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Published November 9th, 2011

Eden Senior Housing Project Dominates Council Meeting

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Eden Housing, the non-profit chosen by the City of Orinda to develop affordable senior housing for the community, was the focus of the Orinda City Council's most recent meeting.

Eden's Senior Project Developer, Woody Karp, briefed Council members in advance of their upcoming review of Eden's request to extend its Exclusive Right to Negotiate Agreement (ERNA) with the City. Comments were also presented by two Orinda residents who spoke against the project and one urging Council members to proceed. Last summer, Orinda's Planning Commission approved entitlements for Eden to use land from Orinda's former library to create a 67-unit affordable housing development. Sixty-six units in the four-story building would be one-bedroom rentals; one would be a two-bedroom manager's unit. Rents are projected to be affordable for residents earning between 30 to 50 percent of the area's median income. The project would also include a garage with 37 parking stalls and a surface lot with seven guest spaces. The Orinda Community Church gave conditional approval to Eden to use part of its property for an additional 10-space community parking lot.

To date, Eden Housing has obtained \$2.6 million in commitments via federal Community Development Block Grants (CDBG) and the HOME Investments Partnerships Program (HOME).

The City, according to the staff report presented to the Council on November 1, will fulfill its part of the project's development, disposition and loan agreement (DDLA) by "making the project site available to the developer at no cost and through a grant to make up the difference between the value of the site (most recently appraised at \$2.3 million) and the \$2.5 million payment" it received from the developers of the Wilder project.

Council members discussed with staff the circumstances of this \$2.5 million payment, and clarified for the record that the contribution was made by Wilder's developers as part of the development agreement for its Gateway Valley project. The funding can only be used by the City for the development of affordable senior housing on the library site.

The City Council created a senior housing overlay district in December 2010, comprised of Orinda Senior Village and the old library site. Land use designation and zoning of the library site was changed from Public Semi-Public and Utility to Medium Density Multi-Family via amendments to the General Plan Land Use and Zoning maps. Senior housing development standards addressing the unique housing needs of seniors were also defined.

In spite of its successes to date, however, Karp advised Council members that Eden will be unable to fulfill its requirements under the DDLA before expiration of the ERNA authorized by the City in December 2009 for a two-year term.

Eden needs more funding; therefore, Karp offered two financing options to the Council. Option 1 would combine Section 8 vouchers with California's nine percent tax credit program. Rental revenues collected via the Section 8 vouchers, said Karp, would service a second mortgage on the project.

Eden believes this option can succeed, despite frequent oversubscriptions to California's nine percent tax credit program, because Eden is applying for funding next spring when there will likely be less competition for the credits. With Option 2, HUD would finance supportive housing development for the elderly by combining four percent tax credits with interest-free capital advances that would not need to be repaid as long as the program continues to serve very low-income elderly for 40 years.

Negotiations will continue on financing and the DDLA. The Council will consider extending Eden's ERNA at a future meeting.

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