

## COVER SHEET

ORIGINAL       COPY

**PART 1 - GENERAL INFORMATION**

Organization Name: Charities Housing Tax ID Number: 77-0359848  
 Project Name: Armory Studios DUNS<sup>1</sup> Number: 113646744  
 Contact Person: Xiomara Cisneros  
 Mailing Address: 1400 Parkmoor Ave #190  
 City, State, Zip Code: San Jose CA 95126  
 Phone: 408-550-8312 Fax: 408-550-8339 Email: xcisneros@charitieshousing.org

**PART 2 - LOAN REQUEST**

<b>1) Requested Amount</b>	850,000
<b>2) Other Funding Sources (match)</b>	20,244,450
<b>3) Total Project Cost (Line 1+ Line 2)</b>	21,094,450
<b>4) Percentage of City of Sunnyvale funds toward Total Project Cost (Line 1/Line 3)</b>	4.03%
<b>5) Type of funds requested.</b> <i>(you may select more than one)</i>	
<input type="checkbox"/> CDBG <input type="checkbox"/> CDBG Program Income <input checked="" type="checkbox"/> HOME/CHDO	

**PART 3 - PROJECT DESCRIPTION**

Please provide a **brief** description of the proposed project. The description should be no more than 5 sentences, describe the project, not the organization, the number of unduplicated persons the project will serve, and/or other measurable objectives the project will meet during the contract period.

Enter text here. **DO NOT EXCEED THE SIZE OF THE BOX.** Text will not print and your application will not be accepted. This note applies to all boxes that allow multiple lines of text in this application.

Armory Studios will consist of 60 studio apartments each with a full kitchen, bath and balconies and a two-bedroom manager's unit. The development will include a property management office, service coordinator office, laundry room, secure bike storage room, community room with full kitchen and an approximate 5,000 square foot outdoor terrace. We estimate approximately 90 beneficiaries assuming half the units are occupied by 1 individual and half are occupied by two individuals and rents are set at 30%-50% AMI. A Service Coordinator will be provided on-site to assist all residents with their various service needs by linking them to available community services and programs such as rental assistance, public transportation assistance, job training, computer training, and food and benefits assistance. Forty-two of the units will be available as workforce housing; 11 of the units will be set-aside for homeless participants in the County's Mental Health Department (MHSA Program units) and the remaining 7 units will be designated for the homeless.

<sup>1</sup> The DUNS number is a unique nine-character number used by the federal government to identify your organization. If your organization does not have a DUNS number, use the Dun & Bradstreet (D&B) online registration to receive one free of charge, at: <http://fedgov.dnb.com/webform>.

*City of Sunnyvale PY2013 Request for Proposals  
CDBG and HOME Capital and Affordable Housing Projects*



### Applicant Information

Type of Organization:

(Check all that apply)  Non-Profit  Public Agency  Faith Based Non-Profit  
 Sunnyvale CBDO  CHDO (HOME Applicants)

Name of Organization: Charities Housing  
 Mailing Address: 1400 Parkmoor Ave #190  
 City, State, Zip Code: San Jose CA 95126  
 Physical Address of Project: 620 E. Maude Ave  
 City, State, Zip Code: Sunnyvale CA  
 Contact Person: Xiomara Cisneros  
 Phone: 408-550-8312 Fax 408-550-8339 Email: xcisneros@charitieshousing.org

Provide the following information for a **program contact person**, a **financial contact person**, the **person who wrote the application**, and an **authorized contact**. Include attachments of job descriptions and resumes for key staff.

**NAME, TITLE, PHONE, EMAIL**

<b>Program Contact</b> Someone who works with the project on a daily basis and can answer questions	Xiomara Cisneros, Associate Project Manager, 408-550-8312, xcisneros@charitieshousing.org
<b>Finance Contact</b>	Xiomara Cisneros, Associate Project Manager, 408-550-8312, xcisneros@charitieshousing.org
<b>Application Contact</b> Person who wrote this application	Xiomara Cisneros, Associate Project Manager, 408-550-8312, xcisneros@charitieshousing.org
<b>Authorized Contact</b> Person authorized to make commitments on behalf of the organization	Kathy Robinson, Director of Development, 408-550-8311, krobinson@charitieshousing.org

I certify that the information contained in this application is true and correct, and that it contains no falsifications, misrepresentations, intentional omissions, or concealment of material facts. I further certify that no contracts have been awarded, funds committed, tenants displaced, or construction begun on the proposed project and that none will be done prior to issuance of a release of funds by City of Sunnyvale.

Kathy Robinson  
 Signature of Authorized Contact Listed Above

2.14.13  
 Date

Kathy Robinson  
 Print Name

Print Name

**SECTION 1: ORGANIZATIONAL CAPACITY AND EXPERIENCE**

Use only the space provided.

A. Provide an organizational overview of your agency, including:

- a description of the history and purpose of the organization,
- years in operation,
- years of direct experience with proposed project type,
- staff experience with proposed project type,
- federal grant management experience,
- financial capacity, and
- CBDO qualifications, if applying for a CBDO activity (See CFR 570.204)
- CHDO status, if applying for HOME funds.

