Revitalization Feasibility Assessment

Prepared for Golden Gate Village, a Marin County Public Housing Community

January 9th, 2018

CVR

CSG | advisors

Rothschild Doyno Collaborative

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Introduction

Purpose of the Report

The Golden Gate Village public housing site was built in 1960 as part of a wide-spread urban renewal and redevelopment effort in post-World War II Marin City, an unincorporated community located just north of San Francisco in Marin County. It was, in fact, shipbuilding for the War that created Marin City, in a small valley nestled in the Marin headlands. The workforce demand for Pacific warship production drew migrant workers and their families from all over the country. Following World War II, when the shipbuilding operations in Marin City came rapidly to an end, white families left the small valley to pursue other employment opportunities and purchase homes in surrounding areas, while African-American families, and other minority groups, were unable to leave the small valley due to prejudicial hiring practices, and deed restrictions and covenants that prevented minority families from purchasing homes in the County. During World War II, workforce housing was built quickly and without much consideration for sustainability. Despite having served their country, low-income African-Americans, as well as other groups, in Marin City were left trapped with little economic opportunity, with substandard housing, and with a surrounding community that did not want them as neighbors.

In an attempt to right some of these injustices, the Housing Authority of the County of Marin (MHA) and Marin County constructed a new 296-unit public housing site for low-income families living in Marin City. Over time, however, as the buildings have aged and as federal funding for public housing capital improvements and maintenance has become only a fraction of its former self, the site has accrued significant unmet capital needs. Faced with limited options to address those needs, MHA, its Board, the Golden Gate Village Resident Council (the Resident Council or GGVRC), and community stakeholders, have worked together for the past several years through a multi-step and community-driven process to identify ways in which the affordable housing assets at Golden Gate Village (GGV) can be preserved, updated, improved, and sustained for future generations of low-to-moderate income Marin County residents.

A Golden Gate Village Taskforce (the Taskforce) was appointed as a result of this community process. In late 2016, CVR Associates, Inc. and its sub consultants- CSG Advisors and Rothschild Doyno Collaborative ("CVR Team") - were selected through a competitive process, and given the task of providing a feasibility assessment of various options for the Golden Gate Village site. The results of this assessment are documented here, within the subsequent pages of this report.

CVR would like to thank MHA, its Board of Commissioners, the County of Marin, the Golden Gate Village Task Force, the Golden Gate Village Resident Council, the Golden Gate Village residents, and other community stakeholders and community members for their support and contributions throughout this process.

Executive Summary

Objectives

The CVR Team was engaged by MHA and tasked with conducting a Feasibility Analysis to determine the best and most feasible revitalization scenarios for the Golden Gate Village public housing site in Marin City, California. The Feasibility Analysis' scope tasked CVR with evaluating the following:

- The feasibility of the GGV revitalization options: 1) Historic Preservation Revitalization, and 2) Mixed Income options by analyzing market data and available/potential financing sources;
- Short- and long term scenarios and strategies, identifying the opportunities and constraints of each revitalization option;
- Revitalization strategies that are both green/environmentally sustainable and financially feasible, as well as consistent with the Guiding Principles adopted by MHA's Board; and
- Viable options for the revitalization of the site.

The CVR Team

CVR Associates, Inc. (CVR), a national consulting firm specializing in the area of public and affordable housing, and its multi-disciplinary team of legal, market, finance and design professionals has worked collaboratively to successfully deliver thoughtful approaches to revitalization that are financially feasible and sustainable over the short and long-term.

For purposes of this analysis, CVR was joined by CSG Advisors, a San Francisco-based nationally recognized leader in public real estate and housing finance, and the Rothschild Doyno Collaborative (RD Collab), a national award-winning architectural and urban design firm specializing in collaborative design. This assembled team has previously worked together on multiple engagements for the U.S. Department of Housing and Urban Development (HUD) and public housing agencies and has more than 100 years of combined public housing and consulting experience.

Analysis

This feasibility analysis was generally limited to two revitalization concepts provided by MHA via the Community Working Group; Historic Preservation and Revitalization (hereafter referred to in this report as "Option 1") and Mixed-Finance/Mixed-Income (hereafter referred to in this report as "Option 2"). It must be clearly noted that Option 1 and Option 2 are conceptual ideas only and are not actual redevelopment plans. No formal redevelopment plans were ever provided to CVR during this feasibility analysis process by MHA, any government entity, community stakeholders, Golden Gate Village residents or its representative organization.

The CVR Team used its experience and expertise to understand the context in which both Option 1 and Option 2 were originally created. We conducted thorough research to discover and clarify the opportunities and challenges of each option and as a result enhanced and elevated the opportunities of each.

Background

As part of its analysis, the CVR Team conducted detailed research on the history of Marin and GGV. The study documented the legacy of racism and years of unfair housing practices all of which was imperative to fully understanding the needs and concerns of the GGV residents, as well as Marinship and its connections to Golden Gate Village and the overall community. Much of this can be found in *Appendix A* of this report

Golden Gate Village Today

Golden Gate Village, is a 296-unit public housing development made up of eight high-rise (168 units) and 20 low-rise (128 units) buildings on 32.3 acres. Four of the original 300 housing units have been transitioned to non-residential use.

Today, the site stands as the only family public housing property within Marin County. After nearly 60 years of use and long periods of low and deferred maintenance, the site faces a very significant backlog of unmet and unfunded capital needs. Provided in this report and *Appendix G* is a detailed breakdown of the Physical Needs Assessment (PNA) conducted in 2015 that found that MHA would need to make a minimum of $16 million dollars of short term investments in the property just to bring existing building and site components up to HUD minimum standards. This short term investment would only replace certain existing building and site components that have exhausted their useful life and does not include substantial items that would exhaust their useful life over the next twenty years. It would also not add any of the energy-saving and environmentally conscious (or green) modifications desired by the GGVRC, MHA, and other community stakeholders. A site-wide complete rehabilitation to provide modern systems using energy-saving, green building concepts would require approximately $50 million. This amount is further increased to roughly $63 million when costs for legal, other professional fees, and contingency are added (otherwise known as soft costs). This report will further explain that the historical annual HUD grant for capital improvements for all MHA properties, even when combined, would not be enough even to meet the most immediate Golden Gate Village physical needs as they were documented in 2015.

Approach

Our overall approach to this Analysis was separated into three different categories: Economic, Social and Physical ("ESP"). By analyzing the economic, social, and physical aspects of the community and its residents, the CVR Team is able to develop balanced solutions to various competing interests, and promote an overall sustainable path forward.

Economic

CVR reviewed a series of financial models. Guided by, but not limited to, the concepts presented by Option 1 and Option 2, the reviewed options included a variety of scopes of work and financing tools and sources. Additionally, CVR also reviewed a set of GGVRC-provided funding sources that could potentially be applied to future projects as gap-financing, additional leveraging opportunities, or funding for goals not directly tied to housing.

Social

CVR held numerous meetings with the general public and stakeholders. These meetings were highly spirited and challenging at times, due to various points of view. Further, CVR and its team reviewed a series of non-housing community goals such as community land trusts, “Manufacturing Innovation Hubs” and third party social programs that were identified and defined through either the Community Working Group or the GGVRC.

Physical

As previously mentioned, the CVR Team reviewed the most recent PNA to assess immediate capital and long-term replacement, needs for both the structures and broader property. A detailed breakdown of the PNA and the $50 Million in estimated hard costs to rehabilitate the Golden Gate Village site is provided in this report.

Community Engagement Efforts

2009 Advisory Board

Prior to the CVR Team engagement, MHA worked with the GGVRC and stakeholder community in an effort to begin the process of redeveloping and revitalizing Golden Gate Village. This process began in 2009 when MHA convened an advisory board to discuss the needs at the Golden Gate Village site. This group developed the six (6) guiding principles to clearly establish community priorities and to guide all future planning and evaluation efforts, which are listed below:

1. *Protect Existing Residents*;
2. *Economic Sustainability*;
3. *Assure Resident Participation*;
4. *Preserve Historic Marinship Heritage*;
5. *Promote Open Space*; *and*
6. *Collaborate with the Marin County Community to Expand Economic Development and Job Training/Education Opportunities for residents*.

Community Working Group

As a next step, in 2015, MHA established a Community Working Group to engage residents and the broader community partners in a transparent and community-driven process to identify and weigh possible revitalization options and to construct a collective vision and path forward. The Community Working group collectively made the decision to narrow the Golden Gate Village revitalization concepts to Option 1 and Option 2.

Taskforce

A Taskforce was later formed out of the Community Working Group. The Taskforce was given the specific responsibility for reviewing and finalizing the procurement, creating the criteria by which a third party consultant would be selected to conduct a feasibility analysis for Golden Gate Village. After two rounds of procurements, the Taskforce selected CVR Associates, Inc. in May 2017.

Golden Gate Village Resident Council

The GGVRC exists to represent the interests of Golden Gate Village residents. CVR Team met with GGVRC on numerous occasions.

CVR's Community Meetings

As a part of the Golden Gate Village revitalization feasibility analysis process, the CVR Team took the lead to engage the community in multiple meetings, along with MHA, to discuss all topics critical to the Golden Gate Village revitalization. During this process the CVR Team hosted 3 separate rounds of on-site meetings during the months of June, July and September 2017.

The first round of meetings that took place were called "Listening Sessions". The purpose of these listening sessions was to reach out to the entire Golden Gate Village community, its residents, stakeholders, non-profits, government agencies and surrounding business owners to learn about their different perspectives on the revitalization of Golden Gate Village. The main focus of this session was to give residents the opportunity to share, verbally or in writing, their concerns, concerns, needs and goals for the revitalization of Golden Gate Village.

During the second round of meetings, the CVR Team presented a general overview of several financial model scenarios and the results of research done on a variety of funding sources (feasible and non-feasible) that could be considered by MHA for the revitalization of Golden Gate Village. CVR also presented the challenges and realistic costs for the immediate and future needs of the Golden Gate Village site.

The third round of meetings was focused on community social and economic goals outside of housing and how public/private working relationships can be used to achieve the revitalization of Golden Gate Village.

The successful outcome of these community engagement sessions provided the CVR Team with a full, well-rounded perspective of the needs and goals of the entire Golden Gate Village community while giving residents and stakeholders a transparent understanding of the challenges faced in the revitalization of Golden Gate Village.

Conclusion

As was previously noted, the CVR team was never provided any plans, but rather what we describe as two basic ideas or concepts, which were given the following names through the Community Working Group process:

> Option 1: Maintain the property as 100% public housing, but undertake the necessary repairs to restore all of the buildings and systems to proper and green functionality; or
>
> Option 2: Consider a mixed-finance/mixed-income model for the site, while maintaining a one-for-one replacement of existing MHA units for very low and low-income residents.

While the GGVRC maintained throughout the process that it had a plan, it has not provided any written plan. MHA never provided any plan, but simply requested the feasibility of mixed-finance redevelopment be explored along with any other options that may be viable. After this engagement was initiated, MHA received notice that the Golden Gate Village site would be recognized for historic designation and listed on the National Park Service's National Register of Historic Places. This information then became part of the analysis performed by CVR, including the financial impact of the designation. Notably, while the historic designation imposes requirements for any rehabilitation or redevelopment activities, it ultimately does not necessarily prohibit partial or even complete alteration.

The challenges faced by MHA and Golden Gate Village today are not unique within the public housing world and stem from decades of insufficient funding from the Federal government. Nationally, there exists a severe backlog of repairs and maintenance needs for public housing communities, which is estimated to be in the tens of billions of dollars.

Unfortunately, MHA receives approximately $800,000 annually for capital repairs and improvements (55% or roughly $440,000), administrative oversight (10% or roughly 80,000), to partially support operations (25% or $200,000), and management improvements (10% or roughly $80,000) for all of its properties (491 total public housing units). With a need of approximately $50 million of hard costs to fully repair Golden Gate

Village, it is clear that physical deterioration, due to age and use, will far outpace any possible repairs. Consequently, CVR analyzed a variety of scenarios, programs, grants, financing techniques/sources, and leveraging opportunities which would maximize MHA's limited resources in order to facilitate the rehabilitation of Golden Gate Village. Included in these, were numerous sources identified by the GGVRC as funding sources.

Based on CVR's analysis, maintaining Golden Gate Village as traditional public housing and rehabilitating the buildings, systems, and site does not appear to be a viable option. The funds received from HUD are woefully insufficient. The GGVRC-provided funding sources were mostly inapplicable or otherwise unavailable for public housing rehabilitation. Further, attempting to rehabilitate the structures and systems on a piecemeal basis will only lead to eventual physical obsolescence, as the deterioration would far outpace repairs.

As a result, Option 1, as envisioned by GGVRC and the Community Working Group, is infeasible. For reasons further explained in *Appendix E*, full mixed-finance/mixed income redevelopment of the site, as envisioned in Option 2, was deemed infeasible as well.

CVR, however, did not choose to stop at this juncture. While our basic assignment was to explore the two Options, the team felt there were other options that were in the best interest of revitalization and needed to be looked at in the context of the potential financing source. While our basic assignment was to explore the two Options, the team felt there could be other potential concepts, as well. For instance, if Golden Gate Village were to be shifted from the traditional public housing platform and placed within the project-based Section 8 platform, MHA might be able to leverage financial resources for the site which are unavailable for traditional public housing. This would allow all residents who wish to remain on the site to do so at no additional rental cost to them. In total, CVR ultimately explored six different scenarios for Golden Gate Village.

1. Continued Operations as Public Housing with Incremental Repairs and Replacement
2. Comprehensive Mixed-Finance, Mixed-Income Redevelopment
3. Preservation of Site High Rises, Redevelopment of Site Low Rises
4. Comprehensive Green Rehabilitation using 100% Project-Based Vouchers
5. Comprehensive Green Rehabilitation and RAD Conversion
6. Partial Redevelopment and Green Rehabilitation with RAD Conversion

With exception to the first scenario, all remaining options contemplated GGV leaving the public housing platform through either project-based vouchers or the Rental Assistance Demonstration (RAD) program. Of the six options, CVR's analysis ultimately deemed two options feasible and both require conversion under RAD, will celebrate site history, and preserve a right to return for existing residents

- **Scenario A:** Comprehensive Green Rehabilitation and RAD Conversion
- **Scenario B:** Partial Redevelopment and Green Rehabilitation with RAD Conversion

These options are analyzed in the body of the Report, as **Scenario A** (Comprehensive Green Rehabilitation and RAD Conversion) and **Scenario B** (Partial Redevelopment and Green Rehabilitation with RAD Conversion). These should not be confused with Option 1 and Option 2. In fact, the naming of Scenario A and Scenario B is an intentional departure from the Option 1 and Option 2 naming convention. This is because, while both of these scenarios build off the Option 1 and Option 2 concepts, they are not confined by them.

CVR recommends that MHA consider and pursue Scenario B. This scenario presents a 21st Century version of affordable housing, which would allow all current residents to remain on the site, if they so wish, and would not alter their rent. It would also phase in new units so families at a variety of income levels could move onto the site. The RAD platform would permit mixed-finance sources and leveraging (public housing units are not allowed such opportunities, most notably including debt), while protecting the rights and housing opportunities for existing tenants. As we explain further in this report, while project-based voucher subsidy would produce a much more financially feasible option, CVR does not believe MHA would be able to obtain the HUD approvals necessary to utilize this source. If circumstances were to change, however, and the use of project-based vouchers became possible, CVR would encourage MHA to pursue this subsidy stream in place of RAD.

Additionally, CVR recommends MHA engage an experienced developer of public housing sites, whether for-profit or not-for-profit, to advise, assist, and potentially partner with MHA. Further, CVR understands that the recommendation to implement Scenario B could incite concern for the community, the historic significance of the site, and for the site's residents. Through the many community engagement efforts for which CVR was a part, CVR heard these concerns loud and clear. With this in mind, the CVR team would further recommend that MHA require their development partner to abide by the aforementioned Guiding Principles, as well as the following additional guidelines to ensure a final outcome that mitigates these concerns and is derived from a community-driven process:

- Honor, preserve, and celebrate the community and site's historical significance.
- Guarantee zero permanent involuntary displacement.
- Ensure that the final plan is financially feasible and leverages MHA's limited resources.
- Incorporate green and sustainable technologies into a rehabilitation and new construction.

- Seek ways to incorporate innovative job training and creating programs to address the underlying goals of concepts such as the manufacturing innovation hub.
- Continue to engage site residents and community stakeholders in a community-driven planning process.

Once a development partner is selected and engaged, MHA should move forward with a planning process that honors these principles as well as community needs. It is through this next step that specifics for a future plan will be crafted; a plan which MHA and the community will use to revitalize this historic site.

Background

This summary is not meant to be a complete list or description of these forces. In fact, there could be an entire series of reports dedicated to just this subject. Instead, our aim here is to contextualize the work that the CVR team has been asked to perform in an effort to make more informed, responsible, and respectful recommendations. *Appendix A* contains additional background information regarding the history of Marin as well as current data regarding various socio-economic factors.

Current Site Conditions

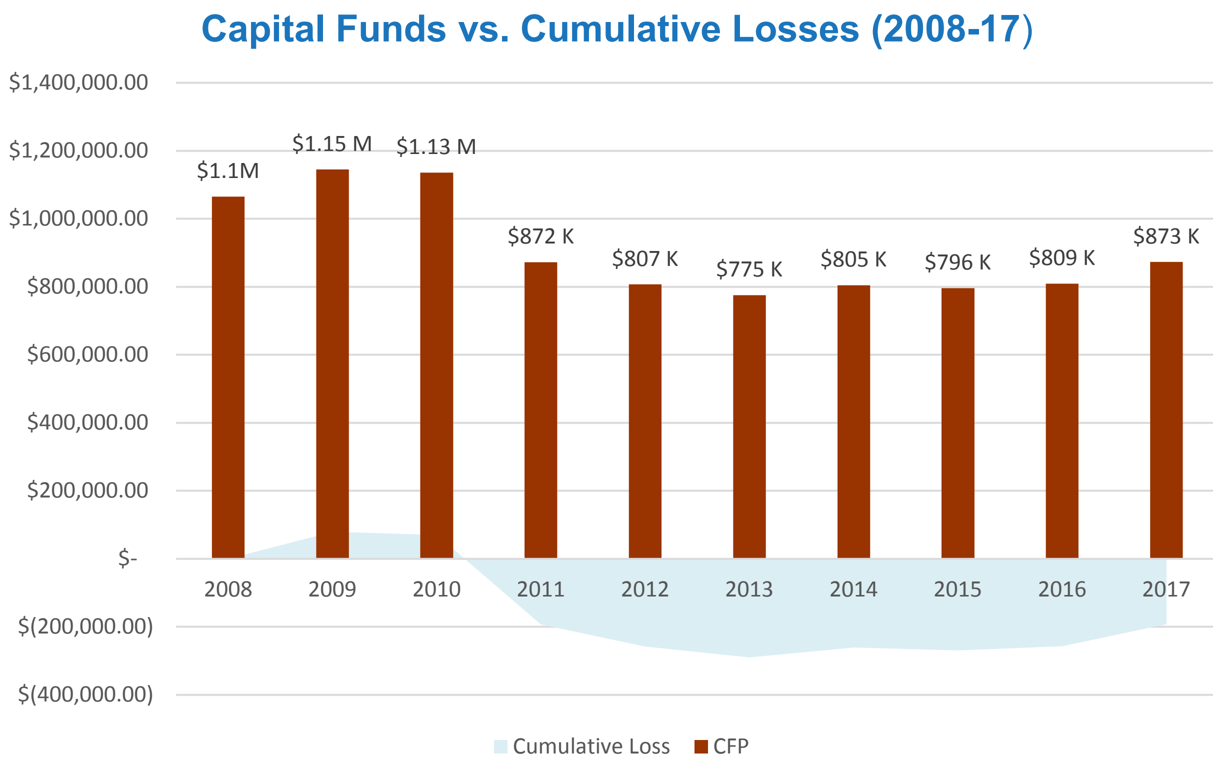
Today, GGV stands as the only family public housing property in Marin County. After nearly 60 years of use and long periods of low and deferred maintenance, the site faces a very significant backlog of unmet and unfunded capital and deferred maintenance needs. A PNA conducted in 2015 found that MHA would need to make the following short-term investments in order to bring existing building and site components up to HUD standards:

Year	Immediate	Year 1	Years 2-3	Years 4-5
Cost	$16,101,925	$480,701	$2,053,552	$3,560,015

As will be explained in more depth in the following section, investments made to meet these short-term needs would only replace existing building and site components. Additionally, PNAs are designed to assume that a housing authority would take a more traditional incremental approach to address these needs. This also does not account for the fact that in year six, for instance, the site would have a need of nearly $1.3 million. This traditional model assumes that housing authorities are given adequate funding from HUD annually to meet annual capital improvement needs. This has not been the case for many public housing authorities across the country for quite some time.

Affordable Housing Environment

Most housing authorities receive an overwhelming majority of their funding through HUD. For housing authorities operating public housing programs, this predominantly comes in the forms of Capital Fund Program grants and Operating Subsidy. As their names suggest, these funding streams are specialized and highly regulated; with Capital Funds intended predominantly for addressing public housing capital needs and Operating Subsidy intended to facilitate site and authority operations. Both funding streams have declined over the past decades, as Congress has favored programs that rely more heavily on the private markets, such as the tenant and project-based applications of the Housing Choice Voucher program (more commonly referred to as Section 8). Cuts to both funding streams have not allowed housing authorities across the country to keep pace with the physical and operational needs of their developments. The chart below demonstrates the losses that MHA alone has seen in the Capital Fund Program over the last ten years, which has greatly impacted the Golden Gate Village site, as well as MHA's five senior/disabled properties that also have significant capital and deferred maintenance needs.



As depicted on the previous page, the historical annual income for capital improvements for all MHA properties, even when combined, would not be enough to meet the most immediate Golden Gate Village physical needs as they were documented in 2015. This is true for many public housing properties nationally, as most recent estimates show that public housing properties around the nation have a backlog totaling at least $26 billion in capital improvement needs.

In order to receive the aforementioned funding streams, which are vital to most public housing authorities, MHA must enter into an Annual Contributions Contract with HUD. This covenant, along with a subsequently-applied deed restriction known as the Declaration of Trust, restricts the use of the property to public housing and grants HUD an ownership interest. Further, these covenants prevent MHA from conveying the property without HUD approval, as well as from pledging any covered sites or assets as collateral for a loan. This further complicates the position for housing authorities operating public housing programs. Despite a growing capital need and a declining source of funds from HUD, public housing authorities are restricted from accessing private debt. This further stresses a public housing authority's reliance on HUD funding.

Realizing this, HUD has taken considerable steps to make repositioning options available that allow housing authorities to take advantage of debt, equity, and other revenue streams. Some of these programs include the Mixed-Finance program, the RAD program, project-based applications of the Housing Choice Voucher program, and comprehensive redevelopment programs such as HOPE VI, and more recently, the Choice Neighborhoods Initiative (CNI). While these programs have helped many housing authorities and communities nationally, they are highly competitive, cost prohibitive, and require high thresholds for participation. In most instances, these grants are not widely accessible to smaller housing authorities with limited resources.

Community Engagement

2009 Advisory Board and Community Working Group

The CVR Team wanted to review, understand, and acknowledge the community engagement done in advance of our participation. This process began in 2009 when MHA convened an advisory board to discuss the needs at the Golden Gate Village site. This group developed the following six (6) guiding principles to clearly establish community priorities and to guide all future planning and evaluation efforts:

1. *Protect Existing Residents* – adopt resident protection mechanisms and use them throughout the process;
2. *Economic Sustainability* – maintain a focus on development of resident skills and access to good jobs and enhanced connections to job training and employment opportunities in growth areas and industries;
3. *Assure Resident Participation* – throughout the Planning and Revitalization Process – Inclusion means representation and participation through resident outreach, engagement, and involvement with decision-making bodies at meetings;
4. *Preserve Historic Marinship Heritage* – preserving Marin City's unique heritage should occur through inclusion in design (e.g. art, architecture, infrastructure e.g. naming and signage, etc.) and through facilities (e.g. kiosks) that teach about the area's unique history as a manufacturing hub and home to a vibrant African-American community, and doing this throughout the process is critical to achieving this goal and must be a priority in any revitalization process;
5. *Promote Open Space* – play spaces, communal spaces, and green spaces allow community members to bond and develop relationships that lead to greater inclusion and vibrancy. These open spaces must be accessible, accommodate a variety of uses, and be conducive to building community; and
6. *Collaborate with the Marin County Community to Expand Economic Development and Job Training/Education Opportunities for residents* – any efforts should ensure

that opportunities created lead to sustainable jobs in growth industries. Expanded economic development, job training, and education opportunities must create pipelines to growth industries and relevant education pathways.

As a next step, in 2015, MHA established a Community Working Group to engage residents and the broader community partners in a transparent and community-driven process to identify and weigh possible revitalization options and to construct a collective vision and path forward. This working group was made up of a diverse group of participants to ensure a wide range of input and perspectives. This included site residents, representatives from foundations, service providers, education partners, faith leaders, business owners, Marin City residents, and representatives from County government. This working group met once every month during the months of January 2015 to January 2016.

Results of the Community Working Group Efforts

As a result of the Community Working Group's efforts, two ideas surfaced as the leading concepts for the revitalization of Golden Gate Village. For purposes of this report the two conceptual ideas are labeled: "Option 1" and "Option 2," as this is how the concepts were titled in the Community Working Group process. **It is important to note that CVR was not provided any written document or information for either Option that included financial or physical planning that would be considered a plan**.

