



MEMORANDUM

TO Contra Costa County Dept. of Conservation and Development
Housing and Community Improvement Division
Christine Louie, Planner and Susan Johnson, Senior Planner

FROM [REDACTED]
[REDACTED]

DATE February 27, 2026

SUBJECT FY 2026-27 Contra Costa County NOFA
El Cerrito Plaza – Parcel C East (“Project”)

Please see below for written responses to the interview questions from February 19, 2026:

General:

- 1. Please provide any updates on the project. What changes have occurred since submittal of your Notice of Funding Availability (NOFA) application in December?*

Response – The Project received a highly competitive score of 85 points on its [Affordable Housing and Sustainable Communities \(AHSC\) Round 9](#) funding application; however, despite achieving the 8th highest score across a total of 47 projects, it was not awarded due to the program funding goals (e.g. project types, geographic regions) and cap-and-trade statutory requirements that require at least 50% of funds are invested in projects designated as Disadvantaged Communities (DACs) or Priority Population areas. Unfortunately, the Project site is not considered a DAC or within a Priority Population; thus, it was unsuccessful this year.

The Project team has kicked off coordination efforts with the City of El Cerrito, as co-applicant, and San Francisco Bay Area Rapid Transit District (BART), as non-applicant transit partner, to submit its AHSC Round 10 application this Spring. These efforts have included discussing housing and transportation scopes and calibrating funding requests to maximize the Project’s competitiveness pursuant to the AHSC scoring criteria. Based on the Project’s high final score in Round 9, we anticipate the Project will be successful in receiving an award this December which would help position the Project to be competitive for additional soft financing, LIHTC, and tax-exempt bonds in 2027.

- 2. Due to the number of applications received this year, it is unlikely that any project will be fully funded as requested. Therefore, if the project does not receive the full ask amount, will the project still be able to proceed with the proposed timeline?*

Response – Yes, the Project is currently targeting a construction loan closing in Fall 2027 (subject to change pending final 2027 CDLAC/TCAC calendar). Should the Project be successful in obtaining an AHSC Round 10 award this December, the Project could be well positioned to begin applying for 4% LIHTC and tax-exempt bonds in early 2027. The County’s fulfillment of a full funding request further helps accelerate the Project’s timeline in lieu of being partially funded across several rounds.

As the Project progresses further towards its target construction closing, Related will continue to seek and apply to other soft funding sources similar to Parcel A South (e.g. BAHFA, HCD) to help close the financing gap while striving to increase its CDLAC tiebreaker score. Related does anticipate applying to the FY2027-28 County NOFA this Fall. Based on the NOFA schedules known to date, even a partial County award would be able to proceed with the current proposed timeline.



Application:

3. *The application indicates the requested funds are to be used for permanent financing, but that you will be needing these funds for construction by 7/1/2026. Please clarify your timing for the funds.*

Response – Yes, the preferred use of the County funds is to be committed as a predevelopment, construction, and permanent source for the Project. The online CDS prompts what “Approx. date funds will be required” and Related’s response was July 1, 2027, to follow a FY2026-27 conditional award from the Board of Supervisors to begin accessing the Measure X for predevelopment costs. Access to Measure X funds prior to construction closing would support the Project’s ability to meaningfully advance pre-development activities such as additional site due diligence, consultant procurement, community engagement, design coordination, and permitting in 2026.

The remainder of the County award funds would be required to be available at or immediately following construction loan closing, target date for Fall 2027, to cover eligible soft and hard costs.

4. *Please confirm the amount of your total developer fee, cash out developer fee, and deferred developer fee that you are proposing. It appears that you may exceed the total developer fee as outlined in the funding guidelines.*

Response – The Project development budget includes a line item for total developer fee of \$4,495,000 comprised of \$4.1M in cash fee and \$395,000 in deferred developer fee. These amounts are consistent with industry standards and compliant with current HCD UMRs and adopted TCAC regulations for 4% projects. The Project is limited in its available cash flow, in part due to extremely limited PBV availability, to support paying cash developer fee in excess of the County guidelines as deferred developer fee over the course the Project’s first 15 years of operations. This, in turn, can limit the Project’s overall eligible basis and its ability to generate additional tax credit equity proceeds to close its funding gap.

5. *What is the distinction of residential structures versus modular factory-built housing on your budget?*

Response – There is a limited distinction between both line items. Both “residential structures” and “modular factory scope” are classified as eligible basis and hard costs. This budget line item was broken out for our AHSC Round 9 NOFA projections where Related requested ~\$4M in Housing Related Infrastructure (HRI) grant funds, like Parcel A South, to further close the gap.

For reference, Parcel A South received an additional \$3.45 million in AHSC HRI funds, on top of the \$21 million AHSC Affordable Housing Development (AHD) permanent loan source, given that Parcel A South’s innovative approach using Factory-Built Housing off-site modular construction to reduce construction duration and hard costs. These HRI funds can be a construction source and remain in as permanent financing which is instrumental to helping close the funding gap.

Budget:

6. *Please confirm the amount of operating reserves you are providing for the project?*

Response – The Project development budget includes \$357,377 for a 3-month operating reserve as a large family project.

[END]