Rumrill Commons Staff Report

Prepared for Affordable Housing Finance Committee Review

Project Overview

Project Name: Rumrill Commons

Applicant/Sponsor: Novin Development Corp.

Location: 1820 Rumrill Blvd., San Pablo

Consistency with Program Priorities: Production of Affordable Rental Housing

Rumrill Commons is a proposed four-story, 40-unit affordable housing development serving 30-80% Area Median Income (AMI) families, including 10 units set aside for adults with intellectual and developmental disabilities (I/DD) in partnership with the Regional Center of the East Bay (RCEB). There are 8 project-based rental vouchers approved from the County Housing Authority. The project is situated on city-owned surplus land, strategically located near retail, schools, recreation, and public transportation, supporting both City of San Pablo and regional affordable housing priorities.

Sources of Funds (Permanent Financing)

FY 2026/27 Measure X funds requested:	**$2,500,000**	**applied**
FY 2024/25 PLHA:	$1,650,000	awarded
City Land Donation:	$2,064,750	committed
City Purchase Money Note:	$885,250	committed
City Existing Capital Improvement:	$73,001	committed
City of San Pablo Loan:	$1,000,000	committed
State of California HCD MHP:	$6,262,337	committed
Regional Center of the East Bay:	$1,500,000	committed
Amortizing Perm Loan – Tranche A:	$3,042,132	committed
Amortizing Perm Loan – Tranche B:	$2,586,994	committed
9% Tax Credit Proceeds:	$16,996,232	proposed
GP Equity:	$100	committed
Total Permanent Sources:	$38,560,796	

Uses of Funds (Development Budget)

- Land Acquisition: $3,243,815

- Financing Costs: $176,291
- Hard Construction Costs (Structures): $18,500,000
- Other Construction Costs (Non-Structures): $3,892,117
- Soft Costs: $7,242,630
- Owner Hard-Cost Contingency: $1,755,931
- Soft-Cost Contingency: $696,904
- Reserves: $553,108
- Total Developer Fee: $2,500,000

Total Uses: $38,560,796

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:

Studio Units
Number: 17
Proposed County-Assisted Units: 5
Affordability Level: 30–80% AMI

2-Bedroom Units
Number: 11
Proposed County-Assisted Units: 3
Affordability Level: 30–80% AMI

3-Bedroom Units
Number: 12
Proposed County-Assisted Units: 3
Affordability Level: 30–80% AMI

Manager's Unit (2-Bedroom)
Number: 1
Affordability Level: Unrestricted

Total Units: 40
10 units reserved for adults with I/DD, with 8 supported by Project-Based Vouchers (PBVs).

Financial Analysis & Underwriting

The estimated per-unit cost is $988,738, which is high compared to other new construction podium parking applications submitted to the County this round. Hard cost per residential square foot is $654.86 which is also high. The financing plan leverages public investment with private resources, reducing the required municipal contribution. Operating projections and reserve policies indicate positive cash flow beginning in year three, with sustainability projected over a 20-year period. Debt coverage ratios are expected to remain above 1.15 throughout, and the cash flow analysis demonstrates robust financial health.

Scoring Criteria

The Rumrill Commons project has been evaluated based on the following scoring criteria:

- Project Readiness – 77 points
  Land Use Entitlements and design approvals were obtained, the building permit is underway, and most of the funding sources are committed. Awarded MHP Funds in 2025.
- Project Location – 15 points
  The project is located within 1 mile of a full-service grocery store, is within 1 mile of a pharmacy, and is with the "Extreme Displacement" category of the Urban Displacement Project's California Estimate Displacement Risk Model in the City of San Pablo.
- Project Targeting and Characteristics – 25 points
  The project will score higher than 110 points on the Build it Green – GreenPoint Rated Checklist. The project will feature solar panels, water-efficient landscaping, electric vehicle charging stations, and an all-electric building. Almost 36% of the affordable units are Extremely Low Income, which is 26% higher than the 10% required. 10 units (25.6% of the affordable units) will be set aside for individuals with Intellectual and Developmental Disabilities.
- Experience and Capacity – 20 points
  Novin Development Corp., has over a decade of experience in affordable housing development throughout California including 330 apartment units and a pipeline of 919 housing units across 14 projects (both affordable and middle-income communities).
- Penalty for Nonperforming Previously Funded Projects – Not Applicable

The total score for Rumrill Commons is 149 points out of a maximum 189 points for rental projects.

Funding Recommendation Amount

Staff recommends an allocation of $2,500,000 in FY 2026/27 Measure X funds.

Rationale for Recommendation

Funding Rumrill Commons advances affordable housing priorities, maximizes the impact of public investment, and demonstrates operational sustainability. The project's strong scoring, robust risk mitigation, and alignment with prioritized community needs provide a clear rationale for committee approval. The development will serve a broad range of incomes, including special needs populations, and incorporates sustainable design features such as solar panels, water-efficient landscaping, and EV charging stations.

Conditions of Approval

1. All other financing commitments secured by December 31, 2027.
2. FY 2026/27 Measure X funds committed, as evidenced by an executed loan, by June 30, 2028.
3. Confirmation that the project's financials and proforma budget are compliant with the County's Affordable Housing Program Guidelines.
4. An award of $2,500,000 in FY 2026/27 Measure X funds will require the following recommended unit mix. The following includes previously awarded PLHA funds.

Studio Units

- 7 units at 30% AMI (4 assisted)
  - 2 PLHA, 2 MX
- 5 units at 50% AMI (3 assisted)
  - 1 PLHA, 2 MX
- 3 units at 60% AMI (1 assisted)
  - 1 MX
- 2 units at 80% AMI (0 assisted)

2-Bedroom Units

- 3 units at 30% AMI (1 assisted)
  - 1 PLHA
- 2 units at 50% AMI (1 assisted)
  - 1 PLHA
- 2 units at 60% AMI (1 assisted)
  - 1 MX
- 3 units at 80% AMI (0 assisted)
- 1 manager's unit

3-Bedroom Units

- 4 units at 30% AMI (2 assisted)
  - 1 PLHA, 1 MX
- 2 units at 50% AMI (1 assisted)
  - 1 PLHA
- 2 units at 60% AMI (1 assisted)
  - 1 MX
- 4 units at 80% AMI (2 assisted)
  - 2 MX

Total

- 40 units overall
- 10 MX-assisted
- 7 PLHA-assisted
- 17 Total County-Assisted Units