

# TBV Villas at Renaissance Staff Report

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*Prepared for Affordable Housing Finance Committee Review*

## **Project Overview**

**Project Name:** TBV Villas at Renaissance

**Applicant/Sponsor:** Joint Venture between Guiding Light, Inc. and Sandidge Urban Group, Inc. (GLI – SUG JV)

**Location:** 1827 San Joaquin Street, Richmond, CA 94804

**Consistency with Program Priorities:** Production of Affordable Rental Housing

GLI – SUG JV is proposing the new construction of 105 affordable rental apartment units (104 affordable units and one manager’s unit) for families on two vacant parcels located across from one another. The units will be affordable to households between 30% Area Median Income (AMI) to 80% AMI. The project will include the construction of a five-story building comprised of 93 units, podium parking, and 7,500 square feet ground floor commercial space that will be under separate ownership on one site, and the construction of a three-story building comprised of 12 units, and at-grade parking on the second site. Project amenities and services will include a community room, business center with computer access, services from Abode services including financial literacy, job-seeking skills, home care services, and computer training. Guiding Light Church will occupy 1,200 square feet of the ground floor commercial space and provide tenant and community services such as free food delivery, fitness activities, and other services to meet the community needs. The Housing Authority of the County of Contra Costa awarded the project 23 Project Based Vouchers.

## **Sources of Funds (Permanent Financing)**

• <b>FY 2026/27 Measure X Funds Request:</b>	<b>\$6,500,000</b>	<b>Applied</b>
• FY 2025/26 Measure X Funds:	\$2,496,750	Awarded
• First Mortgage:	\$23,112,400	Proposed
• Smyrna Enterprise LLC B Bonds:	\$3,700,000	Proposed
• Vaughns Family Trust Seller Carryback Loan:	\$6,250,000	Proposed
• Guiding Light, Inc:	\$5,000,000	Proposed
• Investor Equity – 4% Federal Tax Credits:	\$28,509,430	Committed
• GP Equity	\$100	Committed
• Deferred Developer's Fee:	\$5,820,000	Committed

**Total Permanent Sources: \$81,388,680**

### **Uses of Funds (Development Budget)**

• Land Cost/Acquisition:	\$9,985,000
• Construction:	\$45,498,366
• Architectural Costs:	\$2,100,000
• Survey and Engineering, Inspections:	\$705,000
• Construction Interest and Fees:	\$4,302,478
• Permanent Financing Costs:	\$783,844
• Legal Fees:	\$175,000
• Reserves:	\$665,109
• Appraisal Costs:	\$25,500
• Hard Cost Contingency	\$2,274,918
• Other Costs:	\$6,260,465
• Developer Costs:	\$8,320,000
• Syndication Costs:	\$293,000

**Total Uses: \$81,388,680**

### **Unit and Affordability Mix**

#### **0-Bedroom Units**

- Number: 4
- Proposed County-Assisted Units: 0
- Affordability Level: 30 – 80% AMI

#### **1-Bedroom Units**

- Number: 7
- Proposed County-Assisted Units: 1
- Affordability Level: 30 – 80% AMI

#### **2-Bedroom Units**

- Number: 39
- Proposed County-Assisted Units: 10
- Affordability Level: 30 – 80% AMI

**Total Units: 105**

#### **3-Bedroom Units**

- Number: 53
- Proposed County-Assisted Units: 13
- Affordability Level: 30 – 80% AMI

#### **4-Bedroom Units**

- Number: 1
- Proposed County-Assisted Units: 1
- Affordability Level: 30 – 80% AMI

#### **Manager's Units**

- Number: 1
- Affordability Level: Unrestricted

The project received an award of 23 Project-Based Vouchers.

## Financial Analysis and Underwriting

The development budget proposes an estimated total development cost per affordable unit of \$782,583. The hard cost of construction per residential square foot is projected at \$366.52. Both costs are comparable to other new construction projects (with podium parking) submitted during this NOFA cycle. Construction costs are based on cost estimates submitted by GLI – SUG JV. Proposed costs are compliant with the County’s Affordable Housing Guidelines, including:

- Cash portion developer fee at \$2,500,000
- Vacancy rate % assumption of 5%
- Replacement Reserves Annual Deposit of \$500 per unit
- Annual Operating Expenses of \$7,146 per unit

Additional information is needed regarding how the hard cost and soft cost contingencies were calculated for the project. The soft cost contingency amount should be at least 8% of soft costs for the project. The hard cost contingency amount should be at least 8% of hard costs for the project. The proposed debt service coverage ratio begins at 1.15 in year 1 and increases to 1.711 by year 20. Analysis of the operating pro forma indicates that TBV Villas at Renaissance is feasible over the long term. The cash flow is positive through Year 20.