- "***Option 1***": Option 1 proposes a historic rehabilitation of the site as it exists today at Golden Gate Village. It also, however, contemplates the incorporation of several advanced green technologies, as well as a change in operations to a Community Land Trust model, and the provision of jobs and training programs for residents through the introduction of an affiliated Manufacturing Hub.
- "***Option 2***": Option 2 proposes a mixed-income redevelopment of the Golden Gate Village site, with a one-for-one replacement of existing MHA units and whereby the income diversity would be expanded with additional units to facilitate the market rate and other affordable unit types. This concept shares the desire to introduce additional green and social goals found in Option 1, but anticipates MHA's continued involvement in the ownership and management structure of the redeveloped site.

The Taskforce

Part of the Community Working Group's recommendations called for MHA to hire a nonprofit or private developer to assess the two resulting options. MHA and its consultant that led the Community Working Group effort later decided that hiring a developer was premature. Instead, they moved forward with the recommendation of procuring a Revitalization Feasibility Consultant to assess the two resulting "Options." To do this, a Taskforce was formed. This body was responsible for reviewing and finalizing the procurement, creating the criteria by which a third party consultant would be selected, and for participating in the final selection. After two rounds of procurements, the Taskforce selected CVR Associates, Inc. in May 2017.

CVR Associates, Inc.

CVR Associates, Inc. and its assembled team of sub-consultants comprises a multi-disciplinary team of legal, development, policy, finance, and design professionals that specialize in customized solutions for the affordable housing industry. CVR, itself, was formed in 1995, by a team of affordable housing professionals with senior-level experience within public housing authorities. Since that time, CVR has established itself as an industry leader in the affordable housing industry by providing innovative approaches to public housing authorities' complex and unique challenges.

CVR was joined by CSG Advisors- a San Francisco-based nationally recognized leader in public, real estate, and housing finance- and the Rothschild Doyno Collaborative (RD Collab)-a national award-winning architectural and urban design firm specializing in collaborative design processes and sustainable design. This team has worked collaboratively in multiple engagements for HUD and public housing agencies nationwide.

Golden Gate Village Resident Council Engagement

The GGVRC exists to represent the interests of Golden Gate Village residents. The GGVRC has been an active part of this multi-step process and CVR met on several occasions with members of the GGVRC.

Through these meetings, the GGVRC made clear their perception that "Option 1" was in fact the Resident's Plan, while "Option 2," was MHA's Plan. To this end, the CVR Team learned that the Council hired their own third party consultants to advance portions of "Option 1" independent of MHA. This included a consultant to prepare a historic designation application to the California Office of Historic Preservation and a consultant to identify potential financial sources that could be applied to a historic rehabilitation of the site. It is important to note that while on many occasions the Resident Council referenced the Resident Plan, the most the CVR team received was a list of potential financial sources.

When asked for a copy of the Resident Plan, Council members suggested that MHA should share their plans first and/or that if they were to share the Resident Plan, it would be coopted. CVR attempted to clarify that CVR had no interest in propagating one concept over the other. The team also attempted to demonstrate common themes and underlying goals between both concepts and the notion that both MHA and the residents of Golden Gate Village faced a shared problem that could only be solved by working collaboratively. It is the CVR Team's sincerest hope that the following sections of the report identify potential and practical solutions that can do just that.

Historic Designation

Golden Gate Village was nominated to be placed on the National Register of Historic Places. The nomination was prepared by Women Helping All People, which is a nonprofit run by a member of the GGVRC, in conjunction with an architect and former associate of Aaron Green, who was retained to prepare the nomination. The nomination was approved unanimously by California's Office of Historic Preservation Department of Parks and Recreation on July 28th, 2017, after CVR had begun its assessment. This is designation brings specific considerations to any future physical activity on the site.

Methodology

ESP Framework

The CVR Team used a multi-faceted approach for this report that can be divided into three categories: Economic, Social, and Physical. The CVR Team has coined this approach- ESP for the first letter of each of the three categories. By analyzing the economic, social, and physical forces that impact this site, the CVR Team finds itself better equipped to develop solutions that balance various competing interests, and promote an overall sustainable path forward. The following is a brief description of the work completed in this engagement under each category.

Economic

To identify how to strategically utilize and leverage existing MHA funding and resources, CVR reviewed a series of financial models. Guided by- but not limited to- the concepts and frameworks presented by Option 1 and Option 2, the reviewed options included a variety of scopes of work and utilized a variety of financing tools and sources. Additionally, CVR also reviewed a set of resident-provided funding sources that could potentially be applied to future projects as gap-financing, additional leveraging opportunities, or funding for goals not directly tied to housing. It should be noted that none of the potential sources would be sole-source solutions for the needs of Golden Gate Village.

Social

To better inform our review and analysis, CVR held several meetings with the general public, stakeholders from the County's government and nonprofit sectors, and –as previously mentioned- with the Resident Council. Further, the CVR Team reviewed a series of non-housing community goals that were identified and defined through the Community Working Group, which are further described within this section. CVR also reviewed key data points from the American Community Survey, as well as State and local reports, as summarized in the previous Background section of this report.

Physical

To more adequately understand the needs of the Golden Gate Village site, the CVR Team reviewed the most recent PNA. Additionally, the CVR Team used the PNA to estimate a cost of comprehensive rehabilitation that would do more than just replace existing building and site components and would include some of the aspirational goals identified by the Community Working Group. CVR also assessed ways in which these green and other environmental goals could be realized at the revitalized site and reviewed the impacts of the recent historic designation nomination on those goals.

The remainder of this section expands on the work described for each of the above categories. While the framework is referenced as ESP throughout the document, the P (for Physical) is provided first in each section.

Physical

The following subsections describe work performed under the Physical portion of CVR's approach.

Visual Assessment

To begin, the CVR Team visited the Golden Gate Village property, and walked the site with residents and members of the Resident Council conducted a visual assessment of the site, a sample of units, and the surrounding neighborhood. During this visit, members of the CVR Team heard stories from residents about the site's history, the history of Marin City, and community members' individual memories. This visual assessment provided physical, and, unexpectedly, social contexts that aided CVR in the preparation of this analysis and report.

Physical Needs Assessment Review and Update

All housing authorities operating public housing programs must complete PNAs for each of their properties every five years. These PNAs are critical planning tools, as they aid housing authorities in developing an order of magnitude for the replacement and repair needs of their properties. PNAs accomplish this by estimating the remaining useful life of each site and building component at the property, using observations, professional judgement, and published Expected Useful Life tables from industry sources including the Federal National Mortgage Association (or Fannie Mae). All site and building components are then organized into a schedule, whereby these replacement needs, and their associated costs, are programed over a set period of time, usually 20 or more years.

The last PNA for Golden Gate Village was conducted in 2015, by a national real estate lifecycle planning and management firm, EMG Corporation (EMG). As documented previously in this report, the PNA identified $16,101,925 in estimated immediate replacement and repair needs. This figure was made public through many of the prior community engagement activities, as discussed in the previous section. This cost, however, **does not equate to the cost to rehabilitate the Golden Gate Village site**, for several reasons, as listed on the following page:

1) **<u>PNA Design and Intended Use:</u>** As mentioned previously in this report, PNAs are designed to enable housing authorities to better assess the capital needs of their portfolios, to facilitate capital planning, and to allow housing authorities to take advantage of capital improvement opportunities. They are also designed to give HUD a sense of where the capital backlog need is nationally as well as to assist housing authorities in scheduling incremental replacement and repair needs. Because of the level of deferred need, and declining funding from HUD, this is not a reality for most Housing Authorities. Addressing the estimated immediate needs, in fact, does very little to actually impact the totality of the existing problem. As

indicated in the table in the previous section, the needs in years one through three alone, amount to over $2.5 million and another $3.6 million in the following two. Because of the extensive needs of the site, it is more cost effective for the housing authority to address these needs through a phased comprehensive rehabilitation, as opposed to addressing needs incrementally.

2) **Age of the PNA:** The PNA for Golden Gate Village was conducted in 2015. HUD rules require another PNA in 2020. As MHA has been unable to keep pace with the high short-term replacement needs at the site, the needs continue to grow through additional use, continued aging and deterioration, as well as through price inflation. As a point of clarity, this is a recurring national problem that is- by no means- unique to MHA.

3) **Missing Costs:** PNAs are designed to identify items which require replacement, meaning they are based on what exists at the property today, with no consideration for additional features, further renovations, or other improvements. If MHA were to rehabilitate Golden Gate Village, it would most likely do so with improvements to existing features in mind. For instance, significant systems and other items such as flooring, cabinetry, appliances, etc., would likely be upgraded to modern market standards. Further, there were green and sustainability goals identified during the Community Working Group. This would include a number of green infrastructure improvements and energy conservation measures to be integrated into any proposed revitalization initiative. Additionally, the PNA mentions several items that MHA should explore that are not included in the cost schedule. Not included are items such as solving site drainage and erosion problems, as well as ensuring that structures are in compliance with seismic building codes, and historic restoration / preservation.

In order for the CVR Team to complete a feasibility analysis for various revitalization scenarios, however, the team needed to estimate a total cost of rehabilitation. Using the PNA as a starting point, the CVR Team had to make certain assumptions to arrive at an estimate sufficient for this level of analysis:

1) **Removed Repeating Replacement Items- Reduction of $6.9 million**

   Within the PNA's cost schedule, there were several components with replacement costs that recurred multiple times throughout the cost schedule. These typically include costs that can be phased to spread costs or simply because the item has components at different stages of their estimated useful life. Because these items would be addressed comprehensively through rehabilitation, these repeat costs were removed from the PNA's cost list. Removing these costs removes $6,855,667.00 from the total cost.

2) **<u>Accounted for Inflation- 2.5% Per Year</u>**

   As mentioned previously, because the PNA was conducted in 2015 the associated costs are likely low, as costs have risen overtime. To ensure that the estimate is as realistic as possible, the CVR Team factored for inflation by increasing the total costs by 2.5% per year. In order to determine the number of years, the CVR Team picked a reasonable project start date based on where MHA is in the planning and revitalization process. For the purposes of this report, CVR chose a construction start date of 2020.

3) **<u>Added Costs for Items Not Within the PNA- Lump Sum Estimate</u>**

   Working with an engineer, the CVR Team attempted to estimate the costs associated with additional items that were not included in the PNA. The below table includes estimated costs of additional and aspirational items to be factored into the estimate.

The changes to the PNA are highlighted in *Appendix G* attached hereto.

Cost	Total	Unit
Regrading, site work, landscaping and drainage	$ 3,000,000.00	$100,000 per acre
Asbestos, lead, and biological growth abatement	$ 3,600,000.00	$12,000 per unit
Accessibility unit upgrades (15 Mobility units)	$ 750,000.00	$50,000 per unit
Air conditioning of all units	$ 1,500,000.00	$5,000 per unit
Sprinkler system for high rises	$ 500,000.00	$4 per sq. ft.
Fire Alarm systems	$ 1,000,000.00	$3,000 per unit
Green energy and Energy conservation measures	$ 2,000,000.00	$6,000 per unit
Seismic code and other current code compliance	$ 1,000,000.00	Lump sum
Historical Preservation	$ 2,000,000.00	Lump sum
Additional Site Features	$ 1,000,000.00	Lump sum
Total	***$16,350,000.00***	

4) **Overhead- 7%**
CVR applied a standard inflator of 7% to account for overhead costs during the rehabilitation or construction.
5) **Added General Contractor Costs- 7%**
As any project requiring construction/rehabilitation would include costs for general contractors, the CVR Team applied a standard inflator of 7% to reflect general contractor costs.

This brings the total estimated cost of rehabilitation for the Golden Gate Village site to roughly $50 million (or $169,000) per unit as depicted in the table on the following page.

Cost	Unit	Explanation
High Rise Total Need PNA	$ 17,771,350.00	2015-2037 Costs
High Rise Repeated Costs	($ 4,102,913)	Cost of repeat items
High Rise Need Less Repeated Costs	$ 13,668,437.00	Less Repeat Items
Low Rise Total Need PNA	$ 13,386,948.00	2015-2037 Costs
Low Rise Repeated Costs	($ 2,752,754)	Cost of repeat items
Low Rise Less Repeated Costs	$ 10,634,194.00	Less Repeat Items
PNA Subtotal	$ 24,302,631.00	High Rise and Low Rise PNA Costs Net Repeating Costs
Per Year Inflation	$ 3,037,828.88	2.5% Per Year from 2015 to 2020
Items Not in PNA	$ 16,350,000.00	Lump sum estimate
General Contractor Overhead and Profit	$ 3,058,332.19	7% Inflator
General Conditions	$ 3,272,415.44	7% Inflator
Total	$ 50,021,207.51	Roughly $169,000 per unit

It is important to note here that this rehabilitation estimate is, in fact, slightly higher than the estimate shared with the general public and stakeholders in CVR's July meetings, which was $49 million. The change in estimated hard costs has resulted from further analysis and refined estimates of additional costs outside of the PNA. Further, this estimate does not include the soft costs necessary for a transaction of this type. This would include contingency, legal fees, fees for architects, engineers, and other professional services. When those costs are added, the estimate increases to roughly $63 million.

Likely Impacts Due to Historic Designation

As aforementioned, the Golden Gate Village buildings and broader site were recommended by California's Office of Historic Preservation to be added to the National Park Service's National Register of Historic Places as a historic district. Once recommended, the CVR Team began working to reconcile its review with this new reality.

From CVR's review, it was discovered that the listing itself does not preclude the property's owner from making alterations to the property. What the listing does is to pinpoint a list of historic characteristics related to both the structures and the site. Any proposed activity that might impact these characteristics would require an analysis under Section 106 and the California Environmental Quality Act (CEQA).

Economic

The following subsections describe work performed under the Economic portion of CVR's approach.

Financial Analysis

Approach

The CVR Team analyzed a variety of programs, grants, financing techniques and other leveraging opportunities that would maximize MHA's limited resources in order to facilitate revitalization. As mentioned previously in this report, the current public housing platform constraints MHA and other public housing authorities through declining funding streams and restrictions on access to outside capital. Through its analysis, CVR determined that because of these limitations, the best approach for any revitalization option would be for Golden Gate Village to leave the public housing platform in an effort to broaden the site's access to financial resources. This section will address what those resources could entail and will aim to provide some insight into how those resources could be applied to the two concepts identified in the Community Working Group.

Additional Sources and Subsidy Streams

Understanding the extensive needs of Golden Gate Village and the limited funding environment and restrictions of the public housing program, the CVR Team looked to numerous affordable housing development and rehabilitation resources that are used throughout the nation. These resources are divided into debt, equity, and subsidy resources.

Debt

One obvious source of funding for the rehabilitation or revitalization of any housing development would be private or public construction and/or permanent debt.

Unfortunately, for public housing properties, the injection of such capital is not allowed by the Declaration of Trust and Annual Contributions Contract. Because of the limited funding environment, any strategy would likely rely heavily on private debt, by way of construction and permanent financing. A project's supportable debt is based in large part on its Net Operating Income (NOI). Even if public housing was allowed to leverage debt, the site's NOI would be low due to low tenant rents. Changing the platform of assisted units to a project-based voucher platform would generate higher rents, and thus, more supportable debt. This, in turn, would facilitate a greater portion of the scope of work. More information on how a project would leave the public housing platform can be found in the subsequent Subsidy subsection.

Equity

Private equity, for affordable housing, can be defined as investment funds contributed to rehabilitation, redevelopment, or development activities that are organized under limited partnerships and whose investors are typically large financial institutions. Typically in affordable housing development, equity is generated through the sale of tax credits- most commonly Low Income Housing Tax Credits (LIHTC). These credits are tax incentives that allow corporations and banks to reduce their tax liability by investing in projects for which the government has a particular interest, such as affordable housing, community development, or historic preservation. Tax credits are awarded to entities that will carry out these activities. Those credits are then sold to investment firms for a cents on the dollar cost, which is used to help fund the project. A single purpose entity is then created for the revitalization, which provides the investor with a 99.99% ownership interest in the development. The remaining interest and control lie with the General Partner, which for projects involving a public housing authority, usually is comprised of the housing authority or an established affiliate. Typically the property is then leased to the single purpose entity, by the housing authority, under a multi-year ground lease with extensive restrictions regarding utilization of the property.

The two applicable tax credit programs for this analysis are briefly described below. It is important to note that at the present time the impacts of proposed tax reforms on tax credit programs is unknown. The feasibility of any revitalization effort could be significantly impacted if there is a drastic change in the equity markets for LIHTC or Historic Tax Credits.

Low Income Housing Tax Credits

LIHTCs are one of the affordable housing industry's most utilized financial resources. These specialized credits are given to state and local LIHTC-allocating agencies who issue the credits to acquisition, rehabilitation, or new construction low-income housing projects that meet the requirements of the agency's published Qualified Allocation Plan (QAP). There are two types of LIHTCs:

- 4% LIHTCs: non-competitive credits that typically yield around 30% of construction costs;
- 9% LIHTCs: competitive and limited credits that typically yield up to 70% of construction costs. Projects awarded in set funding rounds according to scoring, as outlined in the State's QAP.

Historic Tax Credits

The Federal Historic Preservation Tax Incentive Program (more commonly known as Historic Tax Credits) is another specialized tax credit program that encourages private investment for the rehabilitation and reuse of historic structures through a 20% income tax credit. This source was also provided to CVR by the Resident Council as a potential funding source. More information on this tax credit is provided in the subsection of Resident provided sources.

Historic tax credits, while a vital source for historic preservation activities, typically yield low equity raises from private investors. Furthermore, costs are usually higher, as the credit comes with additional rehabilitation threshold requirements. While the site has been designated as one with historical significance, it would not necessarily need to utilize historic tax credits to be a viable project. This is primarily because the site could meet the same preservation goals leveraging other private financial resources afforded to the project because of its status as low-income affordable housing.

Subsidy

The following programs are not direct sources to the project, rather they provide long-term rental subsidies to properties that maintain affordability, provide protections for residents, and attract additional financial resources to the project.

Project-Based Vouchers

The Housing Choice Voucher (HCV or Section 8) program allows public housing authorities the ability to attach vouchers to specific housing units, including those owned by a housing authority. Vouchers that are attached to units are then referred to as, project-based vouchers (PBV). Similar to the Section 8 program, units are governed by a Housing Assistance Payments (HAP) contract. Among other things, this contract lists a total project rent for the unit, which is subdivided into tenant and HAP portions. The tenant portion consists of 30% of the household's adjusted income, similar to how rents are determined for Golden Gate Village public housing units today. The difference here, however, is the HAP portion. This portion is the difference between the tenant portion and the HUD-published Fair Market Rent (FMR), subject to market rental comparability studies. Because of the high costs in the Bay Area, the area's FMRs are quite high. This has no impact on the tenant, but does allow the housing authority to realize additional subsidy and allow properties to leverage higher amounts of supportable debt. Similar to public housing, but dissimilar to the rest of the HCV program, is the fact that when a family moves the subsidy remains with the unit and is not taken with the family. Moving families are, however, given priority on the HCV waiting list.

These vouchers are, however, limited by a housing authority's annual budget authority under the HCV program and are typically limited to 20% of units at a particular site, unless the site provides social services. In order to apply a PBV to an existing public housing unit, the unit would have to meet HUD's threshold for physical obsolescence or be able to make an argument of operational issues, aside from a lack of funding from HUD in order to receive disposition approval for the site. This approval would come through a Section 18 Demolition/Disposition application to HUD's Special Application Center and would be necessary to remove the Declaration of Trust and Annual Contributions Contract from the site, thus removing the site from the public housing platform. Disposition approval is often very difficult to obtain, as HUD is often reluctant to remove units from the public housing platform; especially –most recently- outside of the Rental Assistance Demonstration Program (RAD) program.

If MHA was able to obtain disposition approval, but did not have vouchers to contribute to a project, it could apply for an award of Tenant Protection Vouchers (TPVs). These TPVs are allocated through HUD and act as any other HCV, meaning that they could be project-based. Project-basing a TPV, however, could only be done if the unit was redeveloped or substantially rehabilitated, as physical obsolescence of the site or units would be the reasoning behind the award.

The Rental Assistance Demonstration Program

RAD is a HUD tool that allows housing authorities to convert existing public housing to the Section 8 project-based voucher platform. This conversion is valuable for several reasons:

1) The Project-Based Voucher platform has historically been favored by Congress and, therefore, has received a more stable funding stream;
2) The conversion does not impact a housing authority's current voucher allocation/budget authority;
3) Once a property converts under RAD, the Declaration of Trust and Annual Contributions Contracts are removed from the property in exchange for a RAD Use Agreement and HAP Contract. The removal of the DOT and ACC allow the property to leverage debt, utilize tax credit equity, and apply other sources to address a site's physical needs through either rehabilitation, transfer of assistance, or new construction;

4) If a property is converted under the RAD program, it is not required to meet high thresholds established by HUD for SAC demolition or disposition approvals; and
5) RAD requires housing authorities and their development partners to comply with stringent resident protections, such as consultation and requirements, additional relocation procedures and policies, priority for RAD tenants on the Section 8/HCV waiting list, and a right to return to the completed property.

The RAD program does have some limitations, however, which include the following:

1) The RAD program is a demonstration, meaning that it is not a permanent program and is not available to all housing authorities. Currently the RAD program is capped at 225,000 units, meaning that any housing authority that is interested must apply through a competitive process and, once the cap is reached, be placed on a waiting list until the cap is either lifted or other housing authorities return or default on awards. While receiving a CHAP may take time, it is not an impossible task;
2) In order for the program to be passable by the US Congress in 2011, HUD was forced to create a program that was revenue neutral. This means that the program comes with no new money. Instead, the program takes existing Capital Fund Program (CFP) grants and Operating Subsidy and combines the two to create a total HAP payment. While HUD provides no additional money through this process, it does allow for the property to leverage additional private resources. While this may be true, typically the subsidy coming with a RAD voucher is significantly lower than the aforementioned Project-based Voucher subsidy, therefore leveraging less debt.

While the RAD program does present limitations, it is currently HUD's primary repositioning tool for housing authorities that have significant capital needs. There is reason to believe that the program will continue to be expanded, as it relies more heavily on the private market and has become increasingly popular among housing authorities over time.

Conclusion

It is important to note that whether the scope of work is total rehabilitation, as contemplated in the concept known as "Option 1," or some form of mixed-income redevelopment, as contemplated in the concept known as "Option 2," some combination of these resources will be needed. Additionally, as is the case with many affordable housing rehabilitation or redevelopment projects, there will most likely still be some level of gap between the project's sources and uses. For project gaps, CVR strongly recommends applying for resources such as the Federal Home Loan Bank's Affordable

Housing Program (AHP), State or local HOME funds, Community Development Block Grants (CDBG), Affordable Housing Trust Fund, and other state, local, private and nonprofit sources as appropriate.

Financial Assumptions

The following assumptions were used throughout the team's financial analysis of revitalization scenarios:

Development Costs

- **Hard Cost for Rehabilitation:** based on PNA over 20 years, less repeated items due to useful life, inflation from 2015 to 2020 to accurately reflect cost increases and economy changes, increased scope items & 14% for General Conditions, Overhead and Profit;
- **Hard Cost for New Construction:** Based on Resources for Community Development's Victory Village per unit cost in 9% LIHTC application;
- **Construction Contingency:** is estimated at 15% for rehabilitation and 10% for new construction;
- **Demolition Costs:** (if necessary) are estimated at $500K;
- **Relocation Costs:** are estimated at $1K per unit;
- **Building Acquisition Costs:** are estimated at the greater of $20K per unit or net operating income (NOI) capitalized at 7% to generate LIHTC equity;
- **Soft Costs:** are based on estimates from other similar transactions;
- **Developer Fee:** is based on the QAP; and
- **Reserves:** are 6 months of operating expenses, debt service, and replacement reserve.

Income and Operating Expenses

- **RAD Rents:** were inflated to 2017 levels and range from $683 for a one-bedroom to $1,416 for a four-bedroom unit;
- **PBV Rents:** 2017 HUD published Fair Market Rent;
- **Total Operating Expenses:** are estimated at approximately $7,512 per month, which includes $300 per unit per year for replacement reserve deposit.

Debt

- **Construction Period** rate 4.0% over 30-months;
- **Permanent Period** includes 6% rate over 35-year amortization and 18-year term. The debt coverage ratio is 1.2x Year 1 and 1.15x in Year 15.

The aforementioned financial sources are the most common sources and models utilized currently for the rehabilitation or redevelopment of public housing communities. Congress, and therefore HUD, have historically provided housing authorities with insufficient funding to address the ongoing needs of these developments. Golden Gate

Village, like hundreds, if not thousands, of public housing structures nationwide, is facing increasing physical repair needs with extremely limited financial resources; a harsh reality. The CVR Team was also provided several potential funding sources which would theoretically be utilized for the rehabilitation needs of the site. This information is documented below and analyzed in *Appendix B* attached hereto.

Resident Provided Sources

A select group of Golden Gate Village residents engaged at least two third party consultants to conduct planning to facilitate “Option 1.” One of these was an individual identified to CVR as a financial consultant. It should be noted that CVR received no formal communications or submissions from this individual or a larger entity representing itself formally as a financial consultant. Through discussions with members of the Resident Council and this individual, the Resident Council shared a list of these funding sources with the CVR Team. CVR reviewed these sources at a high level (not engaging in application scoring or applying detailed financial analyses), in order to determine their viability and compatibility based on the team’s understanding of the two concepts. It is important to note that these sources were provided without context for their intended uses and relationships. Through discussions and research later in the engagement, the CVR Team learned that many of the proposed sources were for non-housing uses. A summary of this review is provided in *Appendix B*.

