



June 30, 2023

Jason Lindgren  
City Clerk  
City of Elk Grove  
8401 Laguna Palms Way  
Elk Grove, CA 95758

Dear Jason:

Mutual Housing California is pleased to submit our proposal for the development of an 89-unit senior affordable housing community on the City of Elk Grove’s Old Town site. Since our founding in 1988, Mutual has been a very active nonprofit developer, owner, and manager of affordable housing in the Sacramento region. We have a long track record of competing for funding from a wide variety of State affordable housing programs, delivering well-designed and cost-effective projects on time and on budget, and professionally managing and maintaining our communities.

The intent of our project’s design will be to add a more dense urban form than currently exists in the Old Town area while at the same time use design and material details that reference and honor the neighborhood’s historic architectural context. We will finance the project by utilizing the State’s tax-exempt bond and tax credit programs, both of which Mutual has worked with extensively. We will also pursue additional gap financing from non-traditional funding sources to boost the project’s competitiveness for State funding as well as economize on City funding.

While we believe our design vision and financing plan are best suited for the Old Town site, Mutual strongly believes it is our unique approach in working with local governments as “joint venture” partners that sets us apart from other developers. Only through this collaborative approach can a locality be ensured that its project vision is achieved and the housing built serves as a long-term community asset. We truly hope to have the opportunity to partner with the City of Elk Grove on this very important project.

If you have any questions regarding our proposal, please do not hesitate to contact Keith Bloom, Director of Acquisitions, at [keith@mutualhousing.com](mailto:keith@mutualhousing.com) or 916-813-3091.

Thank you for your consideration of our proposal.

Sincerely,

Roberto Jimenez  
Chief Executive Officer

Cc: