

## Density Bonus Application

### Eagle Ave. Multi-Family Housing Project

2437 Eagle Avenue, Alameda, California, 94501

April 15, 2015

Revised May 20, 2015

In order to receive waivers under AMC Section 30-17, this Density Bonus Application includes the following items:

- 1) A development plan that illustrates that the base project with all of the existing general plan and zoning development standards.
  - a. See attached DBO Base site plan sheet A1.0.

- 2) Description of the Development:

2437 Eagle Avenue is currently an empty lot surrounded by chain link fencing. The site was transferred by sale to the Housing Authority of Alameda for the purpose of redevelopment as affordable housing. The proposed development is to construct 22 units of 100% affordable family housing on the site, comprising of (6) 1-bedroom units, (9) 2-bedroom units, and (7) 3-bedroom units. Each of the three unit types will have a fully accessible unit on the ground floor. Also on the ground floor, there will be a total of 5 visitable/adaptable units. Common areas provided will consist of a community room, a laundry room, and a manager's office.

Additional project description and detailed information is provided in the attached Affordable Housing Plan.

- 3) The zoning and General Plan designations and assessor's parcel number of the project site:
  - a. This site is in the North Park Street Residential district (NP-R).
  - b. The assessor's parcel number is 070-0193-011.
- 4) A vicinity map showing the location of the proposed project.
  - a. See attached sheet T1.1.
- 5) A set of preliminary project plans that include a site plan showing all building and structure footprints or locations, drive aisles and parking layout, floor plans of all structures and buildings, and architectural elevations of all buildings and structures, all drawn to scale.
  - a. See attached set of plans with the following sheets:

T1.1 Title Sheet and Project Notes

A1.1 Site Plan

A2.1 1<sup>st</sup> Floor Plan

- A2.2 2<sup>nd</sup> Floor Plan
- A2.3 3<sup>rd</sup> Floor Plan
- A5.1 Building Elevations
- A5.2 Building Elevations

- 6) A request for waivers shall include evidence to justify why it is necessary to provide for affordable housing costs.
  - a. See information provided in #9 below.
  
- 7) A request for a waiver shall include evidence to justify why it is necessary to allow construction of the development on the site.
  - a. The proposed project site lot size is 36,000 square feet. This allows for 18 units based on a 2,000 sf per unit minimum. The Density Bonus Ordinance provides for a 35% density increase for a project that sets aside at least 11% of all units for Very-Low Income households. This project will set aside 45% of all units for Very-Low Income households, therefore the maximum allowed unit count is 25. This project proposal is to construct 22 units, or a Density Bonus of approximately 22%.

The Housing Authority seeks to develop a project that is 100% affordable. The primary financing mechanism to develop affordable housing is the Low Income Housing tax Credit Program. This program, governed by the State Tax Credit Allocation Committee, requires that all projects must be designated as either family, senior, or special needs housing. As a family project, the project must contain at least 30% three bedroom or larger units. Taking all factors in to consideration, it is believed that 22 units is the largest number that can be reasonably accommodated on this parcel.

Generally, a tax credit project that includes only 22 units is financially infeasible as little economy of scale can be achieved. There is an exception to this rule for a development such as a special needs project where every unit receives a large operating subsidy (for example, VASH, MHSA, HOPWA).

The project will be developed with four primary sources. These are: tax credit equity, conventional debt, Housing Authority cash and land contributions, and waived or discounted City fees. Housing Authority land and funds are invested as 'soft' contributions, to be repaid only when net cash is available. Further, in order to significantly reduce development cost, the Housing Authority will be self-developing the project. It should be noted that even with tax credit equity investment, the project will be required to carry a conventional thirty or forty year mortgage that must be repaid with rental income. The amount of this mortgage is constrained by the low rent levels.

Thus, the development budget is premised on a "break-even" scenario that allows for construction and operation of the property for at least fifteen years, in order to meet the minimum requirements of the tax credit investor.

The attached development pro forma summarizes the financial projections.

- 8) The Affordable Housing Unit Plan described in AMC section 30-17.15.
  - a. Attached are the Affordable Housing Plan with the plan worksheet, a detailed project description, a marketing plan description, and a financial report pro forma.
- 9) Any other information reasonably requested by the Planning and Building Director to aid in the implementation of AMC section 30-17.

In order to develop 22 units on the project site, the following waivers are requested:

- a. Front setback: Along Everett Street, a reduction for the front setback line from 15' to 11'-6" is requested, in order to provide a larger and more useable common open space area in the rear, which would be able to accommodate more varied recreational activities for families. The east property line is located approximately 3'-6" west of the rear edge of the sidewalk, so Buildings B & C along Everett Street will be situated 15' from the back edge of the sidewalk. Both buildings along Everett Street are 2 stories high, and there are other 2 story properties nearby with similar reduced setbacks from Everett St., such as 1727, 1729, and 1827 Everett St.
- b. Rear setback: A reduction for the rear setback from 20' to 10' is requested, in order to provide adequate space for a 22 unit development. The existing property abutting the rear property line is currently a parking lot. If and when the adjacent property to the west is redeveloped, the proposed new Building A will functionally be on the side of that property, and 10' will provide an above standard buffer on that neighboring parcel's side.
- c. Height limit: An increase in the height limit from 30' to 35' is requested, in order to provide adequate space for a 22 unit development. The proposed development is comprised of two and three story buildings, and the height limit increase is needed to accommodate the three story buildings.

- d. Driveway width: An increase in the driveway width from 10' to 20' is requested, in order to provide a safer two-way traffic circulation in and out of the parking lot, as requested by the Public Works Department.
- e. Multiple dwelling unit restriction: A waiver from AMC sec. 30-53 is requested, as this proposed project will be 100% affordable housing, to be built, owned and managed by the Alameda Housing Authority.
- f. Private open space: A reduction in the private open space requirements is requested. To accommodate the density of the units as well as the economics of the construction budget, there will be 3 enclosed porches on the ground floor, with a minimum dimension of 5' - 5 ½" in one direction, and 3 balconies at the upper units, also with a minimum dimension of 5' - 5 ½" in one direction. All porches and balconies have an area of 84 square feet. We request that this be deemed sufficient for private open space for this project, as this project will be 100% affordable housing.

Aside from the private open space, this development will meet and exceed the requirements for common open space.