

Lillian Martin Bay Area Housing Internship Program Host Agency - Eden Housing June 2019 - May 2020

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Introduction



My name is Lillian Martin and I am a recent graduate of California State University, East Bay, where I received a Bachelor's Degree in American History and a minor in Anthropology. I joined the Bay Area Housing Internship Program (BAHIP) in June 2019 alongside eight other interns from varying affordable housing companies across the Bay.

While I did not have experience with the logistical side of affordable housing before joining BAHIP, housing inequality was and is still prominent in my life, from childhood into adulthood. Relocation is a constant struggle, living in eight states and moving twenty-two times with the last occurring just twelve days prior to our graduation, due in part to the rising costs of living and stagnating federal wages on top of personal hardships.

I was born in Queens, New York, and for many reasons, my mother and I managed to travel all over the country, finally ending in California for nearly a decade (before uprooting once again to Oregon in May 2020). Middle school was the only institution where I did not transfer or relocate to another school throughout my entire Kindergarten to College academic career. My health on all standards (mental, emotional, physical) has been impacted negatively through constant relocation, and

I worry that I may not have the power to find a home of my own one day, let alone an apartment to rent without three other paychecks to cover a monthly rent. Housing security and shelter is a human right, as much as clean food and water. It is not an understatement to say that I have been molded by my lack of secure housing throughout my life, and while I am still striving to overcome these challenges, efforts of organizations like Eden Housing, BAHIP, and the Non-Profit Housing Association of Northern California (NPH) are crucial to securing everyone with affordable housing. Too many friends and families alongside me are still stuck in a cycle of not having enough financial support to pay rent, and in turn worrying about housing that trumps all other concerns. I endeavor to use myself as an example as to why affordable housing is a necessary right, not a privilege, and strive to continue in the affordable housing sector to stand up for what I believe in.

With the COVID-19 pandemic reaching the United States in the early months of 2020, the need for affordable housing only grew stronger as many are forced to consolidate living spaces or are unable to pay rent. The 2019-2020 BAHIP Cohort continued to press through these troubling times with telecommuting to work, adjusting in-person meetings, and striving to carry on with our mission and values.

Eden Housing



The mission of Eden Housing is to build and maintain high-quality, well-managed, service-enhanced affordable housing communities that meet the needs of lower-income families, seniors, and persons with disabilities.

Founded in 1968, Eden Housing has served more than 100,000 people in providing safe, high-quality homes and housing communities throughout the state of California. Having a secure housing situation is often underappreciated by those who have a stable home. Eden Housing understands the importance of the home and how it contributes to growth, dignity, and humanity.

Serving very-low, low and moderate-income families, seniors, veterans, people living with physical, mental, or developmental disabilities, and the formerly homeless in the state of California for over fifty years, Eden Housing strives for affordable, non-discriminatory housing through the use of new developments and rehabilitation of existing developments.

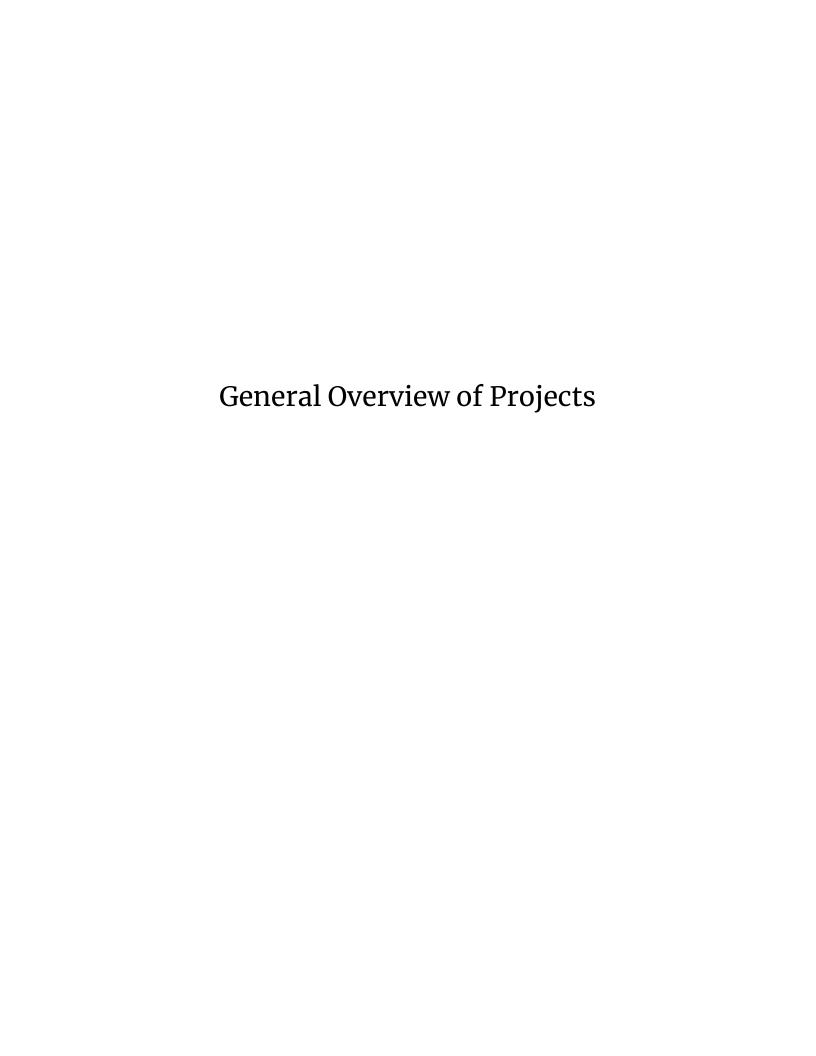
Bay Area Housing Internship Program (BAHIP)



Launching in late 2017, the Bay Area Housing Internship Program (BAHIP) inducts students from Bay Area colleges and universities towards the end of their educational journey, placing them in host agencies such as Eden Housing and other leading nonprofit affordable housing developers through a one-year, paid internship to learn the basics of affordable housing real estate development.

BAHIP was modeled on the highly successful Rural West Internship Program of the California Coalition for Rural Housing (CCRH). Since 1998, this program has graduated 170 interns, more than half of whom have stayed in the housing field. BAHIP interns work in conjunction with CCRH interns during their Summer Training Institute and Mid-Winter retreats.

Various training events and conferences were held during the year, including but not limited to the Summer Training Institute at UC Davis, the Mid-Winter Retreat in Sacramento, California, and the 40th Annual NPH Affordable Housing Conference. Unfortunately due to the COVID-19 pandemic, we were unable to attend the 2020 Housing California conference in San Diego, California or various training meetings at the remaining BAHIP Host Agencies, instead replacing them with bi-weekly virtual check-ins.



Warm Springs Transit-Oriented Development (TOD) Village



Warm Springs TOD Village Affordable is a 132-unit residential development for low, very low, and extremely low-income families and is located in the Warm Springs Area of Fremont, CA. The project is on 1.97 acres and is the inclusionary component of Metro Crossings, a master-planned community developer by Toll Brothers. This transit-oriented development includes 1,001 residential units, 5,000 square feet of neighborhood commercial space, and 1.95 acres of parkland and private open space.

Warm Springs TOD Village Affordable consists of two buildings on separate parcels, both of which will house families who earn between 30% and 60% of the Area Median Income (AMI). Warm Springs TOD Village Affordable #1 (#1) is a 6-story, 71-unit residential building on 1.08 acre parcel. This building will have 19 one-bedroom units, 32 two-bedroom units (including one for resident manager's unit), and 20 three-bedroom units. Warm Springs TOD Village Affordable #2 (#2) is a 5-story, 61-unit residential building on 0.89 acre parcel. This building will have 12

one-bedroom units, 33 two-bedroom units (including one for resident manager's unit), and 16 three-bedroom units.

Each building will have amenities including a community room, a computer room, on-site car & bicycle parking, high-speed internet, two elevators, a community courtyard, and a play area. The project incorporates innovative green design elements to maximize energy and water efficiency, such as solar photovoltaic and thermal systems, Bay-Friendly landscaping, high-efficiency light fixtures & appliances, and low flow plumbing fixtures.

Within the building, tenants will be provided with significant services. A dedicated, onsite Eden Services Coordinator will provide residents with access to valuable resources in their communities as well as one-on-one support to address individual needs. Over 60 hours/year of adult education presentations will cover topics including ESL, financial education, job search, health, parenting, and youth programming. Additionally, there will be many community-building activities.

Warm Springs Village is my first project under Eden Housing's training, supervised by my own supervisor, Teddy Newmyer. Warm Springs Village was the setting for many site-visits throughout the program, be it for Owner-Architect-Contractor (OAC) meetings, paydraws, mockups for stucco and windows, and more.

Depot Commons/The Willows/Skeels/Villa Ciolino (Morgan Hill Rehabilitation Scattered-Site Project)



The proposed project, **Depot Willows**, consist of two sites, Depot Commons and the Willows. The apartments are designated for families, which are subsidized through the California Department of Housing and Community Development ("HCD") RHCP and FHCP funding along with the County of Santa Clara CDBG and HOME funding.

Depot Commons is located at 17145 Depot Street in Morgan Hill. With twelve studios and one two-bedroom apartment, there is currently one vacant studio. The property currently offers laundry facilities.

The Willows is located at 50 W. Edmundson Avenue in Morgan Hill. Its 20 units are comprised of three two-bedrooms apartments; nine three-bedroom apartments and eight four-bedroom apartments. The property currently offers laundry facilities and a community room.

The proposed project, **Skeels Villa**, consists of two sites, Skeels and the Villa Ciolino. The apartments are designated for families and individuals, which are subsidized through the County of Santa Clara CDBG and HOME funding and the former Redevelopment Agency of the City of Morgan Hill.

Skeels is located at 17305 Monterey Road in Morgan Hill. With 13 studios, there are currently no vacancies. The property currently offers laundry facilities.

Villa Ciolino is located at 80 Ciolino Avenue in Morgan Hill. Its 42 units are comprised of 12 one-bedroom apartments, 17 two-bedrooms apartments and 13 three-bedroom apartments. The property currently offers laundry facilities and a community room and currently has no vacancies.

These four Morgan Hill properties are unique to me as both new developments and rehab developments using a Scattered-Site design. Various General Consultant Services Agreements and Rent Matrixes went into the development of Depot Willows and Skeels Villa, and I look forward to seeing their development throughout the next few years.

Light Tree 2 & 3 Apartments

LIGHT TREE APARTMENTS

EAST PALO ALTO, CA



Project Introduction

Light Tree Apartments is an existing 94-apartment family development in East Palo Alto, originally constructed in 1966. Eden Housing and East Palo Alto Community Alliance and Neighborhood Development Organization (EPA CAN DO) will redevelop Light Tree apartments to provide additional critically needed affordable housing. The project, located in one of the three Disadvantaged Communities in the County, would provide an additional 91 units of high quality and well maintained affordable housing at 30 – 60% Area Median Income in San Mateo County. The families who live at Light Tree now would be welcomed back to substantially renovated and newly constructed apartments, and we would be able to begin to house some of the more than 200 families on the waitlist, in addition to County-referred homeless and disabled and former foster youth clients.

The proposed Light Tree Apartments project is located at 1805 East Bayshore Road. The project has received significant local support from state officials, community development organizations, and residents.

The completed Light Tree redevelopment project will support a new net total of 185 apartments. The completed project will be fully affordability restricted. The project is

anticipated to have a mix of 18 efficiency studios, 94 one-bedroom units, 50 two-bedroom units, and 23 three-bedroom units, including three staff units. The project team anticipates 43 units restricted at 30% AMI, 139 units restricted at 50% AMI, and 3 unrestricted staff units. The project includes 16 units set aside for former foster youth and up to 16 units for homeless and disabled clients. Light Tree Apartments completed its entitlements and received CEQA approval in February 2019. The project is on schedule to begin construction in May 2020 and complete construction in 2022.