Social

The following subsections describe work performed under the Social portion of CVR’s approach.

Community Engagement

As a part of the Golden Gate Village revitalization feasibility analysis process, the CVR Team took the lead to engage the community in multiple meetings to discuss all critical topics related to the Golden Gate Village revitalization feasibility analysis. During this process the CVR Team hosted 3 separate rounds of on-site meetings during the months of June, July, and September 2017.

The first round of meetings took place from June 5th to June 7th. These were called “Listening Sessions”. The purpose of these meetings was to reach out to the entire Golden Gate Village population and broader Marin community to learn about different perspectives on the current needs and proposed concepts for revitalization. During these meetings, the CVR Team met with each of the following stakeholder groups on a separate basis to ensure that each session was productive and focused on the specific topics and interests related to that group:

- Golden Gate Village Resident Council
- Marin Community Foundation
- Marin Community Development Agency
- Other Public Agencies: Marin Community Services District, Marin County Sheriff's Office; Marin County Fire Department; Marin Health and Human Services; County of Marin; Willow Creek Charter School; Marin County Library
- Non-Profits: Women Helping All People, Fair Housing Advocates of Norther California, Legal Aid of Marin, Bay Area Legal Aid, NESTS, Bridge the Gap, First Baptist Church, and Bayside Martin Luther King, Jr. Academy

During this initial visit, the CVR Team also laid the framework for the coming months, discussing the schedule and proposed plan for developing the feasibility assessment.

In addition to the above-referenced stakeholder sessions, the CVR Team hosted an open public community listening session, which included residents of the Golden Gate Village site as well as members of the broader community. At the beginning of this listening session, the CVR Team discussed the purpose of the feasibility analysis and the scope of work that CVR would provide during the process. The main focus of this session was to give residents the opportunity to share, verbally or in writing, their concerns, needs, and goals for the revitalization of Golden Gate Village. The CVR Team listened while residents discussed their concern of displacement, recollections of prior racial segregation, long term fair housing issues, desires for economic development and sustainability, preservation of the architectural history, respect for the original design, and their sense of community.

The second round of meetings took place between July 17th and July 19th. The purpose of this round of meetings was not only to report on the outcomes of the team's June meetings, but also to present the team's initial findings based on industry expertise, shared perspectives from the listening sessions, and the team's understanding of the Community Work Group's recommendations. These initial findings included topics such as a refined cost of rehabilitation (discussed in more detail in the Physical portion of this section), potential rehabilitation options for the concepts in "Option 1," and a review of resident-provided sources. As with the listening sessions, the CVR Team met both with the aforementioned stakeholder groups, as well as the general public. In an attempt to increase interaction between MHA, the CVR Team, and the Resident Council, the parties had an additional follow up meeting to discuss many of the complex financial concepts on a one-on-one basis.

The third and final round of meetings took place September 15th and 16th. The purpose of these meetings was to once again engage the same community stakeholder groups and the general public; however, this time on non-housing goals identified during the Community Working Group. For this set of meetings, CVR worked more closely with the President of the Resident Council, incorporating her into a panel to add additional context for underlying non-housing goals identified during the Community Working Group. Additionally, the team provided a status and update on the results of the historic designation nomination, additional insight in sustainable technologies, as well as the next steps to the final report.

These meetings proved critical throughout this process, providing CVR with the context and exposure necessary to best understand all of the factors impacting the Golden Gate Village property. Additionally, the CVR Team helped to inform stakeholders, residents, and the general public of the complexities surrounding these issues and options available to MHA to fix them. The CVR Team feels the overall outcomes of the meetings were positive and that the goals of community engagement, transparency, trust building, and accountability were met.

Social Goals from the Community Working Group

As aforementioned, there were several goals identified in the Community Working Group and further promoted by the Resident Council that were unrelated or at least not directly tied to housing. One of these is the notion of Deep Green Retrofit, which was discussed previously under the Physical subheading in this section. The remaining two notions were that of a Community Land Trust and Manufacturing Hub. The following sections review both in detail, in an effort to identify underlying goals that can possibly be incorporated into the feasibility options presented in the next section.

Community Land Trust (CLT)

Through CVR's review of the report published at the culmination of the Community Work Group, and through discussions with both the Resident Council, as well as select residents during public and stakeholder meetings, the CVR Team was made aware of an interest to convert operations at Golden Gate Village to a Community Land Trust (CLT) model. From CVR's assessment of conversations with these residents, their contacts, and the Community Working Group report, the underlying goals in this effort appear to be rooted in the desire for increased oversight and governance, and the ability for residents to build equity, while maintaining occupancy of their unit. It is important to note that CVR did not receive any written plans or other documents detailing how the proposed change in ownership, management structure, and rents or resident co-op share purchases would occur.

The CVR Team explored the Community Land Trust concepts and model and its underlying goals. It also considered potential benefits, challenges, and other implications as might pertain to the Golden Gate Village site. This analysis is attached hereto as *Appendix C*.

Manufacturing Innovation Hub

In addition, the CVR Team reviewed the concept of a Manufacturing Innovation Hub. This idea was identified by the Community Working Group as a goal for Golden Gate Village which would lead to increased job training and employment opportunities. A review of the benefits and challenges of establishing such a hub is contained in the attached *Appendix D*.

Conclusion

In summary, both of these concepts present significant challenges and neither is directly related to the more pressing problem of addressing the physical needs of the Golden Gate Village site. The Community Land Trust concept would require substantial preparation, detailed legal work, and extensive funding to demonstrate the financial wherewithal to acquire, maintain, and operate the community. At this point in time, the likelihood of receiving HUD approval appears remote and contrary to the mission of MHA. Golden Gate Village is the only family development in MHA's public housing portfolio. To divest itself of this property, for the benefit of a select and undefined group, seems counter to the purpose of maintaining Golden Gate Village for all and future low-income families in need of housing in Marin County.

The Manufacturing Innovation Hub concept, if and when brought to reality, would bring much needed opportunities to the Golden Gate Village community. As it currently stands, the concept is in need of a great deal of work to define the project goals, secure significant partnerships with binding commitments and fund the ultimate functions. In order to do this MHA will focus on addressing the physical needs of Golden Gate Village and securing financial resources for those structures but it can participate in these efforts especially since improved workforce and economic status for GGV residents would be a intended outcome of any revitalization.

Assessment of

Potential Revitalization Scenarios

Introduction

As aforementioned, CVR was not provided, nor is aware, of any written plans for either the “Option 1” or “Option 2” concepts. To the best of CVR’s knowledge, these Options do not have any detailed plans.

The CVR Team did explore both Options throughout this engagement; however, based upon our team’s experience, expertise and understanding of the site’s needs, additional revitalization scenarios emerged. The resulting scenarios were as follows:

1. Continued Operations as Public Housing with Incremental Repairs and Replacement
2. Comprehensive Mixed-Finance, Mixed-Income Redevelopment
3. Preservation of Site High Rises, Redevelopment of Site Low Rises
4. Comprehensive Green Rehabilitation using 100% Project-Based Vouchers
5. Comprehensive Green Rehabilitation and RAD Conversion
6. Partial Redevelopment and Green Rehabilitation with RAD Conversion

These were then reviewed against the team’s ESP framework to assess feasibility. A scenario was deemed infeasible if, by CVR’s estimation, it had one or more of the following characteristics, (1) it would lack financial feasibility (Economic), (2) it would present substantial relocation or displacement concerns or it did not appear to be in line with the stated goals of the Community Working Group (Social), and/or (3) would present a substantial physical challenge or impossibility (Physical).

CVR has defined a project financially feasible if:

- All of the regulatory guidelines for each funding source are aligned with the identified use of those funds for this project
- There is a commitment or reasonable likelihood of a commitment by the funding authority to continue making those funds available for a future-identified project within the time-frame identified for GGV (with special acknowledgement of the volatility of the current Federal funding environment)
- The proposed project meets the threshold for all identified funding sources and is clearly competitive for those resources that are not as of right
- Any remaining gap in funds does not exceed an amount that can be provided by customary soft funding sources typically available (and expected to continue to be available) and used by local developers engaged in similar projects or overcome by phasing.

CVR’s review of the scenarios against this framework resulted in two of the six scenarios being considered feasible and four being considered infeasible, as illustrated in the table on the following page. It should be noted clearly that all scenarios presented as feasible in this report do not call for the displacement of any existing site residents. In instances where off-site relocation might become necessary, it is envisioned that such relocation would be temporary and that all relocated residents would have a right to return to the rehabilitated or redeveloped site.

		Infeasibility Reason		
Scenario	**Determination**	**Economic**	**Social**	**Physical**
Rehabilitation with Continued Operations as Public Housing	Infeasible	X	X	
Complete Redevelopment with Mixed-Finance, Mixed Income	Infeasible			X
Preservation of Site High Rises, Redevelopment of Site Low Rises	Infeasible			X
Comprehensive Green Rehabilitation using 100% Project-Based Vouchers	Infeasible	X		
Comprehensive Green Rehabilitation and RAD Conversion	Feasible			
Partial Redevelopment and Green Rehabilitation with RAD Conversion	Feasible			

The following subsection provides a review of the two scenarios deemed to be feasible given the current financial constraints of the affordable housing industry. While both of these are potentially achievable, the CVR Team does make a recommendation about which scenario would likely be best for MHA and its current and future residents. With that said, however, ultimately, the MHA Board of Commissioners will make its own determination.

The four infeasible scenarios are summarized in *Appendix E*, attached hereto. While all six scenarios have their merits and each may seem as desirable by particular groups and individuals, the financial realities facing public housing today allow very limited options. It is important to note that neither Option 1 nor 2, as it was presented in the Community Working Group was determined to be completely feasible in and of itself.

Scenarios Determined Feasible

Using the ESP framework, CVR narrowed its six possible scenarios down to two scenarios which the team deemed to be feasible revitalization options for the Golden Gate Village site. Coincidentally, these two scenarios include one similar to the "Option 1" concept and the other similar to "Option 2." As aforementioned earlier in this section, Options 1 and 2 were used as starting points, but were expanded upon and refined using CVR's industry knowledge and experience, as well as the CVR Team's understanding of the problems faced by Golden Gate Village. The following scenarios are presented here as Scenario A and Scenario B, an intentional departure from the Option 1 and Option 2 titles (to avoid confusion) given during the Community Working Group process and the term scenario, which was used to described infeasible options within this report. Both Scenarios are described in significant detail in following subsections. Please note that there are certain green and historical activities which apply to both options. CVR has further described those possibilities in *Appendix F* of this report.

Scenario A: Comprehensive Green Rehabilitation and RAD Conversion

Description

Much like the other rehabilitation scenarios presented in the previous subsection, Scenario A would aim to rehabilitate and preserve the Golden Gate Village site. The original structures and site layout would remain intact and restored. Beyond preservation, however, the site's units and systems would be brought up to modern standards and green and energy-saving technologies would be incorporated. To facilitate this and to allow for an injection of private capital, the site would convert to project-based subsidy under the RAD program. As demonstrated in the table below, all existing residents would be given a right to return to the completed site, as each public housing unit would be replaced by a unit assisted under the RAD program.

Subsidy Type	Number of Units
ACC (Public Housing)	0
RAD	296
PBV	0
LIHTC Only	0

Market	0
Total	**296**

The following further describes this Option through the three lenses of the ESP framework.

Considerations

Physical

One of the aspirational goals that arose from the Community Working Group is the idea of a “Deep Green Retrofit.” While the goal of green design is often tied to Scenario A, the underlying goals are shared in both Scenario A and Scenario B. Through CVR’s many meetings with the Resident Council, a precedent and a description for Deep Green Retrofit was shared by the residents, which is described on the following pages. Council members also referenced the use of Zero Energy Buildings (ZEB) and Leadership in Energy and Environmental Design (LEED).

The Wayne N. Aspinall Federal Building and Courthouse Project

The precedent described by residents and the Community Work Group is the Wayne N. Aspinall Federal Building and U.S. Courthouse. There would seem to be little in common between public housing and a federal office building/courthouse, however, according to the General Services Administration (GSA), the owner of the building, the purpose of the Aspinall project was to show that the GSA’s sustainability goals “can serve as a guide for other Federal agencies. It should be noted here that the GSA is a separate and distinct entity from HUD and has no interest in HUD or MHA-owned properties. As the identified underlying goal is to be “Deep Green,” and the Golden Gate Village property is of historic significance, the precedent of the Aspinall project has been deemed by the CVR Team to be appropriate.

Zero Energy Buildings (ZEB)

If Golden Gate Village is to use the Aspinall project as a precedent, it is important to define a zero energy building, also known as a net-zero energy building. A zero energy building uses renewable energy technologies to meet the energy demands of extremely energy efficient buildings. Renewable energy is any naturally occurring energy that has an inexhaustible source such as solar, wind, hydroelectric, tidal, wave, and biomass. Renewable energies are not derived from fossil fuel sources or nuclear fuel. The renewable energy can be part of an existing utility grid where the renewable energy is accessed through the purchase of renewable energy credits.

Leadership in Energy and Environmental Design (LEED)

The Aspinall project received a Platinum certification in LEED, in addition to the ZEB status. Developed in 1998, LEED is a framework to identify and measure green building practices. The goals of LEED are to reverse climate change, enhance health, protect water sources, restore biodiversity, promote the use of sustainable materials, build a greener economy, enhance social equity and environmental justice, and improve quality of life.

The LEED rating system is a checklist that assigns points to specific criteria. The criteria depends on which of the 22 LEED systems are used. There are two systems that apply directly to Golden Gate Village: LEED BD+C (Building Design and Construction) for Homes and Multifamily Low Rise (1-3 stories), and LEED BD+C Multifamily Midrise (4-8 stories). Levels of certification are based on achieving a certain number of points. The levels from lowest to highest are Certified, Silver, Gold, and Platinum. Approximately 2% of all LEED projects reach the Platinum level. Using the precedent of the Aspinall project at the LEED platinum level sets a high bar for Golden Gate Village.

Conclusion

The Community Work Group identified "Deep Green" aspirations for Golden Gate Village. The precedent of the Aspinall project is a great start toward making an energy efficient building, one that provides its own energy and is recognized at the Platinum level of Leadership in Energy and Environmental Design. The CVR Team believes strongly that options under both Scenario A and Scenario B could incorporate features to help meet these underlying goals.

Economic

Overview

Scenario A would is presented here as a RAD conversion and comprehensive rehabilitation. As mentioned previously this rehabilitation would also include incorporation of elements of historic preservation of defined historic characteristics as well as green and sustainability goals. In order to facilitate Scenario A's scope of work, the CVR Team proposes a departure from the public housing platform, using the RAD program. The RAD program would allow MHA to be released from the Declaration of Trust and the Annual Contributions Contract, which place the site's units under the public housing program and restrict MHA's use and utilization of the property. This release would be obtained without having to meet HUD's high obsolescence threshold under Section 18 (a threshold that CVR believes would be difficult to meet for the Golden Gate Village site). Once the site is released from these agreements, it will be allowed to access outside capital, primarily in the form of LIHTC and private debt. MHA would partner with a private developer to be selected through a traditional procurement process. This developer partner would aid MHA in accessing the funding necessary to complete the deal, would oversee construction, provide guarantees, and would likely provide site management services. This scenario also contemplates the utilization of tax credits and changing the ownership structure to partner with a tax credit investor.

Sources and Uses

This scenario proposes the use of 4% noncompetitive LIHTCs, a 30 year conventional loan, an MHA seller note, and deferred developer fee in five separate financial phases. The sources and uses table on the following page illustrates a summation of those phases.

Scenario Sources and Uses	Total	Per Unit
Uses of Funds		
Land and Building Acquisition	$17,525,423	$59,208
Demolition		
Construction	$50,024,000	$169,000
Contingency	$7 ,503,600	$25,350
Fees	$3 ,011,380	$10,174
Legal	$4 75,000	$1,605
Construction Financing	$3 ,042,641	$10,279
Permanent Financing	$3 83,296	$1,295
Relocation	$2 96,000	$1,000
Other Soft Costs	$1 ,865,338	$6,302
Developer Fee	$9 ,990,188	$33,751
Reserves	$2 ,357,212	$7,964
Total	**$96,474,078**	**$325,926**
Sources of Funds		
LIHTC Equity	$35,638,544	$120,400
Conventional Loan	$13,329,648	$45,033
Deferred Developer Fee	$4 ,995,094	$16,875
MHA Seller Note	$17,525,423	$59,208
Capital Fund		
Total	**$71,488,709**	**$241,516**
Gap	**($24,985,369)**	**$(84,410)**

For a definition of the above terms, please see Appendix H.

Private Developer Partner

This Scenario, like many of the other scenarios presented in this report, assumes that MHA would procure a private developer partner to assist with the revitalization. This partner would provide additional capacity, assist in identifying and obtaining financial resources, bearing guarantees, overseeing construction, and potentially assisting with the future management of the property post-rehabilitation and conversion.

Gap

While the projected funding gap for this scenario is listed as being nearly $25 million, it is important to note that this would- vary by phase but would - average to be roughly $5 million per transaction if completed at today's costs.

Currently CVR is proposing to phase the Option as follows:

Phase	Number of Units	Total Project Gap
1	28	$1,495,231
2	84	$8,685,040
3	84	$8,685,040
4	60	$4,008,176
5	40	$2,111,883
Total	**296**	**$24,985,369**

This approach and phasing would have to factor in financing and the significant relocation challenges in Marin County. The selected development partner would assist MHA in filling these financing gaps using programs such as the Federal Home Loan Bank's Affordable Housing Program (AHP), State or Local HOME or CDBG funds, or other funds from State and Local governments, other State or local programs, or funds from foundations or nonprofits. While financing gaps would be much less if using 9% LIHTC or PBVs, CVR does not believe that a proposed rehabilitation of the site would be competitive for an allocation of 9% LIHTC. Further, as stated in the PBV rehabilitation scenario previously presented, CVR does not believe MHA has the capacity to commit such a large number of vouchers to this project. RAD would provide MHA with a vehicle without having to rely solely on its existing voucher resources.

RAD Applications

As mentioned in the Methodology section, however, RAD comes with limitations. Aside from lower subsidy amounts (based on existing Capital Fund and Operating subsidies), the program is also currently capped at 225,000 units. Because of the unit limit on the program, MHA would have to submit a multi-phased RAD application to HUD, which would likely be placed on the waiting list at the time of application. Despite this, CVR has seen many projects be pulled from the waiting list and provided a RAD commitment, called a CHAP (Commitment to Convert to Housing Assistance Payments Contracts) without a prolonged wait. Additionally, the current administration and Congress' favorable opinion of the program will likely mean the present unit cap may be increased further or fully lifted in the near future.

Reserves

As part of RAD program requirements, MHA would establish healthy operating reserves. These reserves would be sized initially by a RAD Capital Needs Assessment tool, but could also be shaped by lender and investor requirements. For the purposes of this analysis, CVR used a per unit estimate of just under $8,000 per unit. This would be extremely high compared to other reserve costs nationally, but would allow for the project to sustain its long-term replacement needs over the initial term of the RAD Housing Assistance Payments (HAP) Contract of 20 years.

Social

Overview

In Scenario A, all families in good standing will be allowed the option to return to their rehabilitated unit, post rehabilitation and RAD conversion, based upon strict RAD fair housing and resident right requirements. Additionally, the proposed Scenario does not include any additional units or subsidy types. This would mean that much of the site's social dynamic would remain unchanged. Residents would continue to pay 30% of their income in rent and would not notice many improvements to their assistance and would not achieve HUD's goal of programmatic revitalization.

Resident Programs

In this model, MHA would generate some income by way of administrative fees, participation in allowable developer fees, and ground lease payments. While not guaranteed, these funds could be significant enough to allow MHA to reinvest with the Development Partner in resident programs at the revitalized property. One of these programs might include partnerships with local employers that could train site residents in a competitive industry, similar to the Tech 51 example currently underway at the New York City Housing Authority. Because there would be no new construction, space for such activities would have to be granted in one of the four off-line units at the property.

Relocation

One of the biggest challenges with Scenario A is the relationship between the construction and the potential relocation and temporary displacement of the existing residents. The scope of work of Scenario A is considerable, including site-wide storm water management, soil erosion stabilization, replacement of underground utilities, new mechanical and electrical systems, complete window and door replacement, new roofing, and all new interior finishes. From top to bottom, the scale of the construction is vast. In past renovation projects at Golden Gate Village, the scopes of work were small enough that residents could leave their units for a period of time during the day and return in the evening. In other larger projects at Golden Gate Village, residents were “checker boarded,” whereby they were moved into vacated units while their unit was under construction. This strategy was used when a portion of the site, at the high-rise buildings, was under construction. Neither of these strategies would work with Scenario A, as the scope of work would be far too great, and would include the entire community, as opposed to just one portion of the site.

The magnitude of this 296-unit project would suggest that the construction be separated into distinct phases, as stated in the Economic subsection. The exact number of phases would be determined by the development team in the next stage of the project.

To accomplish the rehabilitation and construction of each phase, as many as 84 households would have to be relocated off-site while construction takes place. This is very challenging, both socially and physically. Socially, it would probably mean that the community would be split up and separated into different locations, as one site with 84 openings would be very difficult to find. Precedent projects have shown that when residents are split up and relocated, it can often turn into inadvertent permanent displacement, as residents either chose to remain relocated or (as was historically many times the case) households were not adequately tracked and lost in the process. Physically, it is also very challenging, as the number of low income units in the surrounding areas is very low with low vacancy rates. The challenge of relocating residents over five phases for Scenario A is a formidable obstacle that would have significant impacts on residents.

Benefits and Challenges

The following table highlights the benefits and challenges posed by Scenario A:

Benefits	Challenges
- The site is historically preserved, while also being upgraded for modern residential use, incorporating green technologies, correcting system, component, and other site deficiencies; - Site is allowed to exit the public housing platform in an effort to leverage debt and generate equity to support site needs; - Site is afforded this exit without having to demonstrate physical obsolescence through Section 18, which can often be challenging; - All residents are granted a right to return; - The site generates limited income via administrative fees, participation in developer fee, and ground lease payments; and - A third party developer partner is used to support revitalization activities.	- The total scope of the project is not very transformative, as existing structures are rehabilitated, no new structures are added, and no additional unit types or land-uses are added to the property; - MHA would have to apply for the RAD program, which is currently capped at 225,000 units. This would mean that MHA would likely have to wait for an extended period of time to be pulled from the waiting list to participate; - Despite CVR's assessment of feasibility, there are still significant funding gaps which would have to be addressed by reducing costs, identifying and securing additional funding sources, and/or using existing resources to inflate the total contract rents of the RAD vouchers; - Despite phasing, MHA would likely not be able to vacate enough units through natural attrition to facilitate rehabilitation, which would cause MHA to need to relocate many households offsite. This is no simple task given the limited options of affordable housing in Marin County and history of fair housing concerns. This offsite relocation would likely create concern and anxiety among residents.

Scenario B: Partial Redevelopment and Green Rehabilitation with RAD Conversion

Description

Understanding the limitations presented by the historic designation, sentiments and concerns from residents and community stakeholders regarding preservation of affordable housing and displacement, and desires to see something impactful and transformative on the Golden Gate Village site, CVR developed Scenario B. Taking a far more conservative approach than those presented in the two mixed income scenarios deemed infeasible, Scenario B would predominantly preserve the existing site, replacing a number of existing structures with new construction buildings that would be designed with the original character, design, and site history in mind. The new structure(s) would provide a vehicle to not only introduce a mix of incomes, but also for a mix of site uses and a potential avenue to eliminate the need for offsite relocation of existing residents. In this scenario, all existing residents in good standing would have the right to return to the site, if offsite relocation became necessary. This scenario would use a combination of 4% and 9% LIHTCs and would add small portions of additional income/subsidy types, as demonstrated in the table below:

Subsidy Type	Number of Units
ACC (Public Housing)	0
RAD	296
PBV	41
LIHTC Only	41
Market	42
Total	**420**

As will be presented in the following subsections, the number of units in this Scenario can vary as CVR leaves decisions regarding the number of additional buildings and units up to MHA and its Board. For the purposes of the financial portions of this analysis, however, and as indicated in the table above, 420 units was used. This is in keeping with other mixed-income scenarios presented in this report and is based on the number of allowable units per existing zoning. As with the other approaches, MHA would partner with a private developer to be selected through a traditional procurement process. This developer partner would aid MHA in accessing the funding necessary to complete the deal, would oversee construction, provide guarantees, and would likely provide site management services. This scenario also contemplates the utilization of tax credits and changing the ownership structure to partner with a tax credit investor.

Considerations

Physical

The physical planning for Scenario B should provide a high quality, welcoming housing community, integrated and connected into the surrounding context, without displacing residents. As Scenario B includes mixed income, new construction would be used to increase the total number of units. The number of subsidized units would actually increase in this scenario, as all existing units would be replaced under the RAD program and additional rent-assisted and affordable units would be added to the site.

The design for Scenario B should recognize the significance of Golden Gate Village's nomination to the National Register of Historic Places. The new construction should be designed to be contextually and historically appropriate. Existing character-defining features would be respected and enhanced. Landscaping features including plant materials, fencing, and paving surfaces, would be rehabilitated to be more compatible with the original intent.

The new construction could provide a place for residents to stay on-site during the duration of the construction period.

