term financial sustainability over a 20-year pro forma.

Scoring Criteria

Evaluation was conducted using the following metrics:

- Project Readiness: 34 points

Entitlement process with the City of El Cerrito was not yet started at the time of application submittal December 2025. Less than 10% of Non-County financing is committed to the project.

- **Project Location: 14 points**

The project is located within ½ mile of a BART station, is within 1 mile of a full-service grocery store, is within 1 mile of a pharmacy, and is within the “Extreme Displacement” category of the Urban Displacement Project’s California Estimate Displacement Risk Model.

- **Project Targeting and Characteristics: 10 points**

The project is a 100% electric development with an anticipated GreenPoint score of 110 points. 10% of the affordable units are extremely low income (30% AMI or less), which meets but does not exceed the requirement.

- **Developer Experience and Capacity: 29 points**

Community HousingWorks (CHW) has 37 years of experience in affordable housing development in California and Texas, with 5,185 rental apartments operating in 54 communities statewide as of November 2025, and with 75 apartments currently in construction and another 2,623 apartments in predevelopment.

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

The project earned a total score of 87 out of 189 for rental projects.

Funding Recommendation Amount

Staff is not recommending funding at this time.

Rationale for Recommendation

Although the San Pablo Avenue Apartments project is consistent with the County’s priorities to produce new affordable rental housing, it did not score as well as other projects during this annual NOFA cycle. As planned, the project will apply for 4% federal tax credits in 2026. However, in the County’s experience, projects seeking the highly competitive tax credits and tax-exempt bonds rarely meet the initial timeframes for loan closing and construction start. At the time of application submittal (December 2025), the project has not been submitted to the City of El Cerrito for planning approvals. Therefore, due to the competitiveness of Measure X Funds, staff recommends allocating funds to other projects that can demonstrate construction commencement in a timelier manner.