



**COUNTY OF MENDOCINO**  
**DEPARTMENT OF PLANNING AND BUILDING SERVICES**  
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## **MEMORANDUM**

**DATE:** NOVEMBER 16, 2021

**TO:** HONORABLE BOARD OF SUPERVISORS

**FROM:** DEPARTMENT OF PLANNING AND BUILDING SERVICES

**SUBJECT:** GRANT APPLICATIONS RELATED TO 20-DRMHP-00006, DISASTER RECOVERY MULTI-FAMILY HOUSING PROGRAM

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In October 2021, Planning and Building Services took over the management of Disaster Recovery Grant Number 20-DRMHP-00006, which was awarded to the County in response to the 2017 Redwood Complex Fire incident. This grant has been allocated by HCD for unmet housing needs from the destruction that resulted in the FEMA declared disasters, which displaced numerous individuals throughout the County. Below is a brief summary of each application submitted to the County and the technical scoring and evaluation criteria, which awards points to set a ranking for the projects. The full document is available upon request, but is too large to upload as an attachment to this memo.

### **1. Burbank Housing Development corporation- North Orchard Apartments**

Burbank Housing is proposing a 55 unit Multi-family housing project at 675 N. Orchard Avenue, directly north of Kohl's. The site is within the City Limits of Ukiah and the applicant has provided zoning and Design Development clearance from the City for the housing project. The Proposed unit totals are 6 1-bedroom, 30 2-bedroom (plus 1 manager's unit), and 18 3-bedroom units with a total of 118 parking spaces. All units would be rented at 30-60% Area Median Income (AMI) and maintain affordability for a minimum of 20 years. Burbank Housing has requested \$6,443,278 in grant funding from this DRMHP award.

### **2. The Danco Group- Acorn Valley Plaza**

The Danco Group is proposing a 71 unit Multi-family and mixed used housing project in the City Limits on East Gobbi Street, zoning clearance letters have been provided by the City. The site is directly in front of an existing affordable development named, Summer Creek Village. The proposed unit totals are 17-studio apt., 17 1-bedroom, 19 2-bedroom (plus a 2 bedroom manager's unit), and 18 3-bedroom, plus 3 small commercial retail spaces fronting Gobbi Street. The proposal includes reviving an existing community building and other amenities on site, including 91 additional parking spaces. All rents are set between 30-80% AMI for no less than 20 years. The Danco Group has requested \$6,443,278 in grant funding from this DRMHP award.

### **3. Rural Communities Housing Development Corporation (RCHDC)- Marigold Villas**

RCHDC is proposing a 32 units of Senior housing on the parcel adjacent to the nearly completed Orr Creek Commons project and located at the intersection Brush Street and Orchard Avenue in Ukiah. The parcel is currently being created through a minor subdivision, and is zoned R3, within the County's jurisdiction for permits. The proposed unit totals are 25 1-bedroom, 6 2-bedroom and 1 3-bedroom managers unit; all units except for the manager's, would maintain affordability at 30-60% of AMI for a minimum of 20 years. RCHDC has requested \$2,864,076 in grant funding from this DRMHP award.

Underwriting Criteria	Burbank Group North Orchard Apartments	Danco Group Acorn Valley Plaza	RCHDC Marigold Villas
<b>A) The total DR-MHP funding requested in the development application less than 40% of total development cost.</b>	Requested Amount: \$6,443,278 Total Project Cost: \$42,055,377 Yes: 15.3% of Project Cost	Requested Amount: \$6,443,278 Total Project Cost: \$33,514,439 Yes: 19.2% of Project Cost	Requested Amount: \$2,864,076 Total Project Cost: \$15,365,410 Yes: 18.6% of Project Cost
<b>B) All Funding sources identified and completed.</b>	Identified: Yes Committed: Yes	Identified: Yes Committed: Yes	Identified: Yes Committed: No
<b>C) Does funding request meet financial gap requirements?</b>	Yes	Yes	Yes
<b>D) Are project developer fees allowable within the California Tax Credit allocation parameters of 9% or 4% for tax credit project?</b>	Yes	Yes	Yes
<b>E) Proforma indicates debt service capacity after first 18 months of project completion for years 2 through 20 at 1.15 or better.</b>	Year 1: 1.50 Year 20: 1.18	Year 1: 1.15 Year 20: 1.20	Cannot be determined
<b>F) Does the proforma reflect a minimum of 0.6% replacement costs of the structure and operating resources equaling 4 months of operation and debt service?</b>	Yes	Yes	Yes
<b>G) Does the proforma show a projected positive cash flow during the 20-year period?</b>	Yes	Yes	Yes
<b>H) Other funding source reviews done or to be done?</b>	Done: Citibank To be done: HCD/Serna funding, HCD MHP funding, State & Federal tax credits	Done: Pacific Western Bank To be done: City residential loan, State & Federal tax credits	Done: City loan only Other sources unconfirmed
<b>I) What is the level of applicant's experience with successfully completing and operating similar projects?</b>	Very Good	Very Good	Good
<b>J) Are the project fees reasonable?</b>	Yes % Of Cost: 7.0%-7.5%	Yes % Of Cost: 7.1%-7.5%	Yes % Of Cost: 7.0%-7.5%

**SUMMARY:**

<b>Summary Scoring</b>	<b>Burbank Group North Orchard Apartments</b>	<b>Danco Group Acorn Valley Plaza</b>	<b>RCHDC Marigold Villas</b>
<b>Commitment of Other Funding 15 Points Maximum</b>	<b>15</b>	<b>15</b>	<b>7</b>
<b>Experience 20 Point Maximum</b>	<b>20</b>	<b>20</b>	<b>20</b>
<b>Permit Readiness 15 Points Maximum</b>	<b>13</b>	<b>13</b>	<b>8</b>
<b>Vulnerable Populations 20 Points Maximum</b>	<b>14</b>	<b>15</b>	<b>20</b>
<b>Financial Stability 15 Points Maximum</b>	<b>15</b> Assets: \$531,240,637	<b>13</b> Assets: Danco \$5,997,512 Johnson & Johnson (4,360,688) Community Revitalization \$17,665,103	<b>15</b> Assets: \$8,842,601
<b>Affordability Period (Minimum 20 years) 15 Points Maximum</b>	<b>15</b>	<b>15</b>	<b>15</b>
<b>Total Points</b>	<b>92</b>	<b>91</b>	<b>85</b>