The actual number of new units and subsequent reorganization of the existing landscape, would be dependent upon the economic, social, and physical goals of the future redevelopment and is not the subject of this study.

Prioritizing Residents Staying on Site and Avoiding Displacement

Scenario B would allow residents to remain on-site at Golden Gate Village during the construction process. Precedent projects have shown that when developments of this scale and magnitude are undertaken without planning for residents to stay on-site, the residents that are temporarily displaced off-site as a result of the construction may sometimes be permanently displaced, for a variety of reasons. Scenario B avoids this type of displacement by proposing new construction on-site to house residents in a series of phases. The new construction would precede the renovations of the existing buildings, so that the new construction could house the relocated residents during the construction process.

Once construction is complete, the new units could be designated with specific income requirements, transforming the community to a mixed-income community, or even be designated as an age-restricted apartments for seniors.

Arriving at Appropriate Density

The density of Scenario B, in regard to the number of new apartment units, will be based on two factors: the size of the new building footprint(s) and their height. The scale of the new construction, in relation to height, should be carefully considered.

Strong consideration should be given to retaining the high-rise buildings. It would be prudent, however, to study seismic requirements for foundations, structural integrity, and any other environmental concerns to ensure the High Rises are worthy of renovation. CVR also recommends that MHA explore other land around the high rises, including the current site of the management office and surrounding properties, to identify potential locations for new construction.

Any change to the community must be done with sensitivity to the historically-significant characteristics that resulted in the historic designation. There is a specific process, involving the California Environmental Quality Act (CEQA), Section 106 of the National Historic Preservation Act, and Secretary of Interior standards which must be followed to the extent required by applicable law.

The existing zoning ordinance would also guide density. Currently the site is zoned at 13 units per acre. At 32.3 acres, the site would yield a total of 420 units. Zoning also allows for an increase in density based on the affordability of development projects.

Another important factor influencing density is the parking requirement for the additional apartment units. The greater the density, the greater the need for parking. The current parking at Golden Gate Village is nestled into the topography between the building clusters.

It is expected that Scenario B would be multi-phased, with the first phase incorporating the new construction. This is necessary so that the residents involved in the initial phase of renovation could move into the newly constructed apartments.

Conclusion

Scenario B emphasizes the importance of protecting the rights of the residents to remain on-site during and after the construction period, and that it takes precedent over leaving all of the buildings intact, which would force the relocation of residents off-site. The removal of a portion of the low-rise buildings, and the relocation of some of the recreation functions, is balanced with the security of allowing all residents to have the choice to remain on-site at Golden Gate Village.

Economic

Overview

As mentioned previously, for the purposes of the financial analysis, the CVR Team selected a number of units and potential phases to assess the potential feasibility of Scenario B. For the purpose of this analysis, CVR picked a total of 420 units, which is the number of units presently allowed under zoning. 420 units is toward the middle of the potential sub-options, allowing MHA and other partners to adjust upwards or downwards depending on the desired number of new buildings and units. Throughout all versions of Scenario B, all existing units would be retained through a RAD conversion. All versions would also include some mix of additional MHA PBV units, LIHTC only units (for households between 50-80% of AMI), and market rate units. All unit types would be spread throughout the property, with no single unit type comprising of an entire building or group or buildings. CVR chose to conduct a financial analysis of 152 units a net increase of 124 units. Units not impacted by the new construction would be rehabbed as described in Scenario A. It is important to note that this Scenario includes many assumptions that are hypothetical and could change- perhaps even significantly- once plans are developed and implemented.

Sources and Uses

To facilitate a scope of work of this scale, the CVR Team would propose a phased approach that would utilize 9% LIHTC for new construction phases and 4% LIHTC for phases containing rehabilitation/preservation. In this 420 unit example, CVR is proposing five total phases (1 9% LIHTC phase and 4 4% LIHTC phases). The total sources and uses for all combined phases is demonstrated in the table on the following page.

Scenario Sources and Uses	Total	Per Unit
Uses of Funds		
Land and Building Acquisition	$34,584,545	$82,344
Demolition	$5 00,000	$1,190
Construction	$78,992,728	$188,078
Contingency	$10,210,022	$24,310
Fees	$4,535,138	$10,798
Legal	$4 75,000	$1,131
Construction Financing	$5,141,666	$12,242
Permanent Financing	$6 32,567	$1,506
Relocation	$4 82,320	$1,148
Other Soft Costs	$2,498,618	$5,949
Developer Fee	$16,148,871	$38,450
Reserves	$4,339,617	$10,332
Total	**$158,541,092**	**$377,479**
Sources of Funds		
LIHTC Equity	$59,680,429	$142,096
Conventional Loan	$38,256,748	$91,087
Deferred Developer Fee	$8,900,547	$21,192
MHA Seller Note	$32,849,252	$78,213
Total	**$139,686,978**	$332,588
Gap	**($18,854,114)**	**($44,891)**

For a definition of the above terms, please see Appendix H.

Private Developer Partner

As with all scenarios assessed during this engagement, CVR assumed the need for a private developer partner to help MHA demonstrate the capacity and experience necessary to identify and obtain funding sources, such as LIHTC, conventional debt, and other sources to fill the aforementioned financing gaps. The private developer would also bear guarantees, oversee construction activities, and also potentially provide property management services post-conversion and rehabilitation.

Gap

From the team's analysis, the total financing gap for all phases is roughly $19 million. This would be shared among the five phases as demonstrated in the table below:

Phase	Number of Units					Total Project Gap
	RAD	PBV	LIHTC	Market	Total	
Phase 1	96	41	7	8	152	$8,028,496
Phase 2	64	0	12	8	84	$3,566,635
Phase 3	64	0	12	8	84	$3,566,635
Phase 4	46	0	6	8	106	$3,692,348
Phase 5	26	0	4	10	40	$0
Total	**296**	**41**	**41**	**42**	**420**	**$18,854,114**

The size of this gap is a consideration, however, CVR believes this gap to be manageable given phasing and the nature of the proposed revitalization activities.

RAD Applications

As was the case with Scenario A, Scenario B relies heavily on the RAD program to replace the existing 296 units. Where the RAD strategy differs in Scenario B is its use in phases containing new construction, which is allowable under RAD program rules. While Scenario B differs from Scenario A in this regard, it does not differ in the scenarios reliance on MHA to obtain a CHAP commitment from HUD by applying for multi-phase RAD awards for the site. The same considerations facing MHA's ability to utilize the RAD program listed in Scenario A, would still apply to this option.

Reserves

Also similar to Scenario A, would be the establishment of healthy replacement reserves, as required by the RAD program. Additional LIHTC, PBV, and Market units would likely trigger additional reserve requirements from each phase's lender and equity investor. These reserves would help ensure the long-term sustainability of the site over the initial period of the RAD HAP contract (20 years) and the LIHTC compliance period (15 years).

Social

Overview

Unlike Scenario A, Scenario B consider a change to the social dynamics of the property. This is done by diversifying incomes, incorporating mixed-use for commercial and community uses, and introducing new structures to the site's environment. It is important to note, however, that Scenario B is not intended to be a complete departure from the ideas proposed in Scenario A. As with Scenario A, some buildings are preserved and rehabilitated and all lease-compliant residents are allowed the opportunity and right to return under RAD program rules. Residents that will reside in RAD-assisted units (which would be placed in both new construction and rehabilitated buildings) would continue to pay 30% of their income in rent and would not notice many programmatic changes to their assistance.

Resident Programs

The scale of the revitalization effort would likely be better positioned to offer new resident programs in areas such, as job training and education. CVR would encourage MHA and its Board to make deep partnerships with private, nonprofit, and government partners to create new and innovative programs that could have a positive impact on the disparities that exist between Marin City and the broader County. Unlike Scenario A, Scenario B could provide new dedicated spaces for some of these programs, which could be located right alongside commercial spaces in the new development.

Relocation

As described in the phasing portion of the Physical narrative, this option would rely on a build-first strategy. The proposed build first construction approach is intended to address resident concerns of permanent displacement and the lack of relocation housing options within Marin County.

Benefits/Challenges

The following table highlights the benefits and challenges posed by Scenario B:

Benefits	Challenges
- The site introduces transformative new construction components, while also historically preserving and upgrading a portion of the site, presented in Scenario A; - Site is allowed to exit the public housing platform in an effort to leverage debt and generate equity to support site needs; - Site is afforded this exit without having to demonstrate physical obsolescence through Section 18, which can often be challenging; - All existing residents are granted a right to return; - The site generates income via administrative fees, participation in developer fee, and ground lease payments; - A third party developer partner is used to support revitalization activities. - New construction facilitates a diversity of incomes and diversity of uses at the site, allowing for a more transformative impact, which could attract additional funding sources to the site; - New construction significantly mitigates the need for offsite relocation, addressing both existing resident concerns of permanent displacement and the challenges presented by limited offsite relocation options.	- MHA would have to apply for the RAD program, which is currently capped at 225,000 units. This would mean that MHA would likely have to wait an extended period of time to be pulled from the waiting list to participate; - Despite CVR's assessment of feasibility, there are still significant funding gaps which would have to be addressed by reducing costs, identifying and securing additional funding sources, and/or using existing resources to inflate the total contract rents of the RAD vouchers; - Some demolition would be necessary to facilitate new construction. While this impact would be limited and would likely be allowable within the designation, it will trigger additional environmental reviews.

Conclusion

After extensive meetings, interviews, research, and analysis, the CVR Team believes that Scenario B, as previously described, presents the most viable option for MHA to maintain Golden Gate Village as a source of quality housing for current and future residents.

The physical needs of the structures at Golden Gate Village are already very substantial. The funding needed for adequate repairs is not forthcoming from the Federal government. Consequently, there are very few options for maintaining Golden Gate Village as a source of public and affordable housing. It is a dilemma facing many communities across the country. Unlike many of those communities, however, Golden Gate Village is a beautiful site, with historically significant buildings and enough land to strategically add additional units, keep all current residents who wish to remain on site, limit offsite temporary relocation through a build-first strategy, and attract enough investment capital to rehabilitate the existing structures in a phased, sensitive, and thoughtful manner.

While it is not discussed in this document, any future development or rehab must consider other physical aspects of the site including but not limited to soil conditions and geotechnical stabilization/sinking (especially for fill areas), any storm-water & flood management required, utility and underground infrastructure upgrades, and any code upgrade requirements.

While the cost of housing and living is very high in Marin, a significant detriment, it does present the opportunity to retain an experienced developer, whether for-profit or not-for-profit, which could attract investment for rehabilitation of all the existing structures. The goal would be to develop a limited number of new units designed to fit within the overall community and historic qualities of the site. The CVR Team feels this is the most feasible scenario, which allows for a realistic opportunity to revitalize the site, while adhering to the essential tenets of the Community Working Group.

Change can be frightening and many residents of Golden Gate Village are afraid of losing their homes. But taking no action or deferring it until everything is perfectly in place, will bring unintended consequences. The buildings will continue to deteriorate, eventually making many units uninhabitable. The cost of repairs will escalate. The pending revisions to the tax code may affect funding sources. HUD programs may be revised, phased-out, or be further under-funded. As a result, it is important to undertake a realistic plan as soon as possible. Scenario B presents a roadmap for developing such a plan, which will lead to needed improvements, but will keep current residents on the site as well as maintain the historical integrity of the community. CVR firmly recommends MHA procure, and begin working with, a Developer Partner to assist MHA in developing such a plan. It is important to note that while CVR has presented a case for the feasibility of a mixed-income, mixed-finance scenario, the specifics of how such a scenario would be implemented will likely change and further evolve through the planning process, based on unforeseen circumstances or opportunities, the availability of resources and a more refined understanding of site needs. With that said, while it is CVR's opinion that an approach that relies on RAD conversion is most feasible, it encourages MHA to continue to pursue opportunities that might present more financially feasible outcomes (such as the use of project-based vouchers).

Further, as addressed in the Executive Summary, CVR recommends that MHA manage the flexibility of their development partner by holding them to the Guiding Principles, as well as to the items listed below:

- Honor, preserve, and celebrate the community and site's historical significance.
- Guarantee zero permanent involuntary displacement.
- Ensure that the final plan is financially feasible and leverages MHA's limited resources.
- Incorporate green and sustainable technologies into a rehabilitation and new construction.
- Seek ways to incorporate innovative job training and creating programs to address the underlying goals of concepts such as the manufacturing innovation hub.
- Continue to engage site residents and community stakeholders in a community-driven planning process.

CVR believes that honoring these principles would be integral to the success of any future revitalization effort.

In conclusion, it is clear that there are many divergent views on how to address the disrepair which has befallen GGV as a result of time and underfunding. Perhaps it is not possible for MHA to adequately address all of the individual concepts and desires of the members of the community, but it can move forward with a planning phase. The proposed scenario has challenges, but it will allow MHA to revitalize Golden Gate Village for the 21st century, which can once again be a model for affordable housing communities nationwide.

Appendices

Appendix A: Background

Marin City

Established in 1850 as one of the California's first counties, Marin County is located just north of the City of San Francisco, connected to the City by the world-famous Golden Gate Bridge. Within its 828 square miles, Marin County is widely known for its picturesque rolling landscapes and national parks- including Muir Woods, the Golden Gate National Recreation Area, and Pointe Reyes National Seashore. Within Marin County there are four townships: Sausalito, Bolinas, San Rafael and Novato. Marin City, the home of Golden Gate Village, is an unincorporated area nestled within the Marin Headlands and just north of the Township of Sausalito.

History

Introduction of the Golden Gate Bridge would connect the county with the bustling City of San Francisco, causing the County's population to rise. Another factor contributing to the rapid rise in population would be the high demands for warships and shipbuilders throughout World War II. The Bay Area's largely undeveloped coastlines, natural harbors, existing infrastructure, proximity to San Francisco, and proximity to the Pacific theater of the War, made the area attractive for ship production. One of the largest ship producers during the War effort would be the Marinship Corporation, which would produce more than 93 warships during a 3 year period out of shipyards in Sausalito. This level of production required thousands of additional laborers, who came from around the country attracted by competitive wages, housing, and promises of steady work. Marin City was created by the Marinship Corporation and the Federal Housing Commission to accommodate the flood of workers and their families. This workforce included a mix of races and ethnicities, and even genders. As many men in the US were called to war, countless women came to hold jobs traditionally held by men. Between 1940 and 1945, women in the U.S. workforce increased from 27% to 37%, encouraged by First Lady Eleanor Roosevelt and women's groups around the country. These "Rosie the Riveter" types would eventually comprise 25% of Marinship's workforce at the height of the war. In 1946, Marinship would close its doors and shutdown the shipyards following the surrender of Japan the previous year.

Legacy of Racism

For Marin, much of the African-American population would first emerge as southern workers came to take advantage of war-time employment opportunities offered by the Marinship Corporation. These workers and their families would find a new home with prejudicial practices and policies much like that of the home they left in the American South. Many restaurants in Sausalito, for instance, refused service to African American patrons or ordered them to use separate entrances. The International Brotherhood of Boilermakers union had a separate auxiliary for African-American members. Although membership dues were the same, African-American workers were denied union voting rights and only received half of the benefits that White workers received. This would lead to a lawsuit brought before the California Supreme Court in 1944 by a team of lawyers which would include Thurgood Marshall. The resulting ruling (in James v. Marinship) would be an important victory in the national movement for workplace civil rights and integration.

During the War, White and African-Americans lived side by side, with the African-American population only comprising of 10% of the total population. At the War's conclusion, however, Marin City would become predominantly African-American as white workers left the area in search of other opportunities. African-American families with similar goals, would face often insurmountable barriers, as racial covenants, deed restrictions, and the threat of violence would prevent many of them from leaving. These covenants and restrictions prohibited the sale or rental of property to non-whites. Proponents of these policies would use entities such as neighborhood associations, the National Association of Real Estate Boards, the Federal Housing Administration (FHA), and the Homeowners Loan Corporation to further their goals of housing segregation within the County, State, and nation.

The Civil Rights movement sparked a push to create more equitable housing policies in California. The State Supreme Court ruled, in the 1948 Shelley v. Kraemer case, that racial covenants were not legally enforceable. These racial covenants were nullified in 1953. In 1963, the California State Assembly would successfully pass the Rumford Act, which prohibited racial discrimination in housing. However, because this act was adopted county-by-county, it would only end up presiding over two thirds of the California housing market. In response, Proposition 14 was pushed to rescind the Rumford Act and succeeded in 1964. Two year later Proposition 14 was declared unconstitutional by the California Supreme Court.

Marin City Today

The aforementioned injustices and prejudicial policies have had a direct impact on the present housing and social conditions of Marin City. Within the County disparities in housing, development, and opportunity have been a source of contention, specifically in Marin City. Marin City currently has a population of 3,048 and the median household income is $40,321 in comparison to the County's $93,257. The unemployment in Marin City is 9.9% higher than the County and the poverty rate has risen by 2.7% since 2010. Marin County inflation is reported to likely rise close to 3% per year from 2016-2019, putting additional strain on the less affluent communities.

The table on the following page highlights some of the socioeconomic differences between the Census Tract housing Golden Gate Village (CT 1290) and Marin City. More notably, however, are the difference between both CT 1290 and Marin City and Marin County and the State of California. These disparities are further described in this section.

In 2016, the Metropolitan Transit Commission (MTC) for the nine-county Bay Area conducted an exploratory investigation to identify Communities of Concern (COC) for the 2017 Regional Transportation Plan. The Proposed MTC 2017 Communities of Concern data identifies communities based on eight ACS 2010-2014 tract-level variables: Minority (70% threshold), Low-Income (less than 200% of federal poverty level, 30% threshold), level of English Proficiency (20% threshold), Elderly (10% threshold), Zero-Vehicle Households (10% threshold), Single Parent Household (20% threshold), Disabled (20% threshold), and Rent-Burdened Households (15% threshold). If a census tract exceeds both threshold values for Low-Income and Minority or exceeds the threshold value for Low-Income along with three additional variables it is deemed to be COC.

	 **Golden Gate Village**	 **Marin City**	 **Marin County**	 **California**
Geography	CT 1290	Place	County	State
Population	2,646 ↑ 5.4% since 2010	3,048 ↑ 7.9% since 2010	258,349 ↑ 3.9% since 2010	38,421,464 ↑ 22.4% since 2010
Poverty	38.5% ↑ 5.4% since 2010	33.4% ↑ 2.7% since 2010	8.3% ↑ 1.3% since 2010	16.3% ↑ 13.7% since 2010
Lack of HS Diploma	21.1% ↑ 13.8% since 2010	17.4% ↑ 11.3% since 2010	7.1% ↓ 1.1% since 2010	18.2% ↓ 1.1% since 2010
Unemployment	15.5% ↑ 4.7% since 2010	15.6% ↑ 2.7% since 2010	5.7% ↑ 0.1% since 2010	9.9% ↑ 0.9% since 2010
Avg. Household Size	2.57 ↑ 16.3% since 2010	2.49 ↑ 23.9% since 2010	2.41 ↑ 3.43% since 2010	2.96 ↑ 2.4% since 2010

**American Community Survey 2015 and 2010 5-Year Estimates.*

Marin County has 25 tracts that qualified as COC. Golden Gate Village is located in Census Tract 1290, as indicated by the gold outline on the map. Using MTC's data CVR determined that Census Tract 1290 received a scoring rating of a 4, exceeding the threshold for minority population, low-income residents, rent-burdened households, and households with a single parent. Increasing public transportation would allow low-income residents access to additional areas in the County, reducing one of the many barriers in the County.

The American Human Development Index ranked Marin City at 43 out of a total of 48 census tracts studied due to a lower life expectancy, lower educational attainment, and lower median income than the County. Marin City was previously considered a food desert for many years, prior to the recent arrival of the Target in the Gateway Shopping Center. Previously, residents traveled over 2 miles to the nearest affordable grocer in Mill Valley. Despite Target's arrival, residents still maintain very limited fresh food options, as compared to the broader County. The Marin City Flea Market was one of the largest outdoor markets in the Bay Area for several decades. This Flea Market closed, however, when the land was sold in 1995. The site is now occupied by the Gateway Shopping Center.

According to the Marin Department of Health and Human Services, Marin City has one of the highest rates of self-reported poor health and high rates of obesity. Marin County plans to address the health issues in Marin City by rehabilitating and expanding the Marin City Community Services District. The plan includes the expansion of the senior center, refurbishment and expansion of the recreation center, and a new building to house the Health and Wellness Center. Marin also benefits from the new George "Rocky" Graham Park, which was restored in 2015. The park was initially built as part of the workforce housing by the Marinship Corporation. This park remained the community's only park until it was closed in the 1990s. Community petitions led to the park's restoration and revitalization in 2015.

Currently only 26% of Marin City residents are homeowners and 65.8% of residents in Marin City are paying 30% or more of their income for rent. Census Tract 1290 which contains all of Golden Gate Village is recognized by HUD as a Racial/Ethnic Concentrated Area of Poverty (R/ECAP) where 27% of the population identifies as white, 43% as African-American, 14% as Latino, 9% as Asian, 5% as multi-racial, and 2% as other. The diversity of Marin City is increasing as new apartment complexes and condominiums are developed in the limited area. This has caused concern among Golden Gate Village residents; many of whom view these changes as the beginnings of a further reduction in affordable housing opportunities and the beginnings of their ultimate displacement from the community.

Education

In Marin, inequity in education is also an issue. Bayside Martin Luther King Jr. Academy serves many residents of Marin City and is one of the lowest scoring schools in the County. The State Rank is determined by a school's Academic Performance Index (API) Score in comparison to all other schools in California from lowest (1) to highest (10). Ranking a 2 out of 10 on the 2013 California API Growth report, students in Marin City are more likely to fall behind other students. As a Title I school, 90% of students are eligible for reduced or free lunch. The school was once located on two campuses as Bayside Elementary and Martin Luther King Jr. Middle School, but merged to a K-8 program and Willow Creek Academy, a charter school, which took over the old Bayside Elementary campus. Many of the wealthy Sausalito residents traditionally have sent their children to private school since the conclusion of World War II, but with the introduction of charter schools to the public school system some are looking for alternatives to high cost K-12 education. Established in 2001, Willow Creek Academy ranks 5 out of 10 and was started by a group of Sausalito parents who wanted to have a public school option for students in Sausalito. Willow Creek Academy receives more funding as the school grows and Bayside Martin Luther King Jr. Academy has experienced funding cuts due to under-enrollment. The Marin City/Sausalito school district does not have a high school so students have the option of attending 3 high schools in neighboring districts. Tamalpais High School in Mill Valley, Redwood High School in Larkspur, or Drake High School in San Anselmo. The individual schools (or the broader school district) partner with local public transportation services to provide specific routes for students during school hours. Students who receive reduced or free lunch may qualify for reduced transit costs.

Equity, education, and other stark disparities between Marin City and Marin County have been on the County’s radar for years. Unfortunately, the County has found it particularly challenging to reduce the income inequality due to how vast the gap is currently. It will take creative solutions, private and public investments, and political will to truly offset these stark disparities.

California Affordable Housing Crisis

Though many cities in the nation are dealing with the lack of affordable housing, California is faced with many additional challenges which compound the problem into a true crisis. The State leads the nation in the shortage of affordable rental units as well as renter overcrowding, and severely rent-burdened households.

Marin County has a median housing price over $1.08 million, among the highest in California. The inflated prices within the County are a reflection of both a low housing inventory and low interest rates within the housing market. Out of the 103,670 occupied housing units in Marin County 38,941 are renter-occupied according to ACS 2015 data. In Marin City, 893 of the 1,224 occupied units are renter-occupied. There is also a long-standing commitment to land preservation that historically stopped housing developments. Much of Marin is undeveloped due to its natural topography of mountains, hills, valleys, and shoreline, but additional planning policies have made the development of affordable housing difficult within the County. In 1973, the Marin County Board of Supervisors voted to adopt a Countywide Plan that divided the County into three corridors — coastal/recreational, inland/rural and city-centered — which limited development to just the city-centered corridor.

Residential development in Marin slowed drastically because of anti-development sentiment that has led to litigation or the threat of litigation in the past. This is not a sole response from Marin County leadership, but also from community members in Marin City. In 1975, residents of Marin City challenged the construction of a housing development slated to be built on the remaining 36 acres of an urban renewal project due to the cost of the townhouses and the lack of subsidized housing in the project. The development was completed in spite of opposition from local residents.

Today, 84% of Marin County's 332,800 acres have been either reserved as permanent open space or shielded from development by strict zoning laws. Additionally, the Marin Agricultural Land Trust (MALT) has acquired and permanently protects 41,800 acres of farm land.

Fair Housing Concerns

Between limited land and zoning laws, the demand for housing in Marin County outweighs the supply. Marin began to see an influx in home prices which consequently limited who was able to move into the County. The County has steadily maintained one of the highest home prices in the nation and has long been plagued with fair housing abuses and civil rights concerns, some of which led the U.S. Department of Housing and Urban Development (HUD) to place the County under a Voluntary Compliance Agreement in 2010. The audit found that Marin County only built a fraction of the low-income housing mandated by the Association of Bay Area Governments.

A 2010 court ruling potentially increased the barriers to fair housing for low-income individuals in Marin County. The Marin County ruling decreed that the Section 8 subsidy was not considered part of the tenant's income. The verdict stated that although it is the tenant who receives the PHA voucher, the income goes straight to the landlord, therefore stating that a landlord can refuse Section 8 tenants without breaking California State law. In April 2016, State Senate bill 1053 passed, prohibiting landlords in the State of California from discriminating against renters specifically because of their source of income.

In 2011, the Marin County Analysis of Impediments to Fair Housing Choice report found that African-Americans, Latinos, and families with children experience housing discrimination and limited housing choice within the County. The report cited that disproportionately high numbers of African-American residents residing in Marin City public housing due to the fact that there is no alternative family public housing in the County. Choices for families are also restricted due to the fact that many of the non-profit developments are affordable senior housing or only provide studio and one-bedroom units. In November 2016, Marin County's Board of Supervisors voted to adopt a fair housing ordinance that prohibits landlords renting in unincorporated Marin from discriminating against prospective tenants using Section 8 housing vouchers and any other form of housing subsidy and requires landlords to consider all applicants. Though Marin County has made strides to improve policy and incentivize landlords, more needs to be done to bring equitable housing options to the County.

Golden Gate Village

Golden Gate Village, is a 296-unit public housing development made up of eight high-rise (168 units) and 20 low-rise (128 units) buildings on 32.3 acres. Four of the original 300 housing units have been transitioned to non-residential use. A breakdown of the site, its units, and buildings is listed below.

Unit Breakdown				
	1 BR	2 BR	3 BR	4 BR
High Rises	16	136	16	-
Low Rises	21		101	10
Total	37	136	117	10

Building Type	# of Buildings	Units per Building	Total Units
A	8	21	168
B	13	8	104
C	2	4	8
E	5	4	20
Total	28	-	300

**Original designs did not include buildings designated as Building D*

Current Site Conditions

Today, the site stands as the only family public housing property within Marin County. After nearly 60 years of use and long periods of low and deferred maintenance, however, the site faces a very significant backlog of unmet and unfunded capital needs. A Physical Needs Assessment (PNA) conducted in 2015 found that the Marin Housing Authority would need to make the following short-term investments for the property in order to bring existing building and site components up to minimum HUD standards:

Year	Immediate	Year 1	Years 2-3	Years 4-5
Cost	$16,101,925	$480,701	$2,053,552	$3,560,015

Investments made to meet these short-term needs would only replace certain existing building and site components that have exhausted their useful life and does not include substantial items that would exhaust their useful life over the next twenty years. Additionally, PNAs are designed to assume that a housing authority would take a more traditional incremental approach to address these needs. This also does not account for the fact that in year six, for instance, the site would have a need of nearly $1.3 million. This traditional model assumes that housing authorities are given adequate funding from HUD annually to meet annual capital improvement needs. This has not been the case for many public housing authorities across the country for quite some time. It would also not add any of the energy-saving and environmentally conscious (or green) modifications desired by the GGVRC, MHA, and other community stakeholders. A site-wide complete rehabilitation to provide modern systems using energy-saving, green building concepts would require approximately $50 million of hard construction costs. This amount is further increased to roughly $63 million when costs for legal, other professional fees, and contingency are added (otherwise known as soft costs).

Affordable Housing Environment

Most housing authorities receive an overwhelming majority of their funding through HUD. For housing authorities operating public housing programs, this predominantly comes in the forms of Capital Fund Program grants and Operating Subsidy. As their names suggest, these funding streams are specialized and highly regulated; with Capital Funds intended predominantly for addressing public housing capital needs and Operating Subsidy intended to facilitate site and authority operations. Both funding streams have declined over the past decades, as Congress has favored programs that rely more heavily on the private markets, such as the tenant and project-based applications of the Housing Choice Voucher program (more commonly referred to as Section 8). Cuts to both funding streams have not allowed housing authorities across the country to keep pace with the physical and operational needs of their developments. The chart below demonstrates the losses that MHA alone has seen in the Capital Fund Program over the last ten years, which has greatly impacted the Golden Gate Village site, as well as MHA’s five senior/disabled properties that also have significant capital and deferred maintenance needs.

Capital Funds vs. Cumulative Losses (2008-17)

As depicted in the Capital Funds vs. Cumulative Losses chart, the historical annual income for capital improvements for all MHA properties, even when combined, would not be enough to meet the most immediate Golden Gate Village physical needs as they were documented in 2015. This is true for many public housing properties nationally, as most recent estimates show that public housing properties around the nation have a backlog totaling at least $26 billion in capital improvement needs.

In order to receive the aforementioned funding streams, which are vital to most public housing authorities, MHA must enter into an Annual Contributions Contract with HUD. This covenant, along with a subsequently-applied deed restriction known as the Declaration of Trust, restricts the use of the property to public housing and grants HUD an ownership interest. Further, these covenants prevent MHA from conveying the property without HUD approval, as well as from pledging any covered sites or assets as collateral for a loan. This further complicates the position for housing authorities operating public housing programs. Despite a growing capital need and a declining source of funds from HUD, public housing authorities are restricted from accessing private debt. This further stresses a public housing authority's reliance on HUD funding.

Realizing this, HUD has taken considerable steps to make repositioning options available that allow housing authorities to take advantage of debt, equity, and other revenue streams. Some of these programs include the Mixed-Finance program, the RAD program, project-based applications of the Housing Choice Voucher program, and comprehensive redevelopment programs such as HOPE VI, and more recently, the Choice Neighborhoods Initiative (CNI). While these programs have helped many housing authorities and communities nationally, they are highly competitive, cost prohibitive, and require high thresholds for participation. In most instances, these grants are not widely accessible to smaller housing authorities with limited resources.

Appendix B: Review of Resident Provided Sources

Federal Historic Preservation Tax Incentive Program (Nation Park Service, U.S. Dept. of the Interior)

Summary

Historic tax credits, as referenced previously in this section, encourage private investment in the rehabilitation and reuse of historic buildings. This program includes two types of credits:

- <u>20% income tax credit:</u> For the rehabilitation of historic, income-producing buildings that are determined by the Secretary of the Interior, through the National Parks Service, to be "certified historic structures;"
- <u>10% income tax credit:</u> For the rehabilitation of non-historic buildings placed in service before 1936. The building must be rehabilitated for non-residential use.

As all conversations and analysis have centered on the continuation of Golden Gate Village, as a residential property, CVR only reviewed the 20% credit. Eligible uses for this credit include:

- A qualified rehabilitation of a certified historic structures;
- Rehabilitation expenditures incurred during a 24-month period exceeding the greater of $5,000 or the adjusted basis of the building at the commencement of the 24-month construction period.

Viability

Since the site has recently been designated as a historically significant resource, the site is eligible at a base-level for this program. HTCs, while not a sole source, could be a great financial resource to facilitate rehabilitation of the property. Because of the restrictions on funding applied, and activities conducted, to public housing, any application of HTCs would require HUD disposition approval through the Special Applications Center.

Affordable Housing and Sustainable Communities Grants (California Strategic Growth Council)

Summary

The California Strategic Growth Council provides grants and affordable housing loans for compact, transit-oriented development and related infrastructure and programs that reduce greenhouse gas. Eligible uses include:

- Projects that reduce greenhouse gas emissions and vehicle miles travelled (VMT);
- Projects that increase the accessibility of housing, employment centers and key destinations through low-carbon transportation options.

Viability

CVR's review of this source found that it could be an extremely effective tool for green affordable housing development or rehabilitation. The average award in 2016, for instance, was $11.7 million. In fact, a Housing Authority of the City of Los Angeles (HACLA) public housing site, Jordan Downs, received $11.9 million in 2016 for their mixed-income redevelopment efforts. However, the following considerations should be made when assessing the viability of this source:

- While there is an interest in green systems, it seems that these funds have historically been awarded to affordable housing developments, rehabilitations, and redevelopments that are part of a larger transformative community development effort, whereby transportation and other broader infrastructure upgrades and green improvements are all a part of the overall strategy. MHA would need to seek cooperation from, and begin planning efforts with, County government and other appropriate agencies and community partners;
- Awardees are required to report measurable outcomes on how the projects reduced emissions, improved public health, improved the community, etc. While the site could gain from emissions reduced from greener appliances and systems, it would likely lack in ways in which it reduced distance to employment centers and transit options;
- Funding would come incrementally. The funds awarded to the Jordan Downs project, for instance, are to be spread through multiple phases over multiple years;
- Public housing sites are not permitted to take on private or public debt. If funds were to be provided as loans, the site would be ineligible, unless units were to leave the public housing platform.

CVR has not observed any well-documented plans for comprehensive community redevelopment. With that said, the CVR team believes this aspiration to be a positive and productive long-term goal and encourages MHA, the Resident Council, site residents, and Marin County to continue to have a discussion on how to incorporate revitalization of the broader community into plans for the revitalization of Golden Gate Village.

CEC EPIC Grants-EcoDistricts in the Works (California Energy Commission)

Summary

The California Energy Commission (CEC) offers a number of grants, primarily targeted for research and energy conservation. CVR understands the idea of an EcoDistrict to be less a funding source and more a framework for creating community partnerships to equitably and environmentally consciously redevelop or revitalize urban spaces.

Viability

CVR believes that the aspiration of incorporating the Golden Gate Village site into an EcoDistrict is both positive and beneficial. As mentioned numerous times throughout the report, CVR believes that further partnerships and collaborative and coordinated planning efforts are positive goals that if implemented well, could truly transform the Marin City community. For the purposes of the source review, however, CVR was not able to identify a source specifically related to EcoDistricts, themselves. The team was able to identify a funding source offered through the CEC, known as Enhanced Infrastructure Financing Districts (EIFD). This is a tax increment financing tool that can be used for affordable housing, mixed-use development, transit projects, and other projects aimed to create more sustainable communities. Eligible uses for EIFD include construction, expansion, improvement, and/or seismic retrofitting of a property, including affordable housing. The following considerations should be made for EIFD funds:

- Tax increment financing typically takes away taxes that could be used for other local purposes such as education, and redirects funds toward a particular project;
- Use of an EIFD requires voter approval prior to issuance of bonds and the creation of a public facilities authority to manage the district;
- This also would not be sole source solution and would likely require an alternative ownership structure or subsidy platform in order to take on any financing from this program.

While the EcoDistrict concept is definitely a proven and effective framework for redeveloping communities, it is not a funding source. With that said, the property could likely take advantage of CEC's EIFD financing, however, not without additional sources and changes to ownership that would require HUD approvals.

New Market Tax Credits (Community Development Financial Institutions Fund, US Treasury Dept.)

Summary

New Market Tax Credits incentivize community development and economic growth through the use of tax credits that attract private investment to distressed communities, with the primary objective of job creation and material community improvements for low-income families. The credit equals 39% of the investment paid out over seven years. Eligible uses of these credits include the financing of small businesses or community facilities, such as daycare centers, grocery stores, small technology firms, inner-city shopping centers, manufacturers, or retail stores.

Viability

While this source cannot be used to fund any of the rehabilitation needs of the site, the source could be applied to any future commercial or community facilities component related to future revitalization activities.

Social Impact Bonds (SIB/PFS) (Surdna Foundation)

Summary

Social Impact Bonds (SIB) are a new way to finance social welfare programs through the inclusion of private funders, whereby projects effectively tap into private dollars to fund social service programs. In this model, the investor is repaid with interest as the program delivers on its intended goals. This financing model has become increasing popular in the American social sector over the last several years, as it offers a privately financed, and seemingly bipartisan, approach to funding social services.

Viability

It is unclear how the Surdna Foundation is related to the notion of SIBs. Surdna was the foundation listed with this source in the list of sources provided by the Resident Council. The foundation makes no mention of SIBs on their website, with the exception that one of their Board members has prior working experience with this tool. Further considerations include:

- Rehabilitation of a structure would be an atypical use of SIBs, as a measurable social impact resulting from rehabilitation is unclear;
- In a SIB financing model, the social program is administered by a non-profit organization or a for-profit service provider on behalf of a government agency. This, in addition to the need to apply debt on the property, would require a change in ownership, which would prompt the need for disposition approval from HUD;
- Typical uses of SIBs include short-term activities to address homelessness, criminal justice concerns, public health, and education. Without written documentation to provide necessary context, the extent to which these were contemplated is unclear;
- Use of SIBs, nationally, has been limited and projects funded using SIBs have shown mixed-results.

This source does not appear to be compatible with addressing the physical needs of the site, as rehabilitation of public housing units is not the provision of a social service. Further, there are no performance-based metrics that could be applied to this activity, which would trigger repayment to the private investor. With that said, however, the source could potentially be applied to some of the non-housing social goals for the site and surrounding community. This concept is still rather new in the United States, so its novelty could present itself as a possible challenge.

Community Development Grants (ArtPlace)

Summary

ArtPlace provides funding through the Community Development Investments (CDI) program to place-based non-governmental organizations for community planning and development activities that have not previously incorporated arts and cultural strategies into their core work. The program provides flexible funding, of up to $3 million, over three-years, along with technical assistance on creative place-making and collaboration on financing, federal grants, and research and documentation. Funding is used to support the following:

- Organizational capacity building in service of supporting new arts-based partnerships and projects;
- Direct programmatic, capital, and partnership costs related to arts-based projects;
- Participation in Community Development Investments program activities for the duration of the program.

Viability

Funding from the CDI program targets the incorporation of art and cultural strategies into neighborhood revitalization efforts. The following considerations should be made:

- Because of the intended use of these funds, this is likely a secondary source that would not fund rehabilitation activities at Golden Gate Village;
- Cook Inlet Housing Authority in Anchorage, Alaska is currently one of six organizations funded by the CDI program with a $3 million dollar grant to facilitate the incorporation of art and cultural strategies into their mixed-income redevelopment effort at Mountain View Village.

While this grant would be an excellent opportunity for Golden Gate Village, it would not serve to assist in rehabilitating the physical structures at the Golden Gate Village site. This is not to say that the funds should not be sought or discredited in any way, rather that they would not aid in addressing the physical needs at the property.

Curation and Historic Preservation Funds

Summary

The Resident Council provided the CVR team with a Congressional Budget Office Cost Estimate dated August 6, 2015. The document makes reference to H.R. 3114, which is a bill to provide funds to the Army Corps of Engineers to hire Veterans and members of the Armed Forces to assist the Corps with curation and historic preservation activities. This resolution became law in 2016, as Public Law 114-189.

Viability

The final Act is clear that the funds allocated or reallocated under this law are to be used to train and hire veterans or members of the armed services to preserve, catalogue, and process artifacts within the care of federal agencies. The law also allows for the hiring of veterans and service members for other historic preservation activity purposes. The following items should be considered:

- The only applicable use for these funds for the Golden Gate Village site would be to offset labor costs for rehabilitation, by using veterans and armed service members to complete the work. This would likely present a challenge for lenders and investors, who would likely feel uneasy about the use of unskilled labor at the property;
- MHA has met several times with the Congressman Jared Huffman's office to discuss these funds. From these conversations, it was determined that such funds are no longer available and their applicability to this situation is unclear. Through these conversations, the CVR team learned that the Congressman's Office was interested in assisting in finding funding for the revitalization efforts once MHA, through this planning process, arrived at plan.

Given MHA's conversations with the Congressman and understanding of the law itself, it seems highly unlikely that the funds could be utilized for this project. CVR does encourage, however, MHA to continue working with Congressman Huffman's office to keep them abreast of new developments during the planning process and to keep them active once a plan is established.

Tax Exempt Financing for Non-Profits with 501(c)(3) Revenue Bonds (CA Enterprise Dev. Authority)

Summary

The California Enterprise Development Authority (CEDA) provides 501(c)(3) revenue bonds to facilitate land and building acquisition, building construction, and refinancing of prior debt for eligible capital projects. The interest on the bonds is tax-exempt and therefore carries an interest rate much lower than loans from conventional lenders.

Viability

The following considerations should be made for this funding source:

- Awardees must be credit-worthy and must be a registered 501(c)(3);
- The site is currently not owned by a 501(c)(3). Any change in ownership would require HUD disposition approval;
- Because of the site's Declaration of Trust with HUD, MHA is precluded from placing debt on the property;

- Because of the high physical needs at the property, this source would likely not be a sole-source solution for rehabilitation of the site, but could be layered with other capital sources.

If MHA intends to maintain ownership, the project would not be eligible for this type of financing. If the ownership structure was to change, however, and ownership was maintained by a credit-worthy 501(c)(3) organization, the source may prove useful, along with additional other capital sources.

Program Related Investments (Marin Community Foundation)

Summary

The Marin Community Foundation (MCF) has historically provided investment in capital projects and revenue-producing ventures for areas of interest including arts, education, health, housing, human services, and community development through Program Related Investments (PRI). PRIs are used to supplement existing grant programs and have been provided by MCF as interim financing to facilitate housing development projects.

Viability

While MCF has provided funds to housing development projects through PRIs in the past, CVR learned through meetings with MCF leadership that PRI funding is currently unavailable at this time and therefore not a viable resource for the site. With that said, however, the CVR team believes that MHA and other involved stakeholders should continue to work with MCF to explore other ways in which the Foundation could contribute to future revitalization efforts.

Ford Foundation

Summary

The Ford Foundation is focused on ensuring that development is carried out in ways that encourage greater stability, more inclusive economic opportunities, and benefits for all. Their mission is to ensure that all individuals, including those most at risk, have access to affordable housing, land tenure security, and quality infrastructure. This includes support for efforts to improve housing opportunity and infrastructure conditions in low-income and marginalized communities, and to ease people's physical access to basic services, employment, and the economic benefits of urban markets. In the process, the Foundation works to ensure that people have meaningful opportunities to participate in decision-making about urban planning and development.

Viability

According to the Ford Foundation website, the Foundation does not support individual urban development or housing projects, place-based initiatives in the U.S. outside of three target regions (including Detroit, New Orleans, and New York City), economic or workforce development strategies, energy retrofits or green buildings, or urban development or finance initiatives that do not address the challenges of society's most vulnerable people. Considering this list, it is unlikely that Golden Gate Village would be a qualified candidate for grants from the Ford Foundation.

African American Civil Rights Grants (National Park Service)

Summary

The National Park Service's (NPS) FY2017 African-American Civil Rights (AACR) grant program aims at documenting, interpreting, and preserving sites and stories related to the Africa American struggle to gain equal rights as citizens during the 20th Century. AACR Grants are funded by the Historic Preservation Fund (HPF), administered by the NPS, and will fund a broad range of planning, preservation, and research projects for historic sites including: survey, inventory, documentation, interpretation, education, architectural services, historic structure reports, preservation plans, and bricks and mortar repair. Grants are awarded through a competitive process and do not require non-Federal match.

Viability

From CVR's assessment of this grant program and the team's understanding of the historical significance of the site and Marin City, it firmly believes that the Golden Gate Village site would be eligible for funding. In reviewing this source the CVR team found that there are actually two grants under this program, which are summarized below.

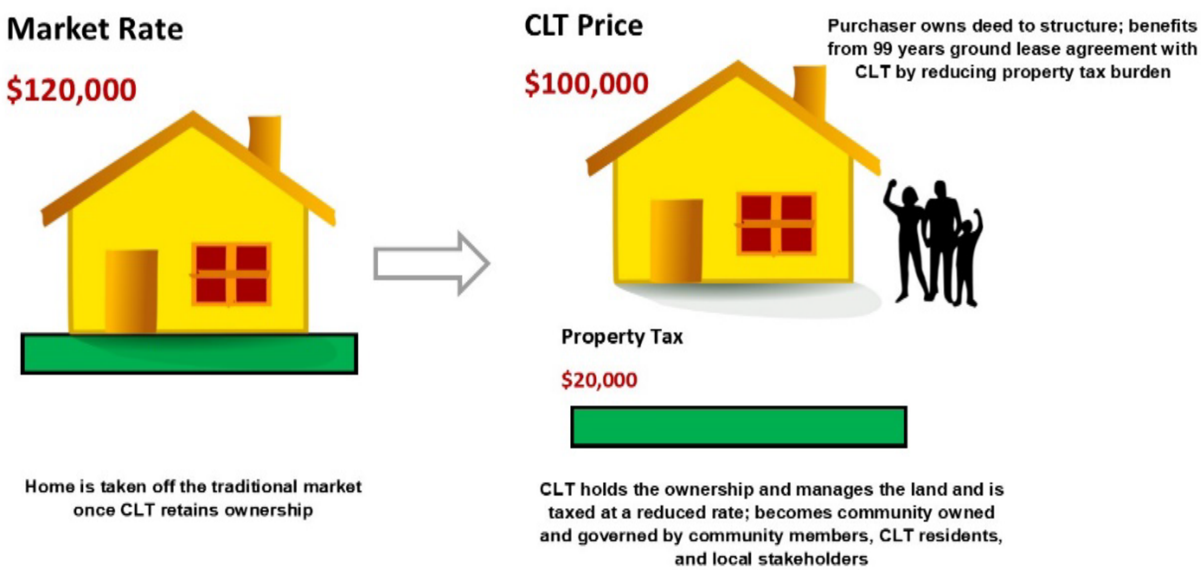
1) African American Civil Rights (AACR) Preservation Grants
   Funding physical preservation of a historic site, with eligible costs including pre-preservation studies, architectural plans and specifications, historic structure reports, and the repair and rehabilitation of historic properties. Preservation projects must range from $75,000 to $500,000 in federal share, of which 10% may go toward pre-preservation costs such as architectural or engineering services. Grant applications that solely involve pre-preservation work must range from $15,000 to $50,000;
2) African American Civil Rights (AACR) History Grants
   Funding surveys, planning and documentation of historic sites/events, as well as the creation of interpretive and educational materials around a site's significance. Projects must range from $15,000 to $50,000 in federal share.

While this source could be of major impact for preservation activities on the site, it would likely not be a sole source solution. Because of the recent designation of the Golden Gate Village site as a historic district, CVR recommends that future revitalization efforts seek both grants to better preserve the history that exists at the site and within the surrounding community.

Appendix C: Community Land Trust

What is a Community Land Trust?

A CLT, as it relates to affordable housing, is a permanently affordable housing model which allows for a 501(c)(3) organization to hold title to the land in perpetuity for the purpose of providing affordable housing to be developed on the parcel on behalf of a community. It should be noted here that Land Trusts are more commonly used for non-housing purposes, such as for land conservation. For this purposes of this section, however, we will only be discussing CLTs as they relate to affordable housing. Within this CLT model, the land is separated from the structure built upon it, allowing for it to be sold or leased at a lower rate due to the reduction in property taxes. The following diagram shows how the traditional model works for a home entered into a CLT.



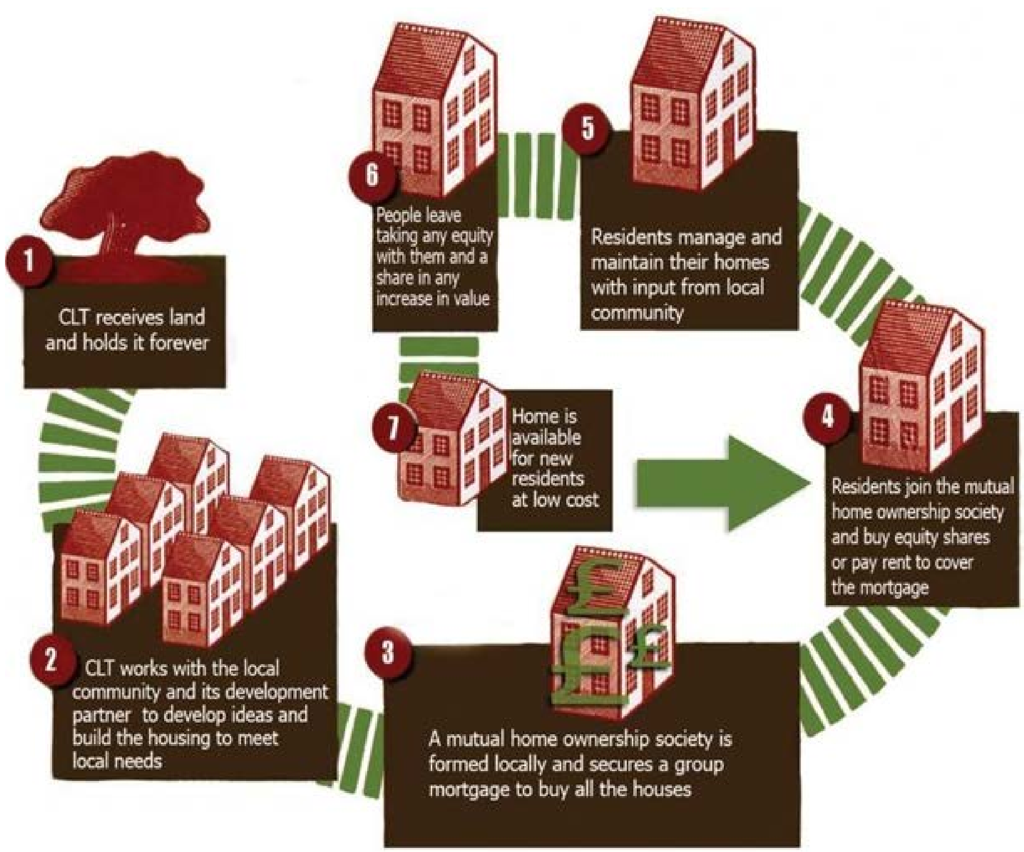
As the diagram shows, by utilizing the CLT model, a home on the traditional market would become affordable due to the separation of land from the structure. Organizations with a 501(c)(3) status are taxed at a different rate than market properties, which pass on its reduced rate to the property owner. The state or local government assesses the fair market property value in CLT homes by taking into account any limitation on resale prices set forth in the CLT 99-year ground lease. This agreement is extended to the next purchaser of the property through a resale formula built into the ground lease to maintain the affordability of the home for future residents, creating a cycle of subsidy retention and the basis of the permanent affordability of the model.

If CLTs operate rental housing for low-income persons, they may be eligible for a tax exemption in some states, yet are required to make payments in lieu of taxes (PILOTs) to the local government just like any other non-profit low-income rental-housing provider. The majority of CLT boards govern the land through a tri-partite governance that includes CLT property owners, community stakeholders, and representation by broader business and political entities. Currently, there are 15 CLTs in the State of California recognized by the National Community Land Trust Network (NCLTN). Each of the 15 CLTs in this network are housing focused.

California has several policies in place that support CLT development including the Assembly Bill 2818 amendment to Section 402.1 of the Revenue and Taxation Code and Section 817 of the Civil Code. Marin County currently has two functioning CLTs: the Bolinas Community Land Trust and the Community Land Trust of West Marin, both of which are on a very small scale.

CLT Models

CLTs cannot be described as being part of a one size fits all approach. Local governments and organizations define how the CLT will operate to best meet their individual goals and needs. Many CLTs have a homeownership model, as previously discussed, as part of their mission. This may include a lease purchase option in which the organization enters into an agreement with the potential buyer to attend financial counseling courses, homeownership workshops, and assistance in setting additional funds aside to outright purchase the property they are currently leasing. Others may incorporate creative solutions to affordable housing that serves their communities' needs, including co-ops, rentals, and even community gardens.



Co-Ops and Rentals

Co-ops and rentals function in a similar manner as condominiums. For new construction, a development partnership is created to build units based on community needs and the CLT or a mutual home ownership society secures a group mortgage to buy all units. Residents then buy equity shares or pay rent to cover the mortgage. The purchaser owns the unit, the leaseholder rents the unit and shares the financial responsibility of maintaining the building through maintenance fees. Maintenance fees vary by property type and by the discretion of the CLT governing board. Some CLT models include additional fees to aid owners in making expensive repairs to their property, including replacing larger building systems.

HUD and CLTs

As mentioned previously, Golden Gate Village, is a public housing property that is deed restricted by a Declaration of Trust and Annual Contributions Contract. This means that the property cannot be used for anything other than public housing and MHA cannot (among other restrictions) leverage the property to take on private or public debt. This is, of course, unless these restrictions are amended or released. To release or amend the site from the deed restrictions, MHA would have to dispose of the Golden Gate Village site to an entity that would own and operate the land trust. The disposition of public housing property to an outside entity, other than MHA or HUD, would require extensive HUD approvals through the Department of Housing and Urban Development's Special Applications Center (SAC) under Section 18 of the Housing Act of 1937 at 24 CFR Part 970.

As part of our review, the CVR team spoke with the Director of SAC and other HUD officials to better understand any precedent for disposing of an active public housing site to a CLT entity. At the time of our discussion with SAC, they reported not to be aware of any precedent of an active public housing site being disposed of to a CLT entity. They did report, however, that they would be willing to review such a disposition proposal so long as:

1) MHA believes the action is in the best interest of its residents and broader community;
2) The proposed activity was in compliance with local laws surrounding CLTs, as determined by HUD's San Francisco Field Office, Office of General Counsel;
3) The proposed governance structure contains enough checks and balances and protections to safeguard existing residents;
4) The proposed operating structure appears to be sustainable over the long term;
5) The site meets HUD's threshold for physical obsolescence or otherwise is able to prove operational issues or concerns sufficient enough to merit a change in structure.

The two overarching messages from this meeting was that MHA would have to make the request to HUD, finding it in the best interest of their residents and broader public, and that there was not currently precedent that HUD could point to where existing public housing was disposed of to facilitate a shift to a CLT model of operations. HUD did not find the prospect to be impossible, however. Nevertheless, they did imply that the likelihood of this happening- especially for a site as large and with as many needs as Golden Gate Village- would be remote.

Additional Conversations and Research

Despite this revelation from HUD, CVR continued to explore the subject and gather additional information. Proponents of the CLT approach for Golden Gate Village pointed CVR to several leads including Gus Newport, former mayor of Berkley and CLT advocate, with whom the residents had met with previously regarding the site; the Oakland Housing Authority's recent engagement with a CLT; and the precedent of the Capitol Hill Townhomes in Washington DC. CVR followed these leads, as outlined below.

Gus Newport

At the request of resident proponents of the CLT model, CVR spoke with Gus Newport, former mayor of Berkeley, California and former Executive Director of the Dudley Street Neighborhood Initiative (DSNI) in Boston, Massachusetts. It was suggested to the CVR team that Mr. Newport had been assisting residents in creating plans to implement a CLT model at the Golden Gate Village site. When CVR spoke to Mr. Newport, he reported no knowledge of existing plans. He instead offered caution that the resources and opportunity must align in order for a CLT model to be successful. Citing his experience in Boston as an example, Newport recommended that objective reasoning be established and that MHA and site residents come to a consensus on the underlying goals surrounding a CLT and from that discussion decide whether or not a CLT model is the best method to achieve those goals. Mr. Newport further clarified that his experience with CLTs in Boston was not directly comparable, as the DSNI was born out of vacant lot acquisition and not the rehabilitation of existing public housing units.

Oakland Housing Authority

CVR also spoke with a representative from the Oakland Housing Authority (OHA). In this discussion, OHA revealed that their recent engagement with a CLT framework involved a 15-unit vacant, former public housing site. In this example, OHA had previously relocated residents to other public housing options, had disposed the site to an OHA affiliate (which meant that the property was no longer under a Declaration of Trust) and was now exploring redevelopment and repositioning options for the property. Through an open solicitation process, the Oakland Land Trust (in partnership with Resources for Community Development (RCD)) were selected as the OHA affiliate's development partner for the revitalization effort. OHA reported that they were in the very early stages of planning, but that there were initial hurdles that the project was facing in terms of financing and the high costs of construction. OHA further noted that they were pursuing this option on a vacant site, but that they would not be interested in pursuing an option for an occupied site of similar size and needs.

Townhomes of Capitol Hill

Vocal proponents of the CLT model also often referenced the Townhomes of Capital Hill, a limited equity co-op in Washington, DC. This 134-unit, mixed-income cooperative reserves 87% of its units for households below the City's area median income (AMI). This example is slightly different from a CLT in that it is a limited equity cooperative, where members purchase shares from a corporation that owns and manages the property. In this scenarios, residents own a share that is purchased from the previous tenant depending on housing income and unit size.

The former public housing site had been vacant since 1988 when the District of Columbia Housing Authority (DCHA) obtained a HOPE VI grant in 1993. While HOPE VI provided a much needed injection of funding, the development took 10 years to fully fund and develop. A portion of the grant financed all capital costs for the project, making the cooperative members' monthly payments sufficient to cover all operating expenses. Further, because the project was a new construction development, the site did not require an exorbitant amount of capital maintenance needs. In this example, DCHA still holds ownership of the property through a 99-year ground lease and oversight and enforcement of the organization's regulatory and operating agreement.

Additional Considerations

Funding needs for a CLT

If Golden Gate Village was to proceed with a CLT structure, the governing entity would have to have initial financing readily available to fund the purchase of the site. Many CLTs throughout the nation face difficulty in this regard due to the competitive nature of grants and federal funding. Research shows that a partnership with the local government agency, other investors, and other local stakeholders, in addition to a proven track record of experience and effectiveness is crucial to the funding of a CLT. Primarily CLTs start with smaller projects, predominantly single-family scattered sites, to establish the model and acquire the years of experience and proof of stability needed to engage in large financial transactions. The feasibility of a newly assembled organization being able to convert a site the size of Golden Gate Village is not practical. If Golden Gate Village were to pursue such an option, it would need to partner with an existing entity.

Cost sharing implications of a CLT

Another consideration would be cost sharing. In a Co-op or rental model there will be additional costs for the ongoing management of the property, costs for rehabilitation and/or maintenance, and funding for resident supportive services. Without HUD rental subsidies and given the high costs of rehabilitation and operations, there is no guarantee that resident fees (or rents) would not exceed current rent levels of 30% of earned household income. Hikes in rents could displace many resident families on fixed incomes, which would not be in keeping with the reported goals of this concept.

Conclusion

In conclusion, the CLT or Limited Equity Cooperative models present too many challenges to have been explored more broadly as a possible revitalization strategy for the site. As a large and active public housing site this would present a scenario that would be unprecedented in terms of scale and approach. Further with the significant estimated cost of rehabilitation and likely management costs, there is no guarantee that a proposed entity managed by current site residents could secure adequate financing or could ensure that resident rents would remain at current levels. Lastly, MHA has expressed no interest or any perceived benefit in disposing of the property to existing residents for this purpose. As stated previously, as the landowner, MHA would need to be the driver of any requested disposition approvals from HUD; bearing the responsibility of proving that the proposed organization would be stable, would protect residents and housing affordability, and that the action would produce a commensurate public benefit. It is CVR's understanding that there has been no demonstration of the ability to finance, maintain, or otherwise operate a CLT as described by select Golden Gate Village residents. Further, CVR does not believe that such actions by MHA to its only remaining family public housing site would be in keeping with the agency's mission to provide affordable housing for the long-term benefit of low-income residents of Marin County.

As an alternative, however, the Housing Authority has expressed interest in having future discussions with interested residents and community members about the possibility of partnering with other organizations on the development of a CLT or similar model, so long as it would be on property not owned by MHA. CVR encourages MHA to continue discussions to this end. While this model may not be appropriate or feasible for Golden Gate Village, it could be an excellent tool to meet some of the underlying goals for existing residents at another location.

Appendix D: Manufacturing Hub

Manufacturing Innovation Hub

Similar to the Community Land Trust concept, another non-housing concept and goal identified in the Community Working Group was that of a Manufacturing Innovation Hub. This idea stems from a desire to "reinvigorate the legacy of a manufacturing community…" and included three associated goals:

1) Develop a manufacturing/innovation hub.
2) Obtain a designation of a targeted manufacturing community.
3) Provide apprenticeship programs for green restoration of historic properties.

These goals stem out of a desire to increase job training, increase competitive skillsets, and to increase employment opportunities for the residents of the Golden Gate Village site. In this section CVR reviewed the concept of a Manufacturing Innovation Hub, as was envisioned in the Community Working Group process. Additionally, the CVR team explored ways in which MHA and other community partners could advance some of the underlying goals behind this concept.

Defining a Manufacturing Innovation Hub

Manufacturing Innovation Hubs are mechanisms through which industry, community partners, and government entities work together to develop new manufacturing technologies in an effort to create employment opportunities, increase economic outputs, facilitate economic development, and increase the skills for the local community.

In the Community Working Group, residents pointed to several Obama-era US Commerce Department programs as precedent and potential funding streams for the proposed hub, including Investing in Manufacturing Communities Partnership (IMCP) and the Institute of Manufacturing Innovation (IMI). These programs would fund the creation of a "Preservation Green Lab" specifically targeted for the revitalization of the Golden Gate Village public housing site.

Through CVR's analysis, the team determined that these programs are no longer in existence as part of the new Trump administration. CVR also found no evidence that the new administration would revive or recreate similar programs during the new president's term. Despite this, however, and in an effort to better understand both programs and to provide additional insight into the underlying goals of this concept, the CVR team has provided descriptions of these two programs, as well as the Federal American Apprenticeship Program, on the following page:

I. **Innovation Manufacturing Institute**

The Community Working Group identified the use of the Innovation Manufacturing Institute (IMI) as a means to construct a physical hub site or “living lab” within the Marin City Mall. The lab would focus on innovations in green technology and historic preservation (specifically focused on the Golden Gate Village site). IMIs were created under an Obama Administration program called the National Network of Manufacturing Institutes. The program over its lifespan granted funds to thirteen localities across the country, including two in California (NetFlex in San Jose and Clean Energy Smart Manufacturing Innovation Institute (CESMII) in Los Angeles). The program was first proposed in 2012 and originally called for the creation of 15 IMIs that were linked to unique research concentrations that will serve as regional innovation and manufacturing hubs. These included a hub on lightweight metals in Detroit, textiles and fibers in Atlanta, smart manufacturing in Los Angeles, 3D printing in Youngstown, etc. With IMIs, the federal governments provides up to 50 percent of the funding and require local partners to secure the remainder of the funding. Each IMI relies heavily on partnerships with universities, private companies, and local and state actors. President Obama had hoped to expand the program, however, grants have not been awarded since 2015.

II. **Investing in Manufacturing Communities Partnership (IMCP)**

The Investing in Manufacturing Communities Partnership (IMCP) program was established to incentivize and facilitate collaboration between the private and public sectors in existing manufacturing communities to support sector growth, create new jobs, create regional economic growth, and increase support for workforce development. This program was active between 2014 and 2015. During that time, 24 public-private consortia that demonstrated the ability to advance innovation in regional manufacturing economies were awarded two-year designations, along with $25 million from the Commerce Department’s Economic Development Administration.

III. **Federal American Apprenticeship Program**

The Community Working Group also envisioned that part of this effort would be funded and facilitated by the Federal American Apprenticeship Program. This was envisioned to bring together local colleges and even the National Aeronautics and Space Administration (NASA) scientists to train residents in the proposed “living lab.” The American Apprenticeship program is an innovative work-based learning and earn-and-learn program that funds grants to support dynamic and sustainable public-private partnerships in high growth occupations and industries. This program does appear to remain active through the U.S. Department of Labor. Funds for these grants range from $2.5 million to $5 million per project and are awarded through notices of funding availability.

While the two main programs that would fund and facilitate this effort are no longer in existence, CVR believes the underlying goals of this concept to be admirable and beneficial goals to have. After all, the current unemployment rate for Marin City is quite high- at 15.6% as compared to 5.7% for the County and 9.9% for the State of California. Additionally, the percentage of persons under the federal poverty level in Marin City is roughly 4 times that of Marin County, at 33.4% as opposed to 8.3%. It is clear that proponents of this idea seek to undo some of these trends, creating an environment in which residents of the site could perhaps 'rise from within," as opposed to leaving the site in search of better opportunities. What is unclear, however, is how the hub would be funded apart from the IMI and IMCP programs, if the hub's focus on a deep green retrofit and historic preservation of just Golden Gate Village are a broad enough framework to be competitive for funding or meet the intended impacts on unemployment and job training, if the hub could be located in its intended location in Marin City Mall, or if there would be any contemplated participation or benefit for non-Golden Gate Village Marin City residents.

Existing Programs in Marin City

CVR would be remiss if it did not acknowledge some of the known programs that are currently working to counteract some of the income, education, and employment disparities that exist between Marin City and Marin County. While this may not be a comprehensive list, the CVR team did want to acknowledge, reference, and describe some of the programs of which it was made aware through this process.

The Marin City Community Development Corporation

The Marin City Community Development Corporation (MCCDC) was organized in 1979 to promote the economic well-being of members of the Marin City community. The organization has also helped Marin City's residents to own, manage, and operate their own businesses. MCCDC- often simplified to "CDC") is a nonprofit organization with 501(c)(3) status and is recognized as a leading institution in Marin City and within Marin County, as well. The Mission of the CDC is to empower and improve the quality of life for Marin City residents by implementing comprehensive income and asset development programs and by preserving its diverse culture. The CDC is committed to increasing the earnings and skills of unemployed or underemployed residents of Marin. It also works in partnership with workforce agencies, businesses, and educational institutions, to increase the opportunity for skills in demand industries that provide career track employment. Its employment programs include:

The Coffee Works Job Readiness Program

This program is the point of entry for anyone seeking employment placement and job retention services. Coffee Works provides an environment where job search strategies and job leads are highlighted weekly. Clients/Consumers meet together to network, build community with other jobseekers, and learn how to get and keep a job. This free program offers:

- Computer skills training
- Office skills training
- Job retention assistance
- Referrals for additional computer training
- Referrals for counseling services
- Professional clothing referrals
- Department of Rehabilitation (DOR) referrals (including support for youth and adults with rehabilitation needs)
- Connection to volunteer opportunities
- Construction and labor training programs
- Assistance with job retention

Construction Trade Program

The purpose of this program is to assist Marin residents obtain viable livable wage construction jobs in four construction trades areas: 1) Laborers (Local 261) 2) Electricians (IBEW 551); 3) Plumbers and Pipefitters (UA Local 38); and 4) Brick-Masons (Bricklayers, Tile setters and Allied Craft workers Local 3 Union). These construction career professions lead to livable wage annual salaries of $50,000 or more and are in high demand in the Bay Area according to the U.S. Bureau of Labor Statistics (2013).

Brothers Code

Brothers Code is an Oakland based organization that seeks to expose minority male adolescents and adults to coding and tech career pathways that will continue to be in high demand for the foreseeable future. Participants in the program practice basic computer programming, explore career opportunities, learn about education pathways that can lead to tech careers, investigate how technology can strengthen communities, and network with enthusiastic tech sector professionals.

Marin City Community Services District

The Marin City Community Services District (MCCSD) provides public leadership in all matters that impact the community, including economic development, education, health and wellness, public safety, physical infrastructure, transportation, zoning, signage, land use planning, housing, and redevelopment. MCCSD- often simplified to "CSD") is a service organization that offers social programs to all Marin City residents including those residing at Golden Gate Village. Their programs include the Marin City MLK Coalition, a cross-sectoral collective of organizations working within Marin City that advocate for policy changes and improvements in the key policy areas listed above. Current members of the coalition include:

- Marin City Community Services District
- Marin City Community Development Corporation
- Marin City Health and Wellness Center
- Marin City Network
- Cornerstone Community Church
- First Missionary Baptist Church
- Manzanita Children Development Center
- Women Helping All People
- The Hannah Project
- ISOJI - MDT
- Community Action Marin - Manzanita Childcare Center
- Bridge the Gap College Prep
- Conservation Corps North Bay
- Grassroots Leadership Network
- The Marin Housing Authority
- The SF/Marin Foodbank

Other programs of MCCSD include Center for Community Life, Friends of Marin City, Marin City CX3 and Marin City Youth Council.

Bayside Martin Luther King Jr. Academy

In addition to local non-profit organizations, Bayside Martin Luther King Jr. Academy also has community programs that are geared to the students and young adults in Marin City. A majority of the students at Bayside Martin Luther King Jr. Academy are residents of Golden Gate Village. The school offers community partnerships through their Parent Advisory Committee, School Site Council and English Learning Advisory Committee. They also have developed partnerships with outside organizations and government agencies, including the Boys and Girls Club, Bridge the Gap College Prep, 10,000 Degrees College Prep, the Marin City Library, CDC, and the Marin Department of Health and Human Services, to name a few.

Ways to Further Goals

A Manufacturing Innovation Hub could prove to be a tremendous benefit to Golden Gate Village, as well as potentially to all of the Marin City community. From CVR's review, however, the concept lacks much in terms of funding, a determined location, and project definition. What is more likely, would be for MHA and site residents to continue to make partnerships with other public agencies, private businesses, local colleges and universities, private developers, nonprofits, etc. to create additional programs that would seek to further existing job training, increased employment of site residents, and economic development within Marin City. One of the most underlying themes of the Manufacturing Hub is the reliance on partnerships. While many partnerships currently exist, CVR would recommend that MHA continue to enrich old partnerships and create new ones to help further these relationships and their resulting programs.

Additionally, a revitalized Golden Gate Village might incorporate an onsite space dedicated to some of the innovating programs resulting from these partnerships. One such program might resemble the New York City Housing Authority (NYCHA)'s Tech 51 Program. This pilot program, while similar to Brothers Code, allows New York public housing residents the opportunity to train in areas such as IT infrastructure, cybersecurity, or software development. This program relies heavily on partnerships with 11 large and national tech firms, such as Kickstarter and Yahoo (just to name a few); as well as local nonprofits such as Coalition for Queens and Per Scholas. The program aims to provide training in the aforementioned areas that will be accepted by the 11 private employer partners in lieu of a college education. By offering this program, NYCHA seeks to give their residents an opportunity to enter into a high-paying and growing section within the New York economy. With Marin City's proximity to San Francisco and Silicon Valley, it is likely that Golden Gate Village could potentially benefit from a similarly-tasked program.

Appendix E: Review of Revitalization Options Deemed Infeasible

Options Determined Infeasible

The following appendix summarizes scenarios that that CVR team reviewed and determined to be infeasible due to either economic, social, or physical considerations.

Continued Operations as Public Housing with Incremental Repairs and Replacements

Description

In this scenario the site would undergo rehabilitation and there would be no change to its funding source, ownership structure, or operational model. The table below illustrates the subsidy types that exist at Golden Gate Village today.

Subsidy Type	Number of Units
ACC (Public Housing)	296
RAD	0
PBV	0
LIHTC Only	0
Market	0
Total	**296**

Considerations

Physical

In this scenario the site would undergo rehabilitation as prescribed in CVR's rehabilitation estimate of approximately $169,000 per unit. This would include the cost of site rehabilitation, as well as items not included in the PNA such as the incorporation of green technologies, additional site work, historic preservation, etc. Aside from site upgrades and rehabilitation activities, the operations and ownership would otherwise remain unchanged. By not changing the operational model, despite rehabilitation, MHA would still be unable to reserve for- or otherwise fund- long-term replacement needs. This would have a detrimental impact to the long-term health of the property.

Economic

As indicated in the chart on the following page, without outside funding, the gap for this scenario would be over $62.4 million. This is due to the existing funding constraints associated with the project maintaining its public housing status. The rehabilitation scope remains the same, however, because of restrictions on public housing's ability to leverage debt or obtain additional sources the effort is left to rely on limited Capital Funding, which must be spread amongst all of MHA's public housing properties. Additionally, as public housing, the property will continue to suffer from declining subsidies from HUD.

Scenario Sources and Uses	Total	Per Unit
Uses of Funds		
Land and Building Acquisition		
Demolition		
Construction	$50,024,000	$169,000
Contingency	$7,503,600	$25,350
Fees	$3 ,011,380	$10,174
Legal		
Construction Financing		
Permanent Financing		
Relocation	$296,000	$1,000
Other Soft Costs	$1,865,338	$6,302
Developer Fee		
Reserves		
Total	**$62,700,318**	**$211,825**
Sources of Funds		
LIHTC Equity		
Conventional Loan		
Deferred Developer Fee		
MHA Seller Note		
Capital Fund	$300,000	$1,014
Total		
Total	**$300,000**	**($1,014)**
Gap	($62,400,318)	($210,812)

**Definitions of the above terms can be found in Appendix H.*

Social

If MHA were able to fund this rehabilitation, there could be a case made for the improved health and sense of security among residents. Aside from this, however, most of the site's social dynamics would remain the same. CVR would encourage MHA to pursue new, or strengthen old, partnerships with nonprofits, the private sector, and local government to create programs for residents to address some of the disparities between Marin City and the County. Without a stream of revenue from healthily funded revitalization activities, MHA would likely not be able to provide sufficient funding for such programs.

Another social consideration for this scenario would be relocation. While rehabilitation would be phased, the need for temporary relocation would still be great, as large portions of households would need to be relocated offsite to facilitate the comprehensive rehabilitation of site units. Because of a history of prejudices, fair housing concerns, and limited affordable housing options, this would likely be a difficult task, unless onsite relocation could be managed.

Conclusion

This scenario is found to be infeasible primarily due to the excessive cost and unlikelihood that MHA could sufficiently fund rehabilitation using existing or additional unencumbered resources. This reality has negative impacts on both the physical and social aspects of the scenario, by way of unfunded long-term replacement and repair needs and social programs. While relocation is also a social concern, CVR does not believe that issue, in and of itself, would make the scenario infeasible.

Comprehensive Mixed-Finance Redevelopment

Description

In this scenario, Golden Gate Village would be completely demolished to make way for a newly constructed development. This scenario would include the replacement of public housing units as converted RAD-assisted units and MHA-issued Project-Based Voucher units, granting all residents in good standing the right to return to the completed site. This plan would also, however, add additional affordable and market rate units, as depicted in the table below. To accomplish this large-scale development, MHA would partner with a private developer to be selected through a traditional procurement process. This developer partner would aid MHA in accessing the funding necessary to complete the deal, would oversee construction, provide guarantees, and would likely provide site management services. This scenario contemplates the utilization of tax credits and changing the ownership structure to partner with a tax credit investor.

Subsidy Type	Number of Units
ACC (Public Housing)	0
RAD	168
PBV	128
LIHTC Only	73
Market	51
Total	**420**

Considerations

Physical

In this scenario the site would be reimagined, increasing density, introducing new construction, and incorporating a marketable mix of unit and structure types, while also incorporating the green sustainability goals from the Community Working Group. MHA and a development consultant would work to ensure that the site would reflect market-rate standards and would comply with all appropriate HUD regulations, zoning codes and accessibility standards. While all original structures would be removed, CVR envisioned that a redevelopment of the site would still aim to honor the vision of the original site, with respect for the topography, open space, central gathering areas, and public art and monuments to memorialize the site's past.

In order to allow all existing residents to return, while also mixing incomes and subsidy types, additional units would have to be added. The number of additional units could vary; however, current zoning would allow for an additional 124 units (13 units per acre at 32.3119 acres=420) on the property. For the purposes of this analysis, 124 additional units (420 total units) was used.

For the purpose of this analysis, CVR assumed that the low-rise units would qualify for HUD Section 18 demolition approval, allowing them to be replaced by project-based tenant protection vouchers (TPVs). The high rises in this scenario convert under RAD, which also supports new construction.

Economic

The cost for such a scenario would be anything but small. As indicated in the sources and uses table on the following page, the gap is estimated at roughly $31 million. The conversion or replacement of existing public housing units as RAD or Project-Based Voucher units would allow the property to take on debt, tax credit equity, and other potential sources that would be restricted under the public housing program. Despite the scenario's indisputably large financial gap, the proposed scope of work would likely be phased. Further, the site's transformative scope of work would likely make it eligible for a number of secondary sources from federal, state, local, or nonprofit sources.

Scenario Sources and Uses	Total	Per Unit
Uses of Funds		
Land and Building Acquisition	$32,020,414	$76,239
Demolition	$500,000	$1,190
Construction	$84,391,944	$200,933
Contingency	$9,858,794	$23,473
Fees	$4,787,537	$11,399
Legal	$475,000	$1,131
Construction Financing	$5,368,310	$12,782
Permanent Financing	$905,873	$2,157
Relocation	$420,000	$1,000
Other Soft Costs	$2,868,601	$6,830
Developer Fee	$21,239,471	$50,570
Reserves	$5,759,138	$13,712
Total	**$168,595,082**	**$401,417**
Sources of Funds		
LIHTC Equity	$38,300,453	$91,192
Conventional Loan	$65,587,316	$156,160
Deferred Developer Fee	$2,016,506	$4,801
MHA Seller Note	$32,020,414	$76,239
Capital Fund		
Total	**$137,924,689**	**$328,392**
Gap	**($30,670,393)**	**($73,025)**

**Definitions of the above terms can be found in Appendix H.*

Social

The redeveloped site, like many mixed-finance developments, would completely transform the existing site. As part of the overall strategy, social services would likely be provided by a property management company affiliated with or overseen by MHA and/or its developer partner. The mix of incomes on the site would also create income diversity; allowing, for instance, family members of existing residents who may be over-income for the current site to reside alongside their relatives at a reimagined property. It is important to note that subsidy types would be mixed throughout the site and that the subsidy or lack of subsidy of each unit would not be known or otherwise publicized.

Further, like many mixed-finance developments, the site would likely contain a mix of uses. These uses could include commercial elements like a grocery store or daycare center, dedicated community space like fitness facilities or computer labs, or spaces designated for social services or other nonprofits. This could also provide a designated space for a program like NYCHA's Tech 51 that may accomplish some of the underlying goals of the Manufacturing Innovation Hub concept.

CVR observed a great deal of fear and concern among residents and members of the community that any demolition and/or incorporation of additional unit types would ultimately mean displacement and gentrification. HUD in recent years has worked especially hard to provide increased oversight of relocation and redevelopment activities to ensure that all displacement is voluntary. This is especially true of the RAD program, which has very stringent fair housing and relocation requirements, which include a resident's right to return. In this plan, new income types would be brought in, but not by replacing households that wanted to remain at the site.

Further, relocation concerns could be addressed by strategically accumulating and consolidating vacancies at the site and utilizing a build-first strategy. This would mean that MHA would stop leasing units as units become vacant through natural attrition. Conceptually, residents residing in buildings located on the footprint of Phase 1 would then move to vacant units in other buildings on the property, allowing for whole buildings to be vacated for demolition and redevelopment. Once the Phase I buildings were ready for occupancy, residents could move from an existing structure to the site, thus vacating additional buildings to facilitate additional phases of redevelopment.

Conclusion

Despite many of the benefits that a new site could bring, CVR determined this option to be infeasible. This is primarily due to the historic designation that property recently received, as well as CVR's understanding of the site's significance to the local community.

Preservation of the High Rises and Redevelopment of the Low Rises

Description

As a possible blend between a rehabilitation/preservation and a new construction approach, CVR crafted a scenario that would preserve and rehabilitate the High Rises, while razing and redeveloping the low-rise portion of the site. In this scenario, CVR explored the idea replacing all existing units with project-based vouchers, while also adding additional market and affordable units, as indicated in the table below. As with the Comprehensive Mixed Finance Approach, MHA would partner with a private developer to be selected through a traditional procurement process. This developer partner would aid MHA in accessing the funding necessary to complete the deal, would oversee construction, provide guarantees, and would likely provide site management services. This scenario also contemplates the utilization of tax credits and changing the ownership structure to partner with a tax credit investor.

In order to truly adhere to the mixed-income concept, the unit types in this scenario would be spread between both rehabilitated high rise units and newly constructed apartments.

Subsidy Type	Number of Units
ACC (Public Housing)	0
RAD	0
PBV	296
LIHTC Only	73
Market	51
Total	**420**

Considerations

Physical

In this scenario, the architectural significance of the high rise’s design would be preserved, but interior unit features upgraded, through a comprehensive rehabilitation. CVR envisioned that a redevelopment of the low-rises would still aim to honor the vision of the original site, with respect for the topography, open space, central gathering areas, and public art and monuments to memorialize the site’s past.

Much like the physical plan listed in the previous scenario, the site would have a net increase in units in order to make way for additional affordable and market-rate unit types. The total of 420 units was used again in this scenario, based on what would be allowable by current zoning.

The site would also meet the green and sustainability goals identified in the Community Working Group, incorporate a mix of commercial and community uses, add additional site amenities, and offer additional social service and community programs. This is similar to the previously presented scenario. Where this scenario differs, however, is in its rehabilitation of the existing high rise structures. While the architectural integrity of the structures would be maintained, conceptually, the interiors of the units would be brought up to modern market standards. Both the rehabilitated high rises and the new construction buildings would be operated and marketed as one property.

Economic

This scenario's gap is roughly half the gap of the previous scenario. This is due to several factors. First, this scenario cuts the number of costly new construction units by 168 units. Further, the existing 296 units would all be replaced using project-based vouchers, instead of through the Rental Assistance Demonstration (RAD) program. In order to apply PBVs to the site, the units would have to receive SAC Section 18 demolition and/or disposition approval to remove the units from the public housing program. These PBVs will reflect market rents and thus have higher total contract rents, allowing the site to support more debt and leverage additional financial resources. As a point of clarity, a higher contract rent would not directly translate into a higher rent for residents. In fact, existing residents would continue to pay 30% of their income in rent, with HUD funding the remaining balance of the established contract rent. The additional market and LIHTC unit types would also aide the project in attracting additional State, local, and nonprofit resources to fill the remaining gap. This option also would likely be phased, which would reduce the gap to a much more manageable size for each financial phase.

Scenario Sources and Uses	Total	Per Unit
Uses of Funds		
Land and Building Acquisition	$1,000,000	$2,381
Demolition	$500,000	$1,190
Construction	$93,333,240	$315,315
Contingency	$9,333,324	$22,222
Fees	$5,208,328	$12,401
Legal	$475,000	$1,131
Construction Financing	$3,633,825	$8,652
Permanent Financing	$1,309,995	$3,119
Relocation	$420,000	$1,000
Other Soft Costs	$3,167,032	$7,541
Developer Fee	$17,757,112	$42,279
Reserves	$7,849,674	$18,690
Total	**$143,987,529**	**$342,827**
Sources of Funds		
LIHTC Equity	$19,210,063	$45,738
Conventional Loan	$105,999,456	$252,380
Deferred Developer Fee	$2,016,506	$4,801
MHA Seller Note	$1,000,000	$2,381
Total	**$128,226,024**	**$305,300**
Gap	**($15,761,505)**	**($37,527)**

**Definitions of the above terms can be found in Appendix H.*

Social

Many of the same social considerations addressed in the previous scenario would still apply, as the difference in concepts is primarily physical and economic. Concerns regarding displacement and gentrification would still remain in this scenario. CVR would recommend that MHA pursue a build-first strategy in this scenario, much like the previous scenario, in order to facilitate onsite relocation and limited moves.

As in the previous scenario, by bringing in additional units and subsidy streams, the site would create revenue which could be invested in social service programs for site residents. These programs would target employment, education, and youth activities in an effort to address some of the disparities existing between Marin City and Marin County.

Conclusion

Although this option is a compromise between both “Option 1” and “Option 2” concepts, this scenario is considered infeasible due to its large impact to the site design and structures of the low rise portion of the site. Other compromises between the two concepts are possible, as will be presented in Scenario B of the feasible scenarios in the body of the report. Additionally, obtaining Section 18 approval would be very difficult, as further addressed in the body of the report.

Rehabilitation using 100% Project-Based Vouchers

Description

In this scenario the CVR team explored a complete rehabilitation concept that would preserve the site, without new construction and without the mixing of incomes. This scenario was an attempt to find a similar alternative to the concept identified as “Option 1” in the Community Working Group. Unlike the community land trust or continued public housing notions present in an “Option 1” concept, this scenario relies on the use of Project-Based Vouchers, as indicated in the table below.

Subsidy Type	Number of Units
ACC (Public Housing)	0
RAD	0
PBV	296
LIHTC Only	0
Market	0
Total	**296**

As with other approaches listed in this appendix, MHA would partner with a private developer to be selected through a traditional procurement process. This developer partner would aid MHA in accessing the funding necessary to complete the deal, would oversee construction, provide guarantees, and would likely provide site management services. This scenario also contemplates the utilization of tax credits and changing the ownership structure to partner with a tax credit investor.

Considerations

Physical

As was the case in the first scenario presented in this section, the scope of work under this scenario would be comprehensive rehabilitation; at an estimated cost of $169,000 per unit. This cost would include the cost to modernize the unit interiors, to incorporate green technology and energy saving features, as well as to historically preserve the site's structure and grounds. With a change in operations to a more lucrative and stable platform, as will be described in the economic subsection below, the site would be able to reserve for long-term replacement and repair needs.

Economic

As indicated in the table on the following page, this scenario would prove to be the most financially advantageous due to its projection as having zero funding gap using noncompetitive funding sources, such as 4% LIHTC and conventional private debt. What makes this scenario so financially advantageous is the high total contract rents produced by the PBVs. As stated throughout this report, the total contract rent for PBVs is the combination of the tenant's portion of rent (30% of adjusted household income) and the Housing Assistance Payment (the balance of HUD's published Fair Market Rent (FMR) less the tenant portion). It should be noted that these FMRs would be capped by a rent reasonableness study, if the study determined that comparable rents in the immediate area were lower than the published FMR. If the FMRs were supported, however, they would significantly increase the project's net operating income, or NOI; thus drastically increasing the project's supportable debt. This allows the project the flexibility to utilize 4% LIHTCs, which are noncompetitive and much easier to obtain than the scarcer and more sought after 9% LIHTCs.

Beyond the financial feasibility is the likelihood of obtaining these vouchers. MHA has a limited voucher pool used for all of its Section 8 Housing Choice Voucher programs. The likelihood of most housing authorities being able to utilize 296 vouchers from its Section 8 program is remote. This is because this would significantly impact an authority's ability to lease tenant-based Housing Choice Vouchers through the Section 8 program and/or utilize valuable project-based voucher subsidy at future affordable housing developments throughout the jurisdiction. The only way for a housing authority to increase their access to PBVs, would be through the RAD program (which as we have stated previously comes with much lower subsidy) or through a request for Tenant Protection Vouchers (TPVs). The award of TPVs, however, are not guaranteed and have typically been awarded to developments requiring demolition, due to resident health and safety concerns (and not sites undergoing rehabilitation).

Scenario Sources and Uses	Total	Per Unit
Uses of Funds		
Land and Building Acquisition	$60,200,000	$203,378
Demolition		
Construction	$50,024,000	$169,000
Contingency	$7,503,600	$25,350
Fees	$2,951,380	$9,971
Legal	$475,000	$1,605
Construction Financing	$6,673,826	$22,547
Permanent Financing	$830,934	$2,807
Relocation	$296,000	$1,000
Other Soft Costs	$5,835,071	$19,713
Developer Fee	$11,077,695	$37,425
Reserves	$5,707,466	$19,282
Total	**$151,574,972**	**$512,078**
Sources of Funds		
LIHTC Equity	$53,029,576	$179,154
Conventional Loan	$78,093,390	$263,829
Deferred Developer Fee		
MHA Seller Note	$20,452,006	$69,095
Total	**$151,574,972**	**$512,078**
Gap	**$0**	**$0**

**Definitions of the above terms can be found in Appendix H.*

Social

In this scenario, the health and sense of security among residents is improved through the rehabilitation. Much like the initial scenario presented in this section, though, the social dynamics of the site would otherwise remain unchanged. Unlike the initial scenario, however, would be the site's ability to fund social service programs due to its more lucrative and stable subsidy stream. These programs could partner with local nonprofit, public, and private partners that could help address some of the disparities between Marin City and Marin County residents.

This option is not without limitations, however. Due to the significant needs at the site, residents would likely need to be relocated from their units for a significant period of time. While the rehabilitation would likely be phased, offsite relocation would likely be necessary to facilitate the scope of work. As was discussed in the initial scenario proposed in this section, the County's history of prejudices, fair housing concerns, and limited affordable housing options, would make largescale offsite relocation a fairly difficult task, unless onsite relocation could be managed.

Conclusion

While CVR believes the exploration of a scenario that would be similar to the concept presented in Option 1 is noble, CVR ultimately found this scenario to be infeasible. This is primarily due to the unlikelihood that MHA would be able to obtain approvals for and be able to project-base nearly 300 PBVs at the Golden Gate Village site (from its own pool or via TPVs). While relocation did not ultimately render this scenario infeasible, it would be a major consideration for decision-makers, as it would be a difficult undertaking.

Appendix F: Physical Considerations for Scenarios A and B

Physical Considerations for both Scenarios A and B

There are physical design concepts that would elevate a rejuvenated Golden Gate Village and be appropriate for both Scenario A and Option B.

One of these concepts is to increase the level of sustainability to a more meaningful level. The LEED rating system for green design in buildings has been expanded to include entire neighborhoods. This newer rating system is called LEED for Neighborhood Development, and not only includes buildings, but the connections between buildings, adjacent neighborhoods, and the larger regional context. Additionally, the focus on sustainable zero energy buildings can be expanded to include other sustainable attributes including regenerative design and social impact. A well know rating system that incorporates these attributes is called The Living Building Challenge.

Another concept would be to magnify the connection to the historical significance of the site. The inclusion in the National Register of Historic Places began the process of publicly gaining notoriety for Golden Gate Village. There is a design opportunity to transform the site into a “walking history lesson” that publicly exhibits this information and allows residents and visitors to experience this history firsthand.

Deeper Green: LEED for Neighborhood Development (LEED ND)

As LEED was developing new rating systems for their expanding list of building types, they took a new direction in 2005 when they developed and tested LEED for Neighborhood Development. This was a departure from looking at the scale of buildings as the focal point for ratings, and instead expanded outward to the collection of buildings in a neighborhood. LEED professed many reasons for rating at a neighborhood scale, including green benefits that are magnified by looking at a bigger context. By reviewing an entire neighborhood, there are greater chances for positive synergies between different green elements. This synergy will also contribute to the longevity and sustainability of a neighborhood far into the future.

The criteria for LEED ND differs from the criteria for buildings. The criteria is separated into three categories: Smart Location and Linkage, Neighborhood Pattern and Design, and Green Infrastructure and Buildings.

For Golden Gate Village, while not completely the focus on the Aspinall project as a precedent is admirable. Extending this goal to LEED for Neighborhood Development strengthens that goal. The surrounding community has many of the desired attributes of LEED ND including an extensive mass transit system in Marin Transit and Golden Gate Transit. It is a compact, walkable community that is linked to the Community Services District, local schools and churches, George “Rocky” Graham Park, and the Marin Gateway Shopping Center. The sidewalks surrounding and connecting Golden Gate Village are tree-lined paths making the area a walker’s delight. Golden Gate Village is ideally positioned to score highly with LEED ND.

Deepest Green: The Living Building Challenge (LBC)

The Living Building Challenge was developed in 2006 by the International Living Future Institute. Although is appears as a rating system, it is much more than that. The Living Building Challenge is a philosophy and an advocacy tool that aims to create a better world, one that is socially just, culturally rich, and ecologically restorative. LBC goes beyond making buildings and neighborhoods “less bad” toward a visionary path that is regenerative, where buildings actually contribute to the ecological richness of our communities and our planet. It is the most advanced measure of sustainability in the built environment today.

The structure of the Living Building Challenge is simple. LBC identifies 7 “Petals” that describe a symbiotic relationship between buildings and the communities and people they serve. The Petals are: Place, Water, Energy, Health and Happiness, Materials, Equity, and Beauty and Spirit. Within each petal are “Imperatives” that further define specific goals. There are a total of 20 Imperatives. Sampling a few of the Imperatives gives a sense of the holistic nature of LBC.

Within the Equity Petal, there is an Imperative for involving “Just Organizations” in the project. Just Organizations are businesses that support a responsible, equitable living future. This would include fair employment practices, worker benefits, diversity of staff, giving back to the community, and stewardship.

The Material Petal has an Imperative for providing a one-time carbon offset from an approved carbon offset provider to account for the total embodied carbon impact from the construction on the project. In this sense, the project’s construction cycle becomes carbon neutral.

An Imperative for inspiration and education is in the Beauty and Spirit Petal. The goal is to share successful solutions and to motivate others to make change. The requirement is to have an educational website about the project and to hold an annual open day for the public every year.

Sustainable Energy

With both Scenario A and Scenario B, CVR proposes a deep green retrofit of the existing buildings. This would include renovating the exterior envelope of the existing buildings to include proper insulation and energy efficient windows and doors. Current heating and domestic hot water systems include a combination of gas and electric utilities and would also be replaced. Solar panels would be an excellent opportunity for Golden Gate Village.

The gas hot water heating systems could also be switched to a geothermal exchange system that uses deep wells to stabilize and raise the water temperature in the system, making it more efficient to heat.

The Community Work Group identified aspirations for more than just the buildings at Golden Gate Village. The inclusion of social equity and employment are just two examples not specifically related to the buildings. The precedent of the Aspinall project is a great start toward making an energy efficient building, one that provides its own energy. However, that “Deep Green” could go deeper and deepest by incorporating connections to the neighborhood through LEED ND, and more aspirational goals through the Living Building Challenge. The CVR Team believes strongly that these sustainability concepts apply equally to Scenario A and Scenario B.

A Walking History Lesson

For Both Scenario A and Scenario B, the Golden Gate Village property could be transformed into a “walking history lesson” by using site specific artwork and landscape design to educate the residents and the public about the meaningful historical contributions of the people and events who were responsible for its vaunted status. Funding for this approach to paying respect, and informing the public through educational outreach, could utilize sources such as the ArtPlace Community Development Grants and African-American Civil Rights Grants.

The impact of the former Marinship ship building enterprise on Golden Gate Village is formidable and could be a focal point of the landscape design. Site specific environmental graphics could be located throughout the site to capture the stories that surrounded this critical time in our nation’s history. There could be great synergy between all of the places on the site that honor and elevate history. With this, Golden Gate Village could become a destination for teaching about the important history and efforts that extended across the globe.

Appendix G: Updates to the Physical Needs Assessment

GOLDEN GATE VILLAGE HIGH RISE Cost Description	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	REPEATED COSTS
C3005 Hearing Impaired apartment improvements	$6,991																							
G3011 Replace water supply pipe, 2" PVC SDR 26	$59,660																							
G3011 Main Water Valve replacement	$77,682																							
G3011 Replace water meter, turbine, 4" flanged	$23,760																							
G3021A Replace sanitary sewer collection piping, 6" SDR 35	$65,460																							
G2012 Asphalt, Mill 1.5" / Resurface 2.0" - roadways	$60,064																				$60,064			$60,064
G2012 Concrete pavement replace	$261,853																							
G2013 Concrete curbs- replace	$132,577																							
G2022 Repair and Seal Coat asphalt	$38,043					$38,043					$38,043					$38,043					$38,043			$152,172
G2031 Remove & replace 4' wide concrete sidewalk											$34,802													
G3021A Storm Drainage Piping, corrugated metal pipe	$31,914																							
G3031 Trench Drain Cover Grilles and Plates	$149,352																							
G2052 Re-grading landscape and establishment of ground cover	$1,365																							
G2016 Property ID Sign, painted wood, install new	$31,073																				$31,073			$31,073
G4022 Replace alum. pole-mtd. double light 400 W HPS fixture, pole	$367,591																				$367,591			$367,591
B3011 Concrete tile roofing, replacement					$1,171,615																			
B2011 Paint exterior block walls, mid-rise structure			$372,947										$372,947										$372,947	$745,894
B2021 Windows,alum. sliding,double pane,thermal barrier,screen,5' x 5'						762870																		
B2031A Doors, glass, sliding, alum., tempered insulated glass, 6'0"x6'8"							$1,007,898																	
B2031A Replace 3'-0" wide steel, insulated core, painted door	$238,826																							
B3012 Elastomeric deck coating			$259,335							$259,335							$259,335							$518,670
G2014 Guard rail-metal-paint				$57,920										$57,920										
G2014 Guard rail-wood	$653																				$653			$653
C3011 Paint interior walls, CMU, including surface prep		$7,080							$7,080							$7,080							$7,080	$21,240
C3021A Paint interior concrete floors	$2,342								$2,342								$2,342							$4,684
C3024 Replace sheet vinyl		$2,001															$2,001							$2,001
C3024 Replace Vinyl tile			$11,842																		$11,842			$11,842
E1092 Trash Chute Door, replace	$32,368																							
E1099 Mailboxes	$13,886																							
D3021 Boiler, cast iron, gas/oil, 8100 to 9700 MBH																			$525,863					
D3021 Boiler, cast iron, gas/oil, 8100 to 9700 MBH											$788,795													
D3021 Boiler, cast iron, gas/oil, 8100 to 9700 MBH													$788,795											
D2021 Domestic water risers, replace	$135,944																							
D2021 Domestic Water Supply-Replace within apartment	$391,517																							
D2023 Boiler, gas-fired, water, 350 to 450 MBH																		$99,012						
D2023 Boiler, gas-fired, water, 350 to 450 MBH													$28,289											
D2031 Sanitary sewer risers & laterals, replace	$388,410																							
G3031 Butterfly valve with box-4"	$34,439																				$34,439			$34,439
D5020 Electrical Service and Branch Wiring, replace and upgrades	$543,774																							
C1021 Remove and replace interior hollow core wood door			$240,483																					
C1021 Closet sliding door replacement	$196,224															$196,224								$196,224
C3011 Paint and patch interior walls, drywall	$200,979							$200,979							$200,979							$200,979		$602,937
C3024 Vinyl plank flooring						$330,791																		
C3024 Replace sheet vinyl			$39,825															$39,825						$39,825
C3024 Vinyl plank flooring											$330,791													
C3031 Paint ceilings	$258,913																				$258,913			$258,913
E2013 Horizontal Blinds aluminum 1" slats	$80,179							$80,179							$80,179							$80,179		$240,537
E1094 Range																$51,659								
E1094 Refrigerator								$73,616															$73,616	$73,616
E1094 Refrigerator														$73,616										
E1094 Range											$51,659													
E2012 Residential kitchen countertop 10.5 ' w/new sink and disp.						$79,857															$79,857			$79,857
E2012 Residential kitchen cabinets wall and base																$19,264								
E2012 Residential kitchen cabinets wall and base	$621,267																							
E2012 Residential kitchen countertop 10.5 ' w/new sink and disp.	$257,539															$257,539								$257,539
D3044 Replace welded steel piping, 3"	$106,145																							
D2015 Replace bathtub (enameled steel) & faucets											$267,674													
D2015 Replace tile tub/shower surround						$27,026																		
D2015 Replace bathtub (enameled steel) & faucets																$158,919								
D2015 Replace tile tub/shower surround											$54,051													
E2012 Replace vanity cabinet, counter and sink			$87,901																				$87,901	$87,901
E2012 Replace vanity cabinet, counter and sink	$87,901																				$87,901			$87,901
D5012A Breaker panel 100 amps residential				$245,242																				
D5012A Breaker panel 100 amps residential	$312,126																							
D5021 Fluorescent fixture, replace		$195,846																				$195,846		$195,846
D3021 ECM - Replace Inefficient Heating Plant	$129,899																							
D3021 ECM - Install Outside Air Temp. Reset Controls For Hot Water Boilers	$8,977										$8,977										$8,977			$17,954
D3064 ECM - Install Timers On Exhaust Fans	$13,540															$13,540								$13,540
TOTAL REPEATED COSTS																								**4,102,913**
SUBTOTAL HIGH RISE	5,363,233	204,927	1,012,333	303,162	1,171,615	1,238,587	1,007,898	354,774	9,422	259,335	1,574,792	-	1,190,031	131,536	281,158	742,268	263,678	138,837	525,863	-	979,353	477,004	541,544	17,771,350

LESS TOTAL REPEATED COSTS	($4,102,913)
SUBTOTAL	13,668,437
ADD ESCALATION AT 2.5%/YR. FOR INFLATION OF 2015 COSTS	1,708,555
ADD ADDITIONAL ITEMS NOT IN PNA	9,212,162
ADD 14% FOR GC OHP	3,562,968
HIGH RISE TOTAL	**28,152,122**
HIGH RISE TOTAL PER UNIT FOR 168 UNITS	167,572