## Scoring Criteria

The TBV Villas at Renaissance project has been evaluated based on the following scoring criteria:

- Project Readiness – 38 points  
The City of Richmond’s Planning Department ministerially approved the development and determined that the project is exempt from the California Environmental Quality Act (CEQA). The project received an award of 4% federal tax credits in April 2025. The deadline to close escrow and commence construction was October 6, 2025. This deadline was extended to February 3, 2026, and subsequently extended again to May 4, 2026, by the California Debt Limit Allocation Committee (CDLAC). Staff has not received confirmation of whether the applicant was able to get another extension to their tax credit deadline. The National Environmental Policy Act (NEPA) review (triggered by the award of Project-Based Vouchers) has not yet been completed.
- Project Location – 15 points  
The project site is located within the City of Richmond in an “Extreme Displacement” area where low-income renter households are at risk of

displacement. It is also located within half mile of public transit (multiple bus lines every 30 minutes) and within one mile of a full-service grocery store.

- Project Targeting and Characteristics – 20 points

As proposed, 32.7 percent of the project's units will be occupied by extremely low income (0-30%) AMI households, 29.8 percent of the project's units will be occupied by very low income (31-50%) AMI households, and 37.5% of the project's units will be occupied by low income (51-80%) AMI households. The project aims to achieve the Gold Standard on the Build It Green - GreenPoint Rated Checklist. The units will have all-electric kitchens and energy-efficient fixtures and appliances.

- Experience and Capacity – 17 points

The application was originally submitted as a joint venture between Guiding Light, Inc., a newly formed subsidiary of Guiding Light Church of God in Christ (located in Richmond, CA), and Sandidge Urban Group, Inc., the lead development partner. Guiding Light, Inc. has completed one scattered sites project comprising of 15 units and owns and manages approximately 50 additional housing units of various sizes. They have contracted with the Sandidge Urban Group, Inc., an organization with 35 plus years of experience as a consultant in affordable housing development. This experience includes working as a consultant on the Heritage Point project in Richmond, CA, which received Housing Successor and CDBG funds from the County. Sandidge Urban Group, Inc. as an organization has never been a developer, sponsor, or borrower of County funds for an affordable housing project.

For the purpose of scoring, GLI – SUG JV is considered an Emerging Developer because they have less than five years of experience as a developer and have completed less than five projects in the last ten years.

Community Housing Development Corporation (CHDC), a full-service housing development corporation, will provide property management services through Community Property Management Corporation (CPMC), a separate nonprofit corporation under CHDC's control. CPMC is a certified Federal Low-Income Housing Tax Credit and HUD Affordable Property Management Provider specializing in managing affordable housing communities across the Bay Area.

GLI – SUG JV will partner with Abode Services, one of the largest homeless housing and services providers in the Bay Area, to provide supportive services to all units within the development. Abode Services will maintain an office on site. Available services at the property will include job counseling and resource connections, referrals to primary health care, community mental health services, and individual and group substance recovery programs.

In March of 2026, the applicant indicated that new partnership agreements will be redrawn, executed, and reviewed by their legal counsel. In April of 2026, the applicant indicated that the joint venture is seeking a new general partnership with UrbanCore Development, located in Oakland, CA. No additional information was provided regarding the details of this partnership.

- Penalty for Nonperforming Previously Funded Projects – (- 5) points  
Staff recommends recapturing the \$2,496,750 FY 2025/26 Measure X Funding award. Please see sections below for the rationale behind this recommendation.

The total score for TBV Villas at Renaissance is 85 points out of a maximum of 189 points for rental projects.

### **Funding Recommendation Amount**

None at this time.

### **Rationale for Recommendation**

While the TBV Villas at Renaissance project is consistent with the County's priority to produce new, permanent affordable rental housing, and was awarded Measure X funding during the previous NOFA cycle, changes to the financing and timeline of the project has made it less competitive (compared to other projects also applying for funding during this NOFA cycle). Originally, TBV Villas at Renaissance had a tax credit deadline of October 6, 2025, to close escrow and commence construction. This deadline was extended to February 3, 2026, and subsequently extended again to May 4, 2026 by the California Debt Limit Allocation Committee (CDLAC). The applicant has indicated that they have not been successful in securing a tax credit investor and therefore will not be able to close escrow and commence construction by May 4, 2026. Staff has not received confirmation of whether the applicant was able to get another extension to their tax credit deadline.

It should also be noted that on April 15, 2026, the applicant indicated via email that they would be submitting a new application for State and Federal tax credits for the project. It is staff's understanding that when you submit a new application for tax credits, you are required to withdraw your existing tax credit award/application. In addition, the applicant also indicated that "the project needed financial strengthening," and is pursuing a new general partnership with UrbanCore Development.

Based on the information provided above, staff does not recommend a funding award at this time. In addition, since the FY 2025/26 Measure X Funds awarded to the project were tied to and contingent upon the original tax credit award/application for the project, staff recommends recapturing the \$2,496,750 FY 2025/26 Measure X Funding award.