The project could only be eligible for certain state funding if it were structured as two distinct tax credit projects, each on its own separate legal parcel: (i) an acquisition/rehabilitation project for 57 of the existing units ("Light Tree Three"); and (ii) a demolition/new construction project for the 37 existing units that will be demolished and replaced by two concrete podium and wood-framed buildings containing 128 new units (the "Light Tree Two"). Light Tree Three (the Rehab Project) and Light Tree Two (the New Construction Project) have both secured the financing needed to fund the projects. Both projects are structured as 4% non-competitive tax credit and tax-exempt bond re-syndication projects; the tax credit and bond agreements will each require preservation of unit affordability for 55 years. Each project will apply for its own allocation of 4% tax credits and tax-exempt bonds in March 2020. The completed projects will be fully affordability restricted. Additionally, the City of East Palo Alto has committed \$4M from its Housing Catalyst Fund, the Golden Gate Regional Center has committed \$1M, and San Mateo County has awarded the project 89 new PBVs, Measure K, CDBG, HOME, and CHDO funds to help finance the project. There is also an existing HUD-HAP contract for 93 PBVs that was renewed for an additional 15 years in connection with the project in 2015, and HUD has already agreed to split between the Rehab Project and New Construction Project. Concurrent with the construction financing closing for each project (which will occur at around the same time), each parcel and project will be sold to a separate and distinct tax credit limited partnership. Both entities will be managed and controlled by Eden Housing and EPA CAN DO, who will be the general partners in each limited partnership.

Light Tree Apartments are reaching a pivotal moment during the COVID-19 pandemic: Loan Closing is taking place. Although I have not impacted the development of Light Tree Apartments during a majority of my internship, my efforts during the last couple months have proven invaluable alongside my coworkers and fellow BAHIP alum. I am grateful for the opportunity to work with everyone.

Additional Properties Observed:

Corsair Flats Senior Apartments aka Alameda Point Senior (Alameda)

Parrott Street (San Leandro)

Ruby Street (Castro Valley)

Stone Pine Meadow (Tracy)





Financial Proforma Competency

While a full financial pro forma was not undertaken during this internship, my job is not without financial influence. I was entrusted to look over previous proformas for all of my projects, on top of creating mock proformas at BAHIP Trainings. If I were to re-do the BAHIP Internship, I would find an opportunity to sit and shadow the Financial Consultants beyond Brown Bags and trainings to really understand the numbers that go into a financial pro forma. Eden Housing hosted a multi-day Optional Pro Forma training, of which I attended.

Optional Pro Forma Training Eden Development Offices 1/22/2020 – Wednesday – 12PM to 2PM

Using Light Tree 3 — Rehabilitation as our example piece

Has TCAC (California Tax Credit Allocation Committee) credits, NPLH (No Place Like Home), Tax Credit Regulatory Agreement, Tax Credit Bond Regulatory Agreement, HUD (U.S. Department of Housing and Urban Development) PBRA (Project Based Rental Agreement) Contract, and Old Home Agreement with San Mateo County. Due to Article 34, <u>ALL</u> units of Light Tree 3 will be fully affordability restricted.

- 1. Building the rent matrix and underwriting it
 - a. What my apartments can float? |

"Float" = AMI (Average Median Income) Compliance that varies either up or down; "Float up" = In the event of default or workout, how much can the AMI be raised up only

i. High HOME, Low HOME, HCD RHCP-O, why we like Article 34

High HOME = 60% AMI, Low HOME = 40-50% (typically 40%)

HCD (California Department of Housing and Community Development) RHCP-O = Rental Housing Construction Project — Ownership, as opposed to RHCP-B, for Bond.

HCD insists on the use of Article 34 in low-rent housing projects. Article 34 of the California State Constitution "prohibits the development of a low-income affordable housing project with state or local public financing or assistance unless and until a majority of the voters of the jurisdiction has approved it".

ii. Income Averaging

The Housing and Economic Recovery ACT (HERA) of 2008 allowed LIHTC (Low-Income Housing Tax Credits) properties to experience rent growth for the first time in years.