Provide a project-specific organizational chart as an attachment to all copies of the proposal in Tab D and one copy only of the organizational chart for the entire agency in the original application (Tab E).

Charities Housing (CH) is a California nonprofit public benefit corporation incorporated in 1993 for the purpose of developing, preserving and managing housing for low-income individuals and families. CH is organized as a Community Housing Development Organization (CHDO). CH has developed over 1,000 affordable homes located throughout Santa Clara County and has received numerous awards for its communities. CH has developed 3 studio communities, totaling 272 units in San Jose and Mountain View. The properties developed by CH are owned or controlled by CH under various ownership structures, including direct ownership, ownership by a single asset 501(c) (3), or ownership by a limited partnership in which, CH or an affiliate of CH participates as the non-profit managing general partner. CH manages all of the properties it develops. Since its inception, CH has successfully administered developments with a range of funding sources, including HOME, CDBG, tax credits, tax-exempt bonds, traditional loans and HUD. With over 7 years of project entitlement and development experience, Senior Project Manager Flaherty Ward will be responsible for Armory Studios. In addition, the Associate Project Manager, Xiomara Cisneros, will assist her throughout the development process. They will be supervised by Kathy Robinson, Director of Housing Development, who has close to 30 years of experience in affordable housing development.

B. Previous experience using federal funds:

1. Does your organization have previous experience with capital projects involving federal funds?

Yes    No   If no, skip to question 4.

2. If yes, how many years of previous experience do you have with federally funded projects? 20

Since its founding in 1993, Charities Housing has leveraged various federal funding sources, including:

- Low Income Housing Tax Credits (Federal)
- HUD 811, HUD McKinney, HUD 236
- HOME/CDBG
- American Recovery Reinvestment Act (ARRA) funds



3. If you have previous experience with federal projects, was your organization ever required to pay back funds, or found to have violated regulations, etc.?

Yes  No If **yes**, indicate the actions cited.

N/A

4. If your organization does not have experience with federally funded projects, how will you ensure adherence to federal requirements? List examples of related experience or your plan to hire additional staff/contractors.

N/A

C. Previous experience with City-funded projects

1. Do you have previous experience with City-funded projects?

Yes  No If **yes**, please describe below

Yes, both in Sunnyvale and in surrounding cities. The City of Sunnyvale has committed \$4,100,000 in Housing Mitigation funds towards the acquisition and pre-development for the Armory. Additionally, the City of Sunnyvale provided financing for our Stoney Pine development in 2000. Besides City of Sunnyvale, other jurisdictions that have financed our affordable housing developments include the cities of Mountain View, San Jose, Campbell, Los Altos, Los Gatos, Milpitas, Cupertino and Santa Clara. Total city funding commitments to date exceeds \$72 million.

2. Has your organization received HUD funds previously from the City of Sunnyvale?

Yes  No If **yes**, please describe below If no, skip to question 5.

Yes, for the Stoney Pine development, Charities Housing received in 1998 \$780,000 in HOME funds, in 2000 it received \$2,275,9000 through the Section 811 Capital Advance Program and also in 2000 it received \$525,000 in CDBG funds.

3. If you are a prior recipient of City of Sunnyvale HUD funds, what was the date (mm/dd/yyyy) of your last City of Sunnyvale monitoring visit? Enter a date 09/12/2007

4. Were there any findings and/or concerns identified during your last monitoring visit by the City?

Yes  No

If **yes**, indicate the findings and/or concerns cited, the corrective action taken, and the date the City of Sunnyvale cleared the findings and/or concerns.

N/A

5. If your organization has not received funds from the City of Sunnyvale, describe your experience managing similar projects funded by other public sources (state, federal, other local government).

N/A

D. Complete the table below for each current member of the applicant's Board of Directors. If your organization does not have a board of directors (e.g., governmental entity), include this page and an explanation of why this form is not applicable (NOTE: Font, margins, or table may be modified to fit information on one page, as long as information below is included.) Identify board office held as applicable.

<b>Board Member</b>	<b>Sunnyvale Resident Y/N</b>	<b>Employer (if any)</b>	<b>Office Held on Board</b>	<b>Term<sup>2</sup> of Office</b>	<b>Length of Service</b>
Timothy J. O'Donnell	N	President, Nordam, Inc	General Member	4 years	2 years
Hugh Isola	N	Attorney (Retired)	Treasurer	4 years	3 years
Michael Schall	N	CEO, Essex Property Trust	Chair	8 years	7 years
Mark Mikl	N	Sr Vice President, Essex Property Trust	General Member	8 years	7 years
Martin Hypolite	N	Representative of low-income community	General Member	4 years	3 years
Joe Head	N	President, SummerHill Land	General Member	4 years	4 years
Miekel McLaren	N	Representative of low-income community	General Member	4 years	3 years
Greg Kepferle	N	CEO, Catholic Charities	President, Ex Officio Member	No Term	
Daniel Wu	N	Ex Officio Member	Executive Director, Charities Housing	No Term	
Aster Teklu	N	Representative of low-income community	General Member	4 years	New Elect
Debbie Ferreira	N	Representative of low-income community	General Member	4 years	New Elect

<sup>2</sup> Beginning and Ending Years

**SECTION 2: EVIDENCE OF NEED FOR PROJECT**

Complete this section accurately and completely. Use only the space provided.

