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Eden Clears Last Significant Funding Hurdle Orinda is one step closer to new, affordable senior housing

Laurie Snyder

Eden Housing, Inc. received a big boost for its efforts to bring affordable senior housing to the City of Orinda with an award by the California Tax Credit Allocation Committee (TCAC) of \$2,972,684 in State Low-Income Housing Tax Credits. TCAC, which is chaired by State Treasurer Bill Lockyer, met July 11 to consider applications for the credits from Eden and other affordable housing developers. The Orinda initiative is also expected to receive roughly \$750,000 of federal funding annually for a period of 10 years.

"The Orinda Senior Apartments will provide 67 much-needed housing units for an expanding senior population, many of whom often lack the financial resources to meet basic needs," said Joe DeAnda, Press Secretary for Lockyer.

"Located near public transportation, a grocery store, a pharmacy, a park, and a public library, this project will allow residents to lead meaningful, active lifestyles and provide them with safe, secure and affordable housing in the community."

The State is willing to forego tax revenue in this and similar cases, explained DeAnda, since programs such as Eden's provide a public benefit to the community that might not otherwise be created. Once awarded these types of tax credits, developers will generally then sell the credits through a secondary market to organizations needing to offset their own tax liabilities. The revenues generated by those sales are subsequently utilized by the developers to finance housing programs.

In Orinda's case, the new affordable apartments will be built on the site of the former library at 2 Irwin Way.

"We are simply thrilled to secure tax credits on the first try for this development. The credit program is very competitive," said Eden's Executive Director Linda Mandolini. Citing the City of Orinda's "vision to designate this parcel for affordable housing," she also thanked Contra Costa County officials who "were able to commit federal funds to the project that allow us to make the apartments more affordable."

According to TCAC's July 11 Project Staff Report, 45 of the 67 units are projected to be rented to seniors at 50 percent of adjusted median income (AMI). Another 14 would be offered to those with AMIs of 40 percent with the remaining seven occupied by seniors at 30 percent AMI. Monthly rents at this early planning phase are currently projected at \$876, \$701 and \$526, respectively. A manager's unit will be housed in the only two-bedroom unit planned for the facility.

Woody Karp, Senior Project Developer at Eden Housing, said the nonprofit organization will submit its final construction drawings to the City and County for approval by the end of this month. The review process is expected to take six weeks. Eden will make changes as determined by reviewers and, after final approval, will then send the project out to bid. Construction at the Orinda site will likely begin in December. Eden's other Lamorinda-based senior housing program - planned for the City of Lafayette - is also moving forward with construction currently slated to begin in August.

After learning of this latest milestone, Orinda City Council Member Victoria Smith said, "I am really pleased that the state financing has been approved, which will allow the Eden project to move forward to provide safe housing for seniors next to transportation, the park, recreation classes, shopping and medical care. I am excited that Orinda will have a second independent living project for seniors that will really provide a high quality of life for residents. In addition to the staff at Eden, and the City, we would like to thank our community partners, the Orinda Community Church, the Orinda Senior Village and the many interested residents who worked on this project and provided assistance and thoughtful commentary over the last six years, all of whom have helped create what will be a welcoming home for seniors in Orinda."

Orinda Senior Housing Project Financing

Construction Financing: Permanent Financing:

Union Bank of California \$12,442,811 Union Bank-Tranche A \$1,705,000
 Contra Costa County-HOME 2,040,000 Union Bank-Tranche B 2,791,000
 Contra Costa County-CGBG 2,050,000 Contra Costa County-HOME 2,040,000
 City of Orinda 2,050,000 Contra Costa County-CGBG 2,050,000
 City of Orinda Land Donation 250,000 City of Orinda 2,050,000
 City of Orinda Fee Waivers 414,462 City of Orinda Land Donation 250,000
 Tax Credit Equity 985,445 City of Orinda Fee Waiver 414,462
 AHP Loan 660,000
 Deferred Developer Fee 200,100
 Tax Credit Equity 9,746,450
 Estimated Total Project Cost: \$21,907,012

* Source: California Tax Credit Allocation Committee: Project Staff Report, 2012 First Round (Orinda Senior Housing, Project Number: CA-12-017, July 11, 2012).

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