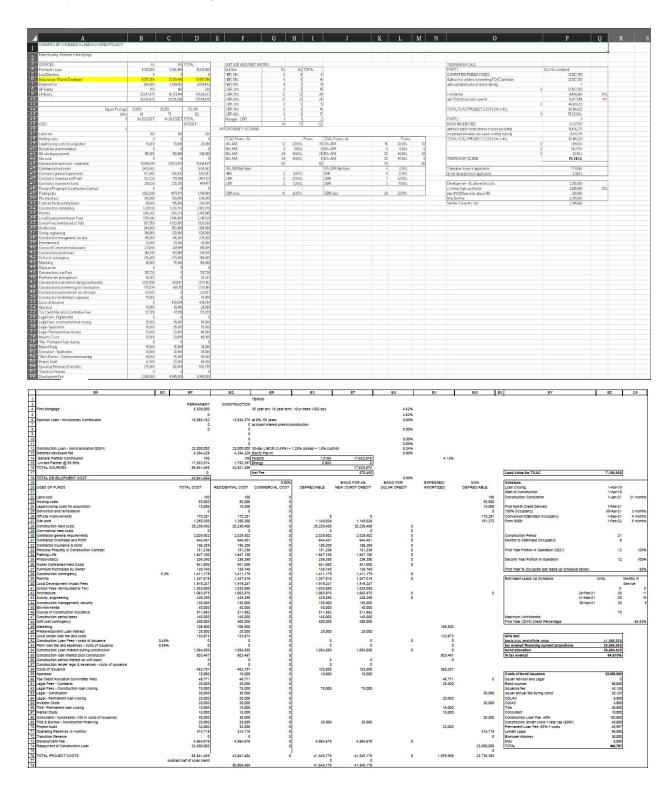
When you resyndicate properties like Light Tree 3, rent limits are reset.

b. Which regulatory agreement is in control? How many sources can I stack on one apartment?

HCD is starting to restrict the <u>amount</u> of sources that can be stacked on a single apartment, but as of now, it seems to depend based on the city and county.

- c. Rent limits, income limits, utility allowances
 - i. Placed in service dates matter
 - ii. Wait... Livermore has a Housing Authority?
- d. Grandfathering and the applicable fraction
 - i. Deeper targeting
 - ii. Scattered-site requirements
 - iii. Recapture risk
- e. Preferences v. Deed Restrictions
- f. Commercial Income

Examples of Warm Springs Proforma:



Development Finance Application Competency

Working with a diverse range of properties and developments in and around the Bay Area, I was entrusted with assisting my coworkers in their financial applications, including but not limited to applications to California Tax Credit Allocation Committee (TCAC), California Debt Limit Allocation Committee (CDLAC), and Affordable Housing and Sustainable Communities (AHSC). Although not tasked to lead a financial application, I was given responsibility for gathering materials, following deadlines, and offering general support throughout the application process to all staff members included. In particular, I assisted the Light Tree Apartments' team during a score appeal in CDLAC in early 2020.

Design and Project Approval Process Competency

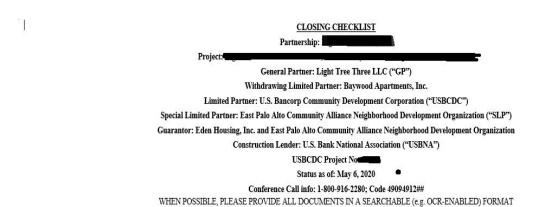
The projects and additional projects I have been associated with throughout my internship were already subjected to project approval. However, this has not stopped me from viewing site maps and asking questions to my supervisor and other superiors over my time as an intern.





Loan Closing Competency

Light Tree Apartments played a significant part in the Loan Closing Competency towards the end of the internship program. I was tasked with assisting with Acquisition Loan Closing, including note taking for closing calls, assistance with due diligence, and preparation of documents for signature. The major components of Loan Closing during this internship, in my opinion, were the Due Diligence Checklist and Conditions of Approval Checklist.



