Public/Private Partnerships To Create Affordable Housing

The Hopland Road Yard Case Study (County Surplus Land)
High Land Cost Makes Affordable Housing Difficult to Produce
How Does A Public/Private Partnership Work?

The public jurisdiction offers something as a commitment of support. Typical things include:

1) Available land as a donation at a below market price. OR:

2) A below market lease of County owned land for an extended timeframe (say 99 years).
Private Partner Role:

1) Private partner assumes liability for construction, management of project, securing funding, etc.

2) Private partner can also manage the occupancy phase. CDC, RCHDC or other development partner would be used for this phase.
County Surplus Land: The Hopland Road Yard

- It was a D.O.T staging site for road operations.
- D.O.T no longer uses it because operation noise was offensive to the neighbors.
- Its value can provide the match to make an affordable housing project feasible.
Site Characteristics

It is a 1.2 acre surplus property currently owned by the county.
It has just been rezoned to Multi-family Residential (R3), up to 30+ dwelling units possible.
A new Multi-family structure has recently been completed on the adjacent lot, so a project on this site will match the land usage.
It is located in an area identified as an area with many farms, but few workers living near-by.
Possible Programmatic and Design Elements

Rental apartments affordable to a mix of incomes:

a) Long-term deed restricted rents.
b) Tiered rents ranging from 30%-60% of County AMI.
c) A percent to be determined will be set aside for farmworkers.
Financing Program

Funding under 9% or 4% tax credit program combine with either USDA’s 538 program or with State Joe Serna Farm Labor program (or both).

County of Mendocino soft financing match/leverage:

a) Below market rate purchase or lease.
b) Redevelopment funds could be used.
c) Impact fees can be waived.
Public/Private Partnership Terms

A development agreement would be prepared with a proposed distribution of responsibility as follows:

**Private Developer**
- Project management
- Securing equity/debt financing
- Provide guarantees/liability associated with development financing
- Post-occupancy property management services

**County of Mendocino**
- Commitment of match to leverage financing
- Expediting entitlement
- Mapping of site
- See detailed proposal
Rough Timetable:

- County/Developer enter into Development Agreement: 3-6 months
- Roadyard land conveyance: 3-6 months
- Land Use entitlements, map, etc.: 9 months
- Plan Check and approvals: 3-6 months
- Construction – start to finish: 2010