Information taken from Physical Needs Asessment Report from EMG dated 5/7/15

CVR update 11/7/17

GOLDEN GATE VILLAGE LOW RISE Cost Description	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	REPEATED COSTS
0001 Civil Engineer Drainage study	$7,121																							
C3005 Hearing Impaired apartment improvements	$6,991																							
G3011 Replace water meter, turbine, 4" flanged	$62,371																							
G3011 Replace water supply pipe, 2" PVC SDR 26	$489,397																							
G3011 Main Water Valve replacement	$203,915																							
G3021A Replace sanitary sewer collection piping, 6" SDR 35	$536,977																							
G2012 Asphalt, Mill 1.5" / Resurface 2.0" - roadways	$6,724																				$6,724			$6,724
G2013 Concrete curbs- replace	$20,715																							
G2022 Repair and Seal Coat asphalt			$36,300					$36,300					$36,300					$36,300					$36,300	$145,200
G2031 Remove & replace 4' wide concrete sidewalk											$23,201													
G3021A Storm Drainage Piping, corrugated metal pipe	$57,226																							
G2016 Property ID Sign, painted wood, install new	$81,566																				$81,566			$81,566
G2031 Concrete Basketball court, replace																$54,869								
G2041 Replace wood fence, 6' preservative treated wood	$29,144																				$29,144			$29,144
G2041 Scrape and paint metal fence	$453										$453										$453			$906
G2041 Remove and replace 4-foot chain link fence						$28,639																		
G2045 Replace Play Structure, Small																$19,421								
G2045 Replace Play Structure, Medium																$40,945								
G2047 Resurface asphalt tennis court	$8,726							$8,726							$8,726							$8,726		$26,178
G4022 Replace alum. pole-mtd. double light 400 W HPS fixture, pole	$551,387																				$551,387			
B3011 Asphalt shingles, removal and replacement with premium grade												$578,990												
B2011 Paint exist. wd. siding, one coat, spray w/med. prep and clean up								$76,459										$76,459						$76,459
B2011 Paint exterior block walls, mid-rise structure								$111,371										$111,371						$111,371
B2011 Wood siding replacement	$569,661																							
B2021 Windows,alum. sliding,double pane,thermal barrier,screen,5' x 5'	$1,008,701																							
B2031A Doors, glass, sliding, alum. tempered insul. glass, to 6'0"x6'8"								$71,506																
B2031A Replace 3'-0" wide steel, insulated core, painted door						$238,826																		
G2022 Replace damaged concrete	$76,066																							
C3011 Paint and patch interior walls, drywall			$4,066							$4,066							$4,066							$8,132
C3025 Replace carpet, standard commercial, medium traffic					$43,662								$43,662								$43,662			$87,324
D3041 Gas-fired furnace 80 MBH no AC																$3,848								
D2021 Domestic Water Supply-Replace within apartment	$307,621																							
D2021 Domestic water risers, replace	$135,944																							
D2031 Sanitary sewer risers & laterals, replace	$203,915																							
C1021 Remove and replace interior hollow core wood door			$369,487																					
C1021 Closet sliding door replacement	$196,621															$196,621								$196,621
C3011 Paint and patch interior walls, drywall	$157,912							$157,912							$157,912							$157,912		$473,736
C3024 Replace sheet vinyl															$133									
C3024 Vinyl plank flooring	$798,389																				$798,389			$798,389
C3031 Paint ceilings	$203,431																				$203,431			$203,431
E2013 1-inch mini blinds at windows		$77,119										$77,119										$77,119		$154,238
E1094 Range																$27,059								
E1094 Refrigerator											$38,561													
E1094 Refrigerator						$38,561															$38,561			
E1094 Range											$27,059													
E1094 Range						$27,059																		
E1094 Refrigerator	$38,561															$38,561								$38,561
E2012 Residential kitchen cabinets wall and base																$21,191								
E2012 Residential kitchen countertop 10.5 ' w/new sink and disp.											$87,843													
E2012 Residential kitchen countertop 10.5 ' w/new sink and disp.						$87,843															$87,843			
E2012 Residential kitchen countertop 10.5 ' w/new sink and disp.	$87,843															$87,843								$87,843
E2012 Residential kitchen cabinets wall and base						$21,191																		
E2012 Residential kitchen cabinets wall and base	$21,191																							
D3041 Gas-fired furnace 50 to 70 MBH no AC								$87,387																
D3041 Gas-fired furnace 50 to 70 MBH no AC	$87,387																							
D3041 Gas-fired furnace 50 to 70 MBH no AC																$87,387								
D2015 Replace bathtub (enameled steel) & faucets																$210,315								
D2015 Replace bathtub (enameled steel) & faucets						$210,315																		
D2015 Replace tile tub/shower surround											$56,397													
D2015 Replace tile tub/shower surround			$56,397																					
D2023 30 to 40 gallon gas water heater											$75,766												$75,766	
D2023 30 to 40 gallon gas water heater			$75,766												$75,766									
D2023 30 to 40 gallon gas water heater							$75,766												$75,766					
E2012 Replace vanity cabinet, counter and sink			$69,065																				$69,065	
E2012 Replace vanity cabinet, counter and sink											$69,065													
D5012A Breaker panel 100 amps residential	$248,318																							
D5021 Fluorescent fixture, replace		$184,654																				$184,654		$184,654
D2023 ECM - Insulate Hot Water Pipes	$10,639															$10,639								$10,639
D3041 ECM - Insulate Air Ducts	$17,945															$17,945								$17,945
D3041 ECM - Replace Inefficient Furnace System	$3,054																				$3,054			$3,054
D3064 ECM - Install Timers On Exhaust Fans	$10,639															$10,639								$10,639
TOTAL REPEATED COSTS																								**2,752,754**
SUBTOTAL LOW RISE	6,246,551	261,773	611,081	-	43,662	652,434	75,766	549,661	-	4,066	378,345	656,109	79,962	-	242,537	827,283	4,066	224,130	75,766	-	1,844,214	428,411	181,131	13,386,948

Information taken from Physical Needs Asessment Report from EMG dated 5/7/15
CVR update 11/7/17

LESS TOTAL REPEATED COSTS	$2,752,754
SUBTOTAL	$10,634,194
ADD ESCALATION AT 2.5%/YR. FOR INFLATION OF 2015 COSTS	1,329,274
ADD ADDITIONAL ITEMS NOT IN PNA	7,137,838
ADD 14% FOR GC OHP	2,767,779
LOW RISE TOTAL	**21,869,085**
LOW RISE PER UNIT COST FOR 128 UNITS	170,852

HIGH RISE TOTAL	**28,152,122**
LOW RISE TOTAL	**21,869,085**
TOTAL	**50,021,208**

Appendix H: Glossary of Source and Use Terms

Uses of Funds Glossary

Land and Building Acquisition: Cost to purchase the land and any existing buildings on that land, typically estimated using the Current NOI and then applying a capitalization rate.

Net operating income (NOI): Rental income remaining after payment of operating costs and vacancy losses. The net operating income is based on the monthly rent expected for each apartment size (one-, two- or three-bedroom) multiplied by the total number of units multiplied by 12 for the 12 months of the year the property receives rental income.

Capitalization rate: Measures the rate of return on total capital invested (i.e., the estimated rate of return on a property at the time of purchase or initial stabilized year). Dividing projected annual income by the capitalization rate produces a present-day asset value.

Demolition: Cost to demolish the property.

Construction: Costs to build the property, including building permit fees, materials, labor, site preparation, infrastructure, and landscaping.

Contingency: Construction Contingency line.

Fees: Costs for Interior design, architect and engineering fees.

Legal: Cost for legal counsel.

Construction Financing: Costs that occur during construction related to interest and fees on the construction loan, insurance during construction and other holding costs.

Permanent Financing: Fees and expenses related to the mortgage loan and when applicable, fees related to the Low Income Housing Tax Credit.

Relocation: Costs for any necessary temporary relocation.

Other Soft Costs: Costs for title and survey, market study, appraisal & other third party required reports.

Developer Fee: Cost to pay the developer for staff time and labor to complete the property, including profit for the risk taken and resources expended.

Reserves: Costs for operating reserve deficits & replacement reserves.

Total: All the expenses necessary to develop a multifamily property. This would be acquisition costs, construction costs, design fees, interim costs, permanent financing fees, operating and debt service reserves, developer fees, and project management fees.

Sources of Funds Glossary

<u>LIHTC Equity:</u> A federal program to subsidize creation and preservation of affordable rental housing.

<u>Conventional Loan:</u> Borrowing funds from a financial institution to finance a multifamily housing development. The borrower must repay the loan by a certain date, typically 30 years in the future. The borrower must also pay interest on the loan to compensate the lender. Mortgage debt typically amortizes over time, so the regular payments include both interest and principal.

<u>Deferred Developer Fee:</u> The portion of the agreed-upon developer fee that the developer is not paid as a development expense and instead remains as a loan in the rental property. The deferred developer fee may be recovered from the developer's share of operating cash flow. Once the property is complete, the developer will receive a fraction of the cash flow over time. So, after the property pays its obligations, from the remaining funds, a portion would go to the developer.

<u>MHA Seller Note:</u> Value of the land and acquisition, reinvested into the project.

Appendix I: Meeting Materials

The Housing Authority of the County of Marin
Summary Notes of Resident and Stakeholder Meetings

SITE VISIT SUMMARY

- The CVR Team consists of: Co-CEO Fradique Rocha, CVR Vice-President, Jennifer Humes CVR Associate, Zack Elliott; RDC Principal, Dan Rothschild and RDC Associate, Kevin Kunak.
- The CVR Team was in Marin County from June 4 through June 7, 2017 to participate in multiple meetings with The Housing Authority of the County of Marin (MHA) to discuss critical items related to the Golden Gate Village Revitalization feasibility analysis.
- This report includes general summary of items covered.

MEETINGS WITH CVR Team

Date/Meeting	Participants	Summary of Discussions
Monday, June 5, 2017 ***(3 meetings):*** **1. Meeting: Resident Council**	MHA and Resident Council	● Introductions and scope of work for CVR team ● Fiscal challenges per HUD funding & Public housing ● Schedule of CVR completion of analysis – Aug/Sept 2017 ● Guided principals of revitalization of GGV ● Transparency and community engagement process ● Residents plan mentioned, specific details not discussed

2. Meeting: Public Community Resident	Open to the public, MHA, RDJ, GGV residents and stakeholders	• Introductions; Resident Listening Session • CVR team scope of work; Not developers; just hired to do analysis to clarify options; • Transparency and trust between MHA, CVR team and residents; • Residents spoke of concerns for losing their units; racial history • Concerns for displacement; economic development & sustainability • Issue of flooding of parking lots; units do not currently have flooding; maintenance status of units • Preservation of architectural history; respect for original design • Economic reflection, Social reflection and Resident wishes
Date/Meeting	**Participants**	**Summary of Discussions**
<u>Tuesday, June 6, 2017</u> ***<u>(3 meetings):</u>*** **1. Meeting: Board meeting**	Public meeting, MHA Board members, MHA Staff	• Introductions and CVR team scope of work and process • Timeframe of CVR analysis • Expectations of revitalization of GGV
2. Meeting: Non-profits	MHA, RDJ, WHAP, Legal Aid of Marin, NESTS, Historic Preservation Architect, Bridge the Gap, First Baptist Church.	• Introductions; CVR team scope of work • Impact to residents; history of segregation; long term fair housing issues; discrimination history • 16 million dollars deferred maintenance at GGV • Mixed income discussions; definitions and clarifications • VCA status • Church programs; partnerships with community; • Keeping residents from leaving Marin County because of high costs; Most members come back into community for church but cannot afford to live in county • Mental health programs • School programs- 55% GGV, 45% Marin county students; Diverse school student body;

3. Meeting: Public Agencies	MHA, RDJ, MCSCO, Marin HHS, County of Marin, Willow Creek Charter School, Marin City Library	• Introductions; CVR Team scope of work and process; • Revitalization of GGV • Mixed income discussions; options; definitions and clarifications • Improving the quality of life for residents; • Challenges – transit option; criminal activities; • Focus on design to make it safer;
<u>Wednesday, June 7, 2017</u> ***<u>(3 meetings):</u>*** **1. Meeting: Marin Community Foundation**	MHA, RDJ, Marin Community Foundation	• Introductions; CVR Team scope of work and process; • Update on previous stakeholder and resident meeting; • Strategy of historic preservation application by Resident council • Previous community group meetings funded by MCF • PRI - Program related investments – not a practice of MCF
2. Meeting: Community Development Agency	MHA, RDJ, Community Development Agency	• Introductions; CVR Team scope of work; • Redevelopment strategy for Marin County; • Challenges of inferior school system • Two Marin Cities; GGV and everything else • Resident concerns; fear of displacement; Options and clarification of mixed income, mixed use, historic preservation
3. Meeting: Planning Department	MHA, RDJ, Planning Department	• Introductions; CVR scope of work; • Update on earlier stakeholder and community meetings • Revitalization of GGV options and feasibility analysis • Redevelopment of Marin County • Marin Master planning; Zoning • GGV isolation from rest of the County; • HUD local zoning; Density requirements • Marin County Community plans; • Marin County Affordable housing compared to other counties

I WISH GOLDEN GATE VILLAGE...

"...becomes a model community of diversity, economic stability, and serves the community well into the future."

"...will be beautiful, affordable, proud, respected, renewed, autonomous, sustainable, inspirational, a model for public housing."

"...blossom so their residents would flourish for generations."

"...would provide unity in Marin City."

"...would convert into a Community Land Trust. The Board would be made up from the Community and the property would be maintained by the Community. Permanent affordability. Revenues would be cycled back into the trust. The big picture is equity."

"...that we could get an allocation of funds to handle our business and be left alone."

"...to be renovated, remodeled, and have home ownership."

"...stands in the consciousness of empowerment, self determination, and love."

"...had financial literacy with economic avenues to greater access for social and job readiness."

"...had a flea market for residents of Golden Gate Village."

Wishes taken from CVR Collaborative Listening Session on June 5, 2017.

Golden Gate Village

Revitalization Feasibility Analysis

Date | *time* 7/17/2017 6:00 PM| *Location* 640 Drake Ave., Marin City, CA 95965

Community Listening Session #2

I. **Welcome and Introductions**

- Recap of Community Process to Date and June 5, 2017 Listening Session #2/ESP/Wish Poem

II. **Physical Needs**

III. **Economic**

- **Option 1- Historical Preservation and Rehabilitation**
    - Analysis of Sources
- **Option 2- Mixed Income**
    - Analysis of Sources

IV. **Social**

- A Portrait of Marin

V. **Next Steps**

The Housing Authority of the County of Marin

SITE VISIT SUMMARY July 17 through July 19, 2017

The CVR Team consists of: Co-CEO Fradique Rocha, CVR Vice-President, Jennifer Humes CVR Associate, Zack Elliott; RDC Principal, Dan Rothschild and RDC Associate, Kevin Kunak, and CSG Vice President Tanya Dempsey. The CVR Team was in Marin County from to participate in multiple meetings with The Housing Authority of the County of Marin (MHA) to discuss critical items related to the Golden Gate Village Revitalization feasibility analysis. This report includes general summary of items covered.

MEETINGS WITH CVR Team

Date/Meeting	Participants	Summary of Discussions
<u>Monday, July 17, 2017</u> ***<u>(5 meetings):</u>*** **1. Meeting: MHA, RDJ, CVR**	CVR, MHA, RDJ	• Preliminary update meeting to finalize strategy for upcoming meetings; • Clarification of presentation of financial scenarios, benefits and restrictions
2. Meeting: CDA	MHA; RDJ, CDA	• Clarification of both financial scenarios; benefits and restrictions; • Discussed financial analysis focus of upcoming community meeting; • Clarification and actual costs of redevelopment based on GPNA; 63 million for entire project • Relocation of resident issue and how it is handled within both financial scenarios – temp on site vs. temp off site. • Density zoning and state bonus law allowance
3. Meeting: Redevelopment Subcommittee	MHA; RDJ; Redevelopment Committee members	• Financial analysis focus on both financial scenarios; benefits and restrictions to residents; • Clarification and actual costs of redevelopment based on GPNA; 63 million for entire project • Change of ownership and partnership with MHA in redevelopment • Clarification of RAD, PBVs and tax credits financial programs • Financial scenarios – gaps in funding and options to resolve

CVR

Date/Meeting	Participants	Summary of Discussions
4. Resident Council	MHA, RDJ; Resident Council members	• Review presentation for upcoming community meeting • Clarification of actual costs of redevelopment based on GPNA – 63 million for entire project • Research, analysis and findings on Resident Council funding sources provided • Reviewed both financial scenarios and funding options • Clarification of RAD,PBVs and tax credit programs • MHA federal funding received and restrictions for leveraging debt
5. Community Meeting	Open to the Public, GGV residents and stakeholders	• Recap of previous community listening session • PowerPoint presentation of financial analysis • Review of financial and funding scenarios • Clarification of actual costs of redevelopment based on GPNA – 63 million for entire project • Clarification of federal funding programs – RAD, PBVs, tax credits • Review of resident relocation – temp on site vs. temp offsite • Explanation of both redevelopment financial scenarios; mixed income and historic rehab • Question and answer of resident concerns. • Explanation of challenge to historic preservation application process; MHA not against application filed by Resident council
<u>**Tuesday, July 18, 2017**</u> ***<u>(4 meetings):</u>*** **1. Meeting: Public Agencies**	MHA, RDJ, , Marin City Library, Bayside MLK/SMCSD, Marin County Fire Department, Marin County Sheriff's Office, Marin City CSD	• Update on community meeting; • Review of presentation given; feedback from resident comments • Clarification of how property value was determined. Property is deed restricted and value is calculated on cash flow received from rents received – not based on comps of surrounding unrestricted land values. • Clarification of federal funding programs – RAD, PBVs, tax credits • Clarification of financing scenario options – benefits and restrictions • Clarification of MHA current federal funding received and restrictions of Public housing unit program – MHA cannot leverage any debt under current program restrictions
2. Meeting: Non-profits	MHA, RDJ, WHAP, FHANC, Legal Aid of Marin, Bridge the Gap, Fair Housing of Northern California, Legal Aid of Marin, Marin City Clinic, Marin City Family Resource Center, Women Helping All People, and GGV residents	• Update on community meeting; review of presentation given • Feedback from resident comments; attendees at meeting; clarification of graphs used in PowerPoint • Clarification of how property value was determined; • Explanation of both redevelopment financial scenarios; mixed income and historic rehab • Concerns of resident displacement; clarification that all 292 public housing units will remain • Clarification of actual costs of redevelopment - 63 Million based on GPNA

Date/Meeting	Participants	Summary of Discussions
3. Meeting: Marin Community Foundation	MHA, RDJ, Marin Community Foundation	• Review of presentation given at previous community meeting • Update on previous stakeholder meetings; • Review of challenge to historic preservation application process; MHA not against application by Resident council • Previous community group meetings funded by MCF • PRI - Program related investments – confirmation not a practice of MCF – request written letter from MCF confirming PRI not available funding source for GGV. • Clarification of how property value was determined; • Clarification of federal funding programs – RAD, PBVs, tax credits • Clarification of actual costs of redevelopment based on GPNA – 63 million for entire project
4. Meeting: Resident Council	MHA, Resident Council members	• Update on community meeting and previous stakeholder meetings • Feedback on community meeting presentation details, graphs, details and communication • Clarification of how property value was determined. Property is deed restricted and value is calculated on cash flow received from rents received – not based on comps of surrounding unrestricted land values. • Resident fears, concerns and hopes of maintaining community • Clarification that all 292 PH units will remain and no difference between rehabbed units regardless of income restrictions • Residents want rehab to update units without displacement • Feedback on next meeting and clearer messages to resident; • Possible Saturday meeting for better attendance suggested • Clarification of benefits and restrictions for both scenario options of redevelopment • Update on CDC shopping center; daycare, mental health clinic

Golden Gate Village

Revitalization Feasibility Analysis

Date | *time* 9/16/2017, 2:00 PM- 5:00 PM| *Location* 640 Drake Ave., Sausalito, CA 95965

Community Meeting Agenda

I. **Meeting Overview**, *Anne Griffith, RDJ*

II. **Historic Preservation Update,** *Thor Kaslofsky, RDJ*

III. **Clarification of Previously Discussed Information,** *Fradique Rocha, Jennifer Humes, Zack Elliott, CVR Associates and Tanya Dempsey, CSG Advisors*

IV. **Community Goals**

-Green/Sustainability Goals, *Daniel Rothschild, Rothschild Doyno Collaborative and Thor Kaslofsky, RDJ*

-Manufacturing Hub, *Jennifer Humes and Zack Elliott, CVR Associates*

-Land Trust, *Anne Griffith and Thor Kaslofsky, RDJ*

V. **Wrap Up,** *Anne Griffith, RDJ*

VI. **Next Steps,** *Fradique Rocha and Zack Elliott, CVR Associates*

The Housing Authority of the County of Marin
General Items Covered During September 2017 GGV Stakeholder Meetings

SITE VISIT SUMMARY

The CVR Team consists of: Co-CEO Fradique Rocha, CVR Vice-President, Jennifer Humes, CVR Senior Associate, Zack Elliott; RDC Principal, Dan Rothschild and CSG Vice President, Tanya Dempsey. The CVR Team was in Marin County from September 14 through September 16, 2017 to participate in multiple meetings with The Housing Authority of the County of Marin (MHA) to discuss critical items related to the Golden Gate Village Revitalization feasibility analysis. This report includes general summary of items covered.

MEETINGS WITH CVR Team

Date/Meeting	Participants	Summary of Discussions
Thursday, September 14, 2017 **Meeting: CVR Team**	CVR Team	• On-site Internal CVR team meeting to finalize presentation and strategy for the upcoming MHA meetings on 9/ 15 and 9/16.
Friday, September 15, 2017 ***(5 meetings):*** **1. Meeting: Redevelopment Subcommittee**	MHA, RDJ; Redevelopment Subcommittee members	• Preliminary update meeting to discuss finalized strategy for upcoming meetings during 9/15 - 9/16; • Overview of presentation and agenda for 3rd community mtg on 9/16; • Goals and strategy of community meeting; • Clarified manufacturing HUB; RAD program; Land Trusts; • On-site relocation option through new construction; • Clarified Board members attendance at 3rd community mtg on 9/16; • Discussed formal presentation of final analysis report and confirmed location to be Civic center; Date of this presentation is pending – anticipated in 11/2017
2. Meeting: MHA, CVR, RDJ	MHA, RDJ	• Preliminary update meeting • Reviewed final updated presentation, agenda and strategy for upcoming 3rd Community mtg on 9/16. • Historic preservation designation and options available within restrictions; approx. date: Sept 28th for final decision/approval expected.

Date/Meeting	Participants	Summary of Discussions
3. Meeting: Non-profits	MHA, RDJ, WHAP, FHANC, Legal Aid of Marin, Preforming Stars; GGVRC; Marin City Clinic; **Note: Additional organizations that were represented to be inserted**	• Brief overview of upcoming presentation at 3rd Community mtg; • Clarification of main goals and highlights of presentation; • Resident's plan called: GGV Deep Green Renovation & Revitalization: Preservation of People in Place • Described Four sections of Resident plan- Sustainability/Green; Manufacturing HUB; Land Trust; Historic Preservation • Resident council discussed that GSA has reviewed and critiqued the resident plan; • Historic Preservation designation and incorporating it into the feasibility analysis; • Sequa impact and how environmental review is not part of it; • Deep Green; Carbon Footprint; next levels; examples of future direction of Deep Green; • Resident council discussion on meeting held with Congressman Huffman re: GGV as a "special designation project" to make funds available; • Relocation concerns of residents; history of options of temp on-site relocation into vacant units; • Manufacturing Hub discussion – working with local partnerships with MHA, tech companies, non-profits to develop job training; • Resident Council discussed office of Innovation; social Impact bonds; & PRI.
4. Meeting: MHA, CVR, RDJ	MHA,RDJ,	• Follow up internal meeting • Feedback and interpretations from previous non-profit meeting; • Changes to the presentation, agenda and strategy for upcoming 3rd Community mtg on 9/16. • Preliminary discussions and preparations for meeting with public agencies.
5. Meeting: Public Agencies	MHA, RDJ, , Marin City Library, Bayside MLK/SMCSD, Marin County Fire Department, Marin County Sheriff's Office, Marin City CSD **Note: Additional Organizations represented to be Inserted**	• Brief overview of upcoming presentation at 3rd Community mtg; • Explained Main goals and highlights of presentation; • Discussed social side of GGV revitalization; • Clarification of mixed-finance development deals; • Historic Preservation designation and potential impact on redevelopment process of GGV • Discussed local organizations and partnerships that already offer programs in Marin City and County; • Marin City Landscape: (10/28 – 10-3) Program to focus on Housing, Economic Equity and Education; • Last meeting details and logistics to present final feasibility analysis report; • Discussed education, jobs, economics issues– Bigger than GGV; • MLK school to roll out 60 organization partnerships for programs in Marin • Health & Services 5 year plan that will help focus on specific needs and what other resources available

CVR

Date/Meeting	Participants	Summary of Discussions
<u>Saturday, September 16, 2017</u> ***<u>(3 meetings):</u>*** **1. Residence Council Meeting**	MHA, RDJ, Resident Council members	• Reviewed Final Agenda for upcoming community mtg; • Clarified Goals and topics to be covered; • PowerPoint presentation updates; • Panel format change to upcoming meeting; Discussed participants and roles
2. Meeting: 3rd GGV Community Meeting	Open to the Public, GGV residents and stakeholders	Agenda covered: • Meeting Overview • Historic Preservation Update • Community Goals • Green/Sustainability Goals • Manufacturing HUB • Community Land Trusts • Clarifications from previous discussions; Questions and Answers; • Next Steps
<u>Saturday, September 16, 2017</u> **Meeting: MHA, CVR, RDJ**	MHA, RDJ	• Internal de-briefing mtg of all meetings during 9/15-9/16. • Clarification on MHA's direction of moving forward • Next steps to finalizing feasibility analysis report