	NAME OF DOCUMENT	PARTY PREPARING OR OBTAINING	COMMENTS	STATUS
INITIA	L PROJECT INVESTMENT DOCUMENTS		6	
001.	Organizational Documents of Partnership: Light Tree Three, L.P., a California limited partnership	GP/GP Attorney		
	A. Certificate of Limited Partnership		A. Rec'd filed 11/30/2018; under review	
	B. Agreement of Limited Agreement		B. Rec'd dated 12/12/2018; under review	
	C. Certificate of Good Standing (CA)		C. Expected within 30 days of closing	
	D. Any Amendments to Certificate or Partnership Agreement		D.	
	E. Taxpayer Identification Number		E. 83-2776503	
	F. State Formation Filing Number		F. 201834100009	Approve
	G. W-9		G. Rec'd dated 2/28/2019; under review	
	H. Organizational Chart		H. Rec'd; under review	
	I. Borrower Resolutions		L	
002.A.	Organizational Documents of MGP: Light Tree Three LLC, a California limited liability company	GP/GP Attorney		
	A. Certificate and Articles of Organization		A. Rec'd dated 11/30/2018; under review	
	B. Certificates of Good Standing (CA)		B. Expected within 30 days of closing	
	C. Operating Agreement		C. Rec'd dated 12/12/2018; under review	
	D. Authorizing Resolutions		D.	

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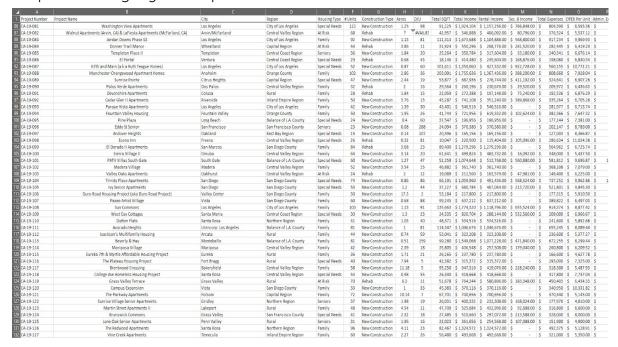
Leadership "Shadowing" Competency

Of all areas in the BAHIP competencies, Leadership Shadowing would be the one I look on with needing improvement. While I did spend as much time with the Eden Housing Executive Team, as well as other superiors, as much as possible, there were limited formal meetings between us.

Additional Projects

An assignment I undertook with one of my coworkers required me to go back within TCAC and CDLAC's public compilation of applications, analyzing and compiling data of all projects from 2017 on regardless of securing any TCAC/CDLAC funding and placing them into a Master Excel spreadsheet to use to find future development areas (by means of location, developments in the area, potential project cost, housing type, etc.) This progress is ongoing in collecting data, so I hope the next Eden Housing intern will work with the existing spreadsheet as a foundation to collect TCAC/CDLAC information for years to come.

Snapshot of Legacy Data Spreadsheet:



In addition to the Legacy TCAC/CDLAC data, I used this template to work on smaller projects such as locating funded developments in San Mateo County, and compiling

all of Eden Housing's properties onto a similar spreadsheet for easier internal accessibility.

I worked with the same coworker to conduct Market Comparison Studies, defined as a method of appraising property by analyzing the pieces of similar properties developed in the recent past, making adjustments based on the differences amongst the properties. By using information from the compared properties, such as their age, the number of units, the amenities, and Walk/Bike/Transit scores, this can help Eden Housing make responsible and intelligent decisions when pushing for further development in an area.

Lastly, Warm Springs Village reached its Groundbreaking during my time as an intern, and alongside my supervisor (pictured far right), we were able to organize a wonderful ceremony to welcome the construction.



Closing Remarks

When I started the internship, my role was very administrative, with my primary purpose being just the organization, preparation, and review of documents. Now, I am trusted with autonomy and being able to perform with minimal supervision on important tasks.

I wish the best for the next intern of Eden Housing, as this is not for the faint of heart. Balancing academic work with professional work, on top of family life, social life, and relationships; It takes a lot out of an individual, and some have left the internship before it officially ended.

Hopefully I will be able to share my experiences and knowledge with the intern that arrives, and I will cherish the role of BAHIP Alumni from this point on.