

Orbisonia Village Staff Report

Prepared for Affordable Housing Finance Committee Review

Project Overview

Project Name: Orbisonia Village

Applicant/Sponsor: Pacific West Communities, Inc.

Location: 530 S Broadway Ave, Bay Point

Consistency with Program Priorities: Production of Affordable Rental Housing

Orbisonia Village is a proposed five-story, 167-unit affordable rental housing development affordable to households earning 30%–70% Area Median Income (AMI), plus two manager units. The overall project is planned as a multi-unit mixed development with a new public library and ground floor commercial space. Construction is planned as modular where the bulk of the building will be built off-site, transported to the site and then assembled at the project location.

Sources of Funds (Permanent Financing)

• FY 2026/27 In-Lieu funds requested:	\$1,000,000	
• Contra Costa– Land Loan:	\$4,700,000	awarded
• FY 2025/26 Measure X:	\$2,496,750	awarded
• FY 2025/26 PLHA:	\$1,767,453	awarded
• FY 2025/26 In-Lieu:	\$1,054,134	awarded
• 4% Federal Tax Credits:	\$41,850,791	committed
• Safehold Tenant Improvements:	\$13,262,000	committed
• Series A Tax-Exempt Bonds:	\$13,060,451	committed
• Series B Tax-Exempt Bonds:	\$32,500,000	committed
• <u>Deferred Developer Fee:</u>	<u>\$13,060,451</u>	<u>committed</u>

Total Permanent Sources: \$133,191,579

The original application submitted in December 2025 included a CDBG request of \$2.1 million. It has been determined that the project is ineligible for CDBG funds. The above sources are from a supplemental financing plan submitted by the applicant Feb. 2026. A new permanent funding source – Safehold Tenant Improvements – has been added to the above that was not included in the original application. As proposed, Safehold will purchase the ground from the ground at construction close and then enter into a long-term ground lease with the limited partnership/project.

Uses of Funds (Development Budget)

- Land Acquisition: \$0
- Hard Construction Costs (Structures): \$62,549,610
- Other Construction Costs (Non-Structures): \$23,284,277
- Soft Costs: \$13,063,460
- Financing Costs: \$11,480,289
- Owner Hard Cost Contingency: \$4,300,000
- Soft Cost Contingency: \$800,000
- Reserves: \$653,492
- Developer Fee: \$17,060,451

Total Uses: \$133,191,579

Unit and Affordability Mix

The project will help alleviate the need for safe, decent, affordable housing through the new construction of 167 affordable rental units for families including:

Studio Units

- Number: 24
- Proposed County-Assisted Units: 24
- Affordability Level: 30–70% AMI

1-Bedroom Units

- Number: 51
- Proposed County-Assisted Units: 51
- Affordability Level: 30–70% AMI

Manager's Units (3-Bedroom)

- Number: 2
- Affordability Level: Unrestricted

2-Bedroom Units

- Number: 43
- Proposed County-Assisted Units: 43
- Affordability Level: 30–70% AMI

3-Bedroom Units

- Number: 49
- Proposed County-Assisted Units: 49
- Affordability Level: 30–70% AMI

Total Units – 169

Financial Analysis and Underwriting

At an estimated per-unit cost is \$797,554, development costs are on the lower end compared to other new construction podium parking projects received this application round. The hard cost of construction per residential square footage is estimated at \$475.02. The financing plan leverages the various County funding sources with private

resources, including 4 percent tax credits and tax-exempt bonds. Analysis of the operating pro forma indicates that the Orbisonia project is feasible over the long term.

Scoring Criteria

The Orbisonia Village project has been evaluated based on the following scoring criteria:

- **Project Readiness – 70 points**
The developer has all approvals from the County and is in the process of receiving building permit approval. All financing is secured including 4% federal tax credits and tax-exempt bonds in 2025. Construction is expected to begin by July 2026.
- **Project Location – 15 points**
The proposed project is located within a quarter mile walking distance of the Pittsburg/Bay Point BART Station as well as Safeway grocery store in unincorporated Bay Point.
- **Project Targeting and Characteristics – 20 points**
More than 20 percent of the overall project’s units are proposed to be affordable to and occupied by extremely-low-income households, earning less than 30% AMI. The project also plans to be built at a Green Rated Gold certification including energy star appliances, drought tolerant landscaping, and environmentally preferred materials.
- **Experience and Capacity – 39 points**
Pacific West Communities, Inc., has 28 years of experience in affordable housing development throughout the western United States including affordable workforce and senior housing. 300 tax credit projects have been completed since 1998; 250 of which are still in the organization’s portfolio.
- **Penalty for Nonperforming Previously Funded Projects – Not Applicable**

The total score for the project is 144 points out of a maximum of 189 points for rental projects.

Funding Recommendation Amount

Staff recommends an award of \$1,000,000 in FY 2026/27 In-Lieu funds.

Rationale for Recommendation

The construction of transit oriented affordable rental housing in unincorporated Bay Point is eligible for In-Lieu funding and is consistent with the County priorities to produce affordable housing units. The development is timely as the developer has secured 4

percent tax credits and tax-exempt bonds; the project is on track to begin construction by July 1, 2026.

Conditions of Approval

1. All other financing commitments secured by July 1, 2026 and FY 2026/27 In-Lieu funds committed, as evidenced by an executed loan, by July 1, 2026, which aligns with the 4 percent tax credit deadline to close escrow and begin construction.
2. Confirmation that the project's financials and proforma budget are compliant with the County's Affordable Housing Program Guidelines.
3. An award of \$1,000,000 in FY 2026/27 In-Lieu funds will require the following recommended unit mix. The following includes the previously awarded In-Lieu, Measure X, and PLHA funding to summarize the overall unit mix:

Studio Units

- 21 units at 30% AMI (5 assisted)
 - 3 In-Lieu
 - 1 Measure X
 - 1 PLHA
- 1 unit at 50% AMI (0 assisted)
- 1 unit at 60% AMI (0 assisted)
- 1 unit at 70% AMI (0 assisted)

1-Bedroom Units

- 11 units at 30% AMI (7 assisted)
 - 2 In-Lieu
 - 3 Measure X
 - 2 PLHA
- 3 units at 50% AMI (0 assisted)
- 3 units at 60% AMI (0 assisted)
- 34 units at 70% AMI (0 assisted)

Total

- 9 In-Lieu-assisted units
- 10 Measure X-assisted units
- 7 PLHA-assisted units
- 26 Total County-assisted units

2-Bedroom Units

- 2 units at 30% AMI (1 PLHA)
- 2 units at 50% AMI (1 PLHA)
- 2 units at 60% AMI (0 assisted)
- 37 units at 70% AMI (5 assisted)
 - 2 In-Lieu
 - 3 Measure X

3-Bedroom Units

- 2 units at 30% AMI (1 PLHA)
- 2 units at 50% AMI (1 PLHA)
- 2 units at 60% AMI (0 assisted)
- 43 units at 70% AMI (5 assisted)
 - 2 In-Lieu
 - 3 Measure X