**Part 1 - Priority Activities**

Program Priorities/Goals: Identify one or more Consolidated Plan goals the proposed project will address, and explain how it will address these goals in Part 3 below.

For additional information, see the Sunnyvale Consolidated Plan online at: [HUDPrograms.inSunnyvale.com](http://HUDPrograms.inSunnyvale.com)

**City of Sunnyvale Consolidated Plan**

- Goal A: Affordable Housing
- Goal B: Alleviation of Homelessness
- Goal C: Other Community Development Efforts
- Goal D: Expanding Economic Opportunities
- Goal E: Sustainability

**Part 2 - National Objective and Beneficiaries**

A. Identify the method of determining the eligibility of your project, and **provide an explanation in the box below**. See page 2 of this RFP for definitions of these methods. For all affordable housing projects, you must select "Limited Clientele Activity".

1. Method of determining eligibility.

- Area benefit
- Limited Clientele Activity
- Job Creation

100% of the Armory Studios will benefit extremely-low and very low-income individuals that earn between 30%-50% of the AMI, providing permanent affordable housing to those who otherwise be homeless. Eighteen units will be set-aside for people exiting homelessness, of which 11 are participants of the County's Mental Health Services Act. For purposes of occupancy, we will utilize the HUD McKinney definition of homelessness.

B. Number of unduplicated Sunnyvale households (or individuals) to be served by the proposed capital project:

<b>Column A</b>	<b>Column B</b>	<b>Column C</b>
Total number of unduplicated households served	Total number of unduplicated households served	*Percentage of lower-income households served B/A=C
<b>Example: 500</b>	<b>350</b>	<b>70%</b>
8,899 <span style="float: right;">+</span>	90 <span style="float: right;">+</span>	~1% <span style="float: right;">+</span>

### Part 3 - Demonstrated Need for Project

In the space below, provide a brief summary of **current** statistical data documenting the need for your proposed capital project. Include local Sunnyvale data as well as any relevant statistics collected by applicant. Provide sources for the information. Briefly explain the target population for the project, including demographics, and a typical client profile. Explain how your project's design will meet the needs you have described, and how it will achieve the Consolidated Plan goals you identified in Section 2, Part 1.

As indicated in the "Alleviation of Homelessness" section of the 2010-2015 Consolidated Plan, once the Onizuka A.F.S. is conveyed to the City, the LBA between Charities Housing and the City became the guiding document to help in the creation of permanent affordable rental housing for formerly homeless people. CH staff has first-hand experience with the high demand for developments like ours, as our office and website are visited or called frequently with inquiries from families and individuals seeking affordable housing. For example, on the lease-up of our Archer Studios and Kings Crossing properties, approximately 800 households registered for the interest list for an application lottery of only 136 available units, an almost 6 to 1 ratio. Furthermore, the 2012 Housing Division Income Limits published by HUD in March 2012 states that for City of Sunnyvale, the Extremely Low-Income level (> or =30%AMI) is \$22,050 and Very Low Income (> or =50% AMI) is \$36,750. According to the latest U.S. Census, total households in Sunnyvale at or below 30% AMI is ~3,223 and for 50% AMI, ~5,676. Therefore, there are approximately 8,899 residents in need for housing similar to the Armory project. In addition, the Santa Clara County Homeless Census & Survey accounted for 364 homeless individuals in Sunnyvale. This development project is a solution for those in need of permanent and affordable housing.

Typical Client profile includes a diverse mix of residents in the development. Forty two of the units will be available as work force housing with rents that are affordable to this population. A Service Coordinator will be provided on-site to assist all residents with their various service needs by linking them to available community services and programs such as rental assistance, public transportation assistance, job training, computer training, and food and benefits assistance.

Eighteen units will be set-aside for those exiting homelessness, of which eleven will be designated for participants in the County's Mental Health Department (MHSA Program units). In addition to receiving services from the property Service Coordinator, they will also receive services from the Mental Health Service Provider assigned by the County Mental Health Department.

Services for homeless, non-MHSA residents will be provided through the Care Coordination Project currently managed by EHC LifeBuilders. Utilizing the intensive Case Management model, services will include developing treatment/recovery plans; conducting client interventions and rehabilitative counseling; assessing progress of clients on a continuous basis and modifying the counseling program to meet their agreed-upon goals; and other related duties as required to help place and maintain clients in their living situations. The rents for the 18 units set-aside for individuals experiencing homelessness will be set at approximately 30% of the tenants income with average rents around \$200/month. The remaining 42 units will have rents between 40% and 50% of AMI. In compliance with HOME regulations, CH will design 5% of units as ADA accessible, another 2% accessible for individuals with sensory impairments with the balance being ADA adaptable. The tenants profile for these units includes seniors, part-time students, couples, single parents, working-class individuals and couples, and individuals and couples on disability.



**Part 4 - Matching Funds**

A. List the funding from other sources for this capital project in the following table. Add additional rows to the table if necessary.

Funding Source	Amount	Status as of Feb. 14, 2013. Approved, Pending or Denied*	Award Date
County of Santa Clara-HOME/CDBG	\$205,646/\$900,000	HOME \$205,646-Committed*	2012
City of Sunnyvale	\$4,100,000	Committed	2012
County of Santa Clara MHSA	\$1,154,000	Applied For	2012
Tax Credit Syndication	\$13,178,280	To be Applied	2013
Permanent Loan	\$595,000	To be Applied	2013
Deferred Developer Fee	\$111,524	Committed	2013
<b>Total</b>	<b>\$21,094,450</b>	* COUNTY CDBG - \$400,000 Committed 2012 - \$500,000 Applied	

\*If you have not received an official, legally binding loan commitment or other award letter by the time you submit this application, do not enter "approved".

B. Identify commitments for ongoing operating funding for this facility/site only in the space provided below, and attach all **letters of commitment**.

- All letters must be on the organization's letterhead and must include date, amount of match/leverage, and an authorized signature.
- Letters must be dated within 30 days of the application submission date.
- Letters must demonstrate that the funding is applicable to the project proposed in this application.
- Do not include letters of support, only letters making a firm financial commitment to the project.
- If the project will require formal approval of senior lienholders on the subject property, provide their letters of approval as attachments along with the letters of commitment.

The majority of operating funding for Armory Studios will come from income generated by the development's rent received from the residents. Additional operating funding will come from the MHSA capitalized operating reserve and project-based rental assistance from the county. Both of these operational sources will support the homeless residents and applications are currently pending.

### SECTION 3 - STATEMENT OF WORK/PROJECT SCOPE

#### Part 1 - Project Location and Service Area

Provide the street address and assessor's parcel number(s) of the project location. Attach a map of the project location and the project service area (for community facility proposals only), showing zip codes and census tracts in Tab D.

Street Address: 620 E. Maude Street  
Parcel Number: 205-29-014 & 205-19-002  
Project Service Area Map Included in Tab D  
Zip code: 94085  
Census Tract: 5087.04

#### Part 2 - Project Readiness (Use only the space provided.)

##### A. Work Plan / Project Readiness

Explain your project's work plan, including the activities you will undertake to achieve the project's goal. Describe how ready you are to begin the project by July 2013 and how you can expend the CDBG or HOME funds and complete the project within 12 months. Include the following:

- Predevelopment milestones (design, permitting, securing matching funds)
- Client Recruitment/program marketing plan (for new/expanded facilities or housing)
- Project evaluation plan

For Limited Clientele Facilities, describe your procedures for recruitment, a marketing plan for clients and/or volunteers, and intake and eligibility screening forms.

We are currently in the early stages of the design and entitlement process, having just completed the Preliminary Review and submitted our entitlement package. Next steps include:  
By April 2013 the Local Redevelopment Authority will issue the Election Notice necessary for us to proceed with our project at the Armory site; by the end of April 2013, we expect approvals by City Council for our development application and General Plan amendment; by June 2013 we expect to sign a 90-year ground lease with the City and by July 2013, we would have submitted our applications for Competitive 9% Tax Credit, thus allowing us to secure our permanent financing with our limited partner; our estimated construction period, including occupancy, is January 2014 to June 2015.  
Until awarded the Tax Credit financing, we will leverage the CDBG, HOME, MHSA and City sources of funding for our pre-development and acquisition activities. Lease-up and marketing plan includes working with various public and non-profit agencies to ensure we access to and serve our target population. For our MHSA homeless units, we will partner with the County Mental Health Department, who will be responsible for filling the units. We will work closely with the County and City to fill the remaining units designated for the homeless. For the 42 non-homeless units, CH will advertise on its website and through other local community-based service partners. CH will develop a tenant selection criteria and comply with all Fair Housing regulations. All applicants will be subject to a credit and criminal background check, and if applicable, provide documentation of homelessness. A major indicator of our project success is our low vacancy rates (average of 1%) and we will continue to track these figures to support our clients.

B. Implementation Schedule

Milestone	Target Date
1) Contract Start Date	April 2013
2) Design and Permitting	April 2013
3) Initiation of Construction/Project	January 2014
4) Completion of Construction/Project	June 2015
5) 50% of Funds Expended and Drawn	January 2014
6) 100% of Funds Expended and Drawn	June 2014
7) Project Completion and Reporting	June 2015

C. Performance Measurement System: Complete the following tables with information about the CDBG objectives and outcomes of your proposed project. If applying for HOME funds, select the Affordable Housing objective.

1. CDBG OBJECTIVE (select one)	2. CDBG OUTCOME (select one)
<input type="checkbox"/> Creating a Suitable Living Environment <input checked="" type="checkbox"/> Providing Decent Affordable Housing <input type="checkbox"/> Creating Economic Opportunities	<input type="checkbox"/> Availability/Accessibility <input checked="" type="checkbox"/> Affordability <input type="checkbox"/> Sustainability

3. Client Data. Identify the number of households your project will serve, in the following categories:			
Type of Household	Residing in Sunnyvale	Residing outside of Sunnyvale	Total
Low Income (50%-80% AMI)			
Very Low Income (<50% AMI)	42		42
Disabled Persons			
Female-Headed Households			
Elderly			
Youth			
Homeless Persons	11		11
Other Special Needs: Mental Health	7		7

### Part 3 - Construction Project Description

A. Does your project involve:

- New construction?      Yes      No  
Major rehabilitation?\*      Yes      No  
Minor rehabilitation?      Yes      No

\**Major rehabilitation* is defined as rehabilitation work that costs more than 25 percent of the value of the building before rehabilitation. The value of the building means the monetary value assigned to a building by a recent appraisal and/or property tax assessment, or replacement cost.

B. Do you have site control, including any right-of-way, easements, or encroachment permits needed for the project?

- Yes      No     If **yes**, provide date site control acquired: \_\_\_\_\_

If **no**, explain *how* you intend to secure site control prior to the start of this project. Include the anticipated acquisition date(s).

Site control of the property will occur with the execution of the 90-year ground lease with City of Sunnyvale, which we expect to occur by end of second quarter of 2013.

C. **Operating Funds:**

For construction, expansion or acquisition of a community facility, will you have sufficient funds available for the operations of the facility?

- Yes      No

Provide a pro-forma with detailed information about operating funds available for the facility for at least 15 years and include as an attachment in Tab C.

D. Will your project involve temporary (less than 1 year) or permanent (more than 1 year) relocation of tenants from your proposed project site (residential or commercial tenants)?

- Yes: Temporary      Yes: Permanent      No Relocation needed

If you answered yes to either type of relocation, please attach a URA-compliant relocation plan in Tab F or G as applicable.

E. Provide the following property information:

- Property Description, including amenities and features
- Property Condition/Inspection Results
- Appraisal: Provide most recent appraised value.
- Unit Inspection Summary (for rehabilitation/expansion projects)
- List of Property Improvements

Property Description: Armory Studios will consist of 60 studio apartments and one two-bedroom manager's unit. All studios will have a full kitchen, bath and balconies. The development will include a property management office, service coordinator office, laundry room, secure bike storage room, community room with full kitchen and a large outdoor terrace. Total lot size is 44,331 square feet, with the average studio unit size at 372 square feet. The development will be three stories above grade and include parking for all the units and staff. Property Condition/Inspection Results: An environmental site assessment report indicates that the building most likely has lead-based paint and asbestos, which will need to be abated during demolition. Additionally, the report stated that there could be contaminated ground water under the site due to the project's proximity to a known toxic plume. However, since we are not proposing to build subterranean structure, this ground water does not pose a remediation issue. Appraisal value is estimated at \$3,700,000 and property improvements will be new construction. Unit Inspection Summary: N/A

F. Attach the following items as attachments to this application:

- Property Survey or Assessor's Parcel Map - **See Tab G**
- Proposed Site Plan and/or Architectural Elevations **See Tab E**
- Infrastructure Plans, if needed **N/A**
- Environmental Review (see form in Standard Forms) - **See Tab E, page 23-24**

G. Community Involvement

For new construction or facility/housing expansion projects, include evidence of community support for the proposed project. Describe the measures your organization has taken to garner community support in the space below. Provide evidence of contact with local neighborhood association(s) or proof of public hearing. **Include letters of support as attachments to this application.**

We began our community engagement activities last year. 2012 Community Engagement Activities included: meeting with most of City Council members to introduce ourselves and the project; meeting with the school district superintendent and other members of the school community; reaching out to the S.N.A.I.L. and San Miguel Neighborhood Associations; and hosting a public Open House for the entire Sunnyvale community where we introduced ourselves and the project concepts to the community. Current community engagement activities include: planning a second Open House to the public; holding meetings with nearby Homeowner Associations and Neighborhood Associations; bus tours of recent and similar developments; and seeking a formal endorsement from the Housing Action Coalition and Greenbelt Alliance.

Enclosed you will find our Draft Community Outreach Plan and letters of support from Living Rock Christian Church (neighboring property), City of Sunnyvale and a Sunnyvale resident at Stoney Pine, a housing development for developmentally disabled residents that is owned and managed by CH.

## SECTION 4: PROJECT BUDGET AND FINANCIAL INFORMATION

### Part 1 - Budget Information

Provide a narrative explaining the total project budget, including major budget line items in the order in which they are listed on the budget form. List the sources of funding.

Total project budget is \$21,094,450 and major budget items include the permitting and impact fees; architectural design and engineering; land acquisition; construction and construction contingency; environmental mitigation, developer fee and reserves.

Sources of funding for acquisition and pre-development include:

- County of Santa Clara- HOME \$205,646 (committed)
- County of Santa Clara- CDBG \$900,000 (of which \$400,000 is committed)
- City of Sunnyvale, \$4,100,000 (committed)
- MHPA in \$1,154,000 (applied for)
- Investor Tax Credit Equity \$13,178,280(will apply for)
- Permanent Loan \$ 595,000 (will apply for)
- Deferred Developer Fee/GP Equity, Contribution by Charities Housing \$ 111,524 (committed)

### Part 2 - Financial Information

A. Describe the organization's financial management practices, including:

- financial reporting,
- record keeping,
- accounting systems,
- payment procedures, and
- audit history, and
- compliance with OMB Circulars and GAAP

Charities Housing employs a Controller, Finance Manager and Compliance Manager who are responsible for the financials of Charities Housing and all our properties. Responsibilities include financial reporting, record keeping, accounting and auditing. We use YARDI to manage our tenant records and accounting systems. We comply with all OMB Circular and GAAP regulations, and undergo annual audits (the most recent from December 2011 included in this submittal for your review).

Provide the most recent Board-approved financial audit as an **attachment** to the original application in Tab E.



**Living Rock Christian Church**  
*Reaching Out for Christ's Kingdom*

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675 East Taylor Avenue, Sunnyvale, CA 94086    Tel. No. (408) 245-2026    [www.livingrockchurch.org](http://www.livingrockchurch.org)    [clrf@sbcgloal.net](mailto:clrf@sbcgloal.net)

Monday, February 12<sup>th</sup>, 2013

Living Rock Christian Church  
675 E. Taylor Avenue  
Sunnyvale, CA  
(408) 245-2026

**Re: Letter of Support – Archer Studios**

Dear City of Sunnyvale – HOME Investment Partnership Program:

On behalf of the Living Rock Christian Church, I strongly support the development of this project. Our congregation believes in the mission of Charities Housing: "to develop, preserve, and manage high quality affordable housing for low-income individuals and their families" and we agree that Archer Studios will serve the needs of those that are severely disadvantaged in our communities, including the homeless and mentally ill.

Please support the development of this important project for City of Sunnyvale. If you have any questions, please feel free to email me at [ilabson@sbcgloal.net](mailto:ilabson@sbcgloal.net).

Thank you,

  
Pastor Israel Labson



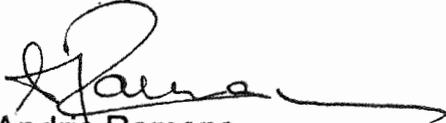
February 13, 2013

Dear City of Sunnyvale,

My son Eriks Ramans lives in the excellent housing complex called Stoney Pine Villa in your great City. This project was built by Charities Housing. I cannot express how grateful we are for Charities Housing to provide this home for my son, who is developmentally disabled. This development allows him to live independently, and Stoney Pine is a great example of the type of projects Charities Housing delivers to those less fortunate. I strongly support their work, and knowing they will build an additional, much needed, new development at the Armory Site, I know this will greatly benefit the community.

Please support the Armory Studios project and the good work of Charities Housing, and contact me if you have questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Andris Ramans', with a long horizontal flourish extending to the right.

Andris Ramans

Father of Eriks Ramans

267 W. California Ave. # 203

Sunnyvale, CA 94086



## **DRAFT February 2013**

### **MidPen and Charities Housing Community Outreach Plan for the Armory Developments**

#### **Community Meetings - Open House Format**

##### **Meeting #1**

Date: Wednesday, March 6, 2013 (tentative)

Location: Fair Oaks Room, City of Sunnyvale

##### **Presenters:**

Mid Pen:

- Development
- Property management
- Services

Charities:

- Development
- Property management

City Staff:

- Community Development, Hanson or Ernie
- Planning, Saunn Mendrin
- Public Safety: Bennet Chun, Todd Fekete
- Parks: *ask City to confirm*

Schools:

- Dr. Picard, Superintendent
- Brenda Guy, San Miguel School Principal

County of Santa Clara:

- Ky Le, Dir. of Homeless Systems

##### **Invitees:**

- Councilmembers
- Neighbors w/n 300 ft or per city direction
- Members of San Miguel and SNAIL
- Other Sunnyvale Community members who have expressed an interest previously

##### **Process:**

1. Confirm date and location
2. Confirm Presenters
3. Update power point presentation
4. Prepare flyer
5. Invite dignitaries
6. Invite community- min. 10 days prior to meeting
7. Update promotional material for each organization

## Meeting #2

- Hold second meeting prior to City Council meeting in April (confirm date)
- Repeat process above?
  - Or hold focused meeting to address architectural/setback/access type issues raised at Feb. meeting?

## Neighborhood/Homeowner Association Meetings (NAs)

- San Miguel Neighborhood Assn., meeting dates: March 11, **April 8<sup>th</sup> @ 7:00pm**
- S. N. A. I. L Neighborhood Assn., meeting dates: **March 7**, April 4
- Fair Oaks Collection - Jean Bates and Associates, HOA management; next meeting date: April 22.
  - However, they will schedule meeting prior to April 22 at our request
- Lotus townhomes - Massingham Associates, HOA management

## **Process:**

- Contact NAs to select dates for presentation
- Invite Councilmembers and City staff
- Update Presentation Materials

## Property Tours

Arrange for Tours of Charities and MidPen properties prior to City Council meeting (late March or early April).

Process: Choose date(s) prior to first Open House to be able to announce/get sign ups at that meeting.  
Asks Carol (Jan's assistant) to assist with transportation arrangements and refreshments as she did when prior tour was planned.  
Each Developer confirms properties to tour and availability  
Invite Council members/city staff  
Invite public

## Advocacy

- Silicon Valley Leadership Group, Housing Action Coalition. Schedule presentation and request for endorsement/support. Group meets 2<sup>nd</sup> Friday of each month. March 8, likely meeting. Contact Shiloh Ballard (Kathy)
- Greenbelt Alliance, Michelle Beasley – endorsement (Nevada)

Attach:

- Project Budget Form
- Pro-forma (for construction or acquisition or community facility)



**Project Budget Form**

a + b + c = d

ITEM	CDBG/HOME FUNDS REQUESTED (\$)	MATCHING FUNDS (OTHER \$)	MATCHING IN-KIND SERVICES OR MATERIALS <sup>3,4</sup>	TOTAL PROJECT COST
<b>I. Capital Costs</b>				
Permits and Fees	200,000	618,836		818,836
Design (Architectural & Engineering)	250,000	718,685		968,685
Acquisition Costs (escrow fees, etc.)	400,000	3,475,000		3,875,000
Other Soft Costs (e.g. Davis Bacon Monitoring (if applicable), Surveying, etc.)	0	730,048		730,048
Rehabilitation/Construction Costs (labor, materials)	0	10,309,781		10,309,781
Contingency (Construction)	0	1,040,978		1,040,978
Environmental Compliance (CEQA/NEPA/Phase I, lead testing as applicable)	0	115,000		115,000
Construction Management (if outside firm)	0	0		
Other: Reserves		182,496		182,496
Other: Interest + Financing Costs	0	1,053,626		1,053,626
<b>II. Project Management/Administration</b>	0	2,000,000		2,000,000
<b>III. In-Kind Services</b>				
Applicant's staff services for project management)*				
Other in-kind services/goods (describe):				
Volunteer/Pro-bono services				
<b>TOTAL PROGRAM BUDGET</b>	<b>850,000</b>	<b>20,244,450</b>		<b>21,094,450</b>

<sup>3</sup> Provide your basis for estimating the dollar value of in-kind services in the space below. For applicant's staff services, use applicant's actual cost (hourly rates). For volunteer services, use \$10/hour, and for pro-bono professional services (architectural, etc), use firm's established hourly rates as charged to typical clients.

<sup>4</sup> Please identify the source and commitment status (e.g. funds received, committed, or otherwise guaranteed, with proof) of other non-City funding and in-kind contributions committed specifically to the project for which CDBG and/or HOME funding is requested. Do not list matching funds or in-kind match that has not yet been formally committed.



**PROJECT CASH FLOW ANALYSIS**

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Year															
Residential Rental Income (<=9%)	470,016	481,325	492,912	504,784	516,949	529,413	542,185	555,271	568,679	582,418	596,495	610,920	625,700	640,845	656,364
Landed Income	10,248	10,504	10,767	11,036	11,312	11,595	11,885	12,178	12,476	12,778	13,082	13,388	13,695	14,004	14,316
Misc. Income	5,125	5,233	5,357	5,484	5,619	5,757	5,898	6,043	6,192	6,344	6,499	6,657	6,818	6,983	7,152
Potential Gross Income	485,294	497,062	508,932	521,205	533,880	546,665	559,568	572,596	585,757	599,050	612,489	626,077	639,814	653,702	667,742
Less:															
Variance & Collection Loss	48,526	49,414	50,604	51,824	53,074	54,355	55,668	57,013	58,393	59,807	61,249	62,722	64,231	65,767	67,332
Edgecure Gross Income	436,768	447,648	458,328	469,380	480,806	492,310	503,900	515,583	527,364	539,243	551,240	563,355	575,583	587,935	600,410
Less:															
Rent Expense	6,100	6,314	6,534	6,763	7,000	7,245	7,498	7,761	8,033	8,314	8,605	8,906	9,218	9,540	9,874
Administrative - Salary	50,400	52,164	53,990	55,879	57,813	59,792	61,815	63,884	65,997	68,154	70,356	72,604	74,898	77,238	79,624
Administrative - Variable	27,450	28,411	29,405	30,434	31,500	32,602	33,743	34,924	36,146	37,412	38,721	40,076	41,479	42,931	44,433
Management - Front Desk															
Management Fee	42,700	44,195	45,741	47,342	48,999	50,714	52,489	54,326	56,228	58,196	60,233	62,341	64,523	66,781	69,118
Resident Services	18,300	18,941	19,603	20,290	21,000	21,735	22,495	23,283	24,098	24,941	25,814	26,717	27,653	28,620	29,622
ET&E:															
Water & Sewer	54,304	56,204	58,171	60,207	62,313	64,486	66,733	69,089	71,507	74,010	76,601	79,282	82,056	84,928	87,901
Garbage/Trash Removal	15,250	15,627	16,069	16,536	17,027	17,542	18,082	18,647	19,238	19,855	20,498	21,167	21,862	22,584	23,331
Maintenance & Amortial - Salary	42,000	43,470	44,991	46,566	48,196	49,883	51,629	53,436	55,306	57,242	59,245	61,319	63,465	65,686	67,985
Maintenance - Variable	30,500	31,568	32,672	33,816	34,999	36,224	37,492	38,805	40,163	41,568	43,023	44,529	46,088	47,701	49,370
Misc. Taxes & Insurance - Fixed	5,000	5,175	5,356	5,544	5,738	5,938	6,146	6,361	6,584	6,814	7,053	7,300	7,555	7,820	8,093
Misc. Taxes & Insurance - Variable	23,100	23,909	24,745	25,611	26,508	27,436	28,396	29,390	30,418	31,483	32,585	33,725	34,906	36,127	37,392
Property Taxes	1,000	1,020	1,040	1,061	1,082	1,104	1,126	1,149	1,172	1,195	1,219	1,243	1,268	1,294	1,319
Homeowners Association Fee	16,464	17,040	17,636	18,254	18,892	19,554	20,238	20,946	21,679	22,438	23,224	24,036	24,878	25,748	26,650
Replacement Reserve	30,500	31,568	32,672	33,816	34,999	36,224	37,492	38,805	40,163	41,568	43,023	44,529	46,088	47,701	49,370
Total Operating Expenses	375,567	388,387	401,965	416,018	430,563	445,616	461,196	477,331	494,010	511,283	529,160	547,662	566,812	586,631	607,144
Operating Expenses per unit	6,152	6,567	6,980	7,395	7,812	8,230	8,650	9,073	9,500	9,931	10,366	10,805	11,248	11,695	12,146
Operating Expenses (incl. reserves, taxes & reserves) per unit	5,356	5,522	5,716	5,916	6,123	6,337	6,559	6,788	7,026	7,272	7,526	7,790	8,062	8,345	8,637
Net Operating Income	61,470	59,134	56,363	53,362	50,143	46,693	43,004	39,062	34,856	30,375	25,605	20,533	15,145	9,426	3,363
Less:															
ME/SA Admin Fee	4,847	4,847	4,847	4,847	4,847	4,847	4,847	4,847	4,847	4,847	4,847	4,847	4,847	4,847	4,847
Plus:															
ME/SA Operating Schedule	44,952	46,635	48,668	50,780	52,974	55,328	57,895	60,533	63,304	66,254	69,391	72,662	76,099	79,744	83,601
Net Operating Income excl. for Debt Service	101,576	100,942	100,942	100,184	99,296	97,375	96,052	94,568	92,914	91,082	89,551	87,134	84,710	82,068	79,197
Less:															
A Series Debt Service	47,121	47,121	47,121	47,121	47,121	47,121	47,121	47,121	47,121	47,121	47,121	47,121	47,121	47,121	47,121
Debt Service Ratio	2.16	2.14	2.13	2.11	2.09	2.07	2.04	2.01	1.97	1.93	1.90	1.85	1.80	1.74	1.68
Outstanding Loan Balance	577,225	558,342	538,902	518,457	496,556	473,745	449,767	424,592	398,068	370,218	340,945	310,171	277,823	243,842	208,081
Cash Flow After A Series Debt Service	34,455	33,821	33,063	32,175	31,150	30,254	29,291	28,264	27,179	26,032	24,827	23,567	22,252	20,889	19,484
Less:															
Partnership Management Fee	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000
Available Cash	36,455	35,821	35,063	34,175	33,150	32,254	31,291	30,264	29,179	28,032	26,827	25,567	24,252	22,889	21,484
Less:															
Deferred Developer Fee	36,455	35,821	35,063	34,175	33,150	32,254	31,291	30,264	29,179	28,032	26,827	25,567	24,252	22,889	21,484
Available Cash	-	-	0	29,990	33,150	32,254	30,931	29,447	27,793	25,961	24,230	22,013	19,589	16,947	14,076
Plus:															
Operating Reserve Withdrawal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residual Cash Flow	-	-	0	29,990	33,150	32,254	30,931	29,447	27,793	25,961	24,230	22,013	19,589	16,947	14,076
Less:															
Soft Loan Repayment	-	-	-	14,395	16,575	16,127	15,465	14,723	13,897	12,981	12,115	11,007	9,795	8,474	7,038
Surplus Cash	-	-	0	14,395	16,575	16,127	15,465	14,723	13,897	12,981	12,115	11,007	9,795	8,474	7,038





**Project Service Area Map**

**Address: 620 E. Maude Ave, Sunnyvale, CA**

**APN: 205-29-014 & 205-19-002**

**Census Tract: 5087.04**

**Zipcode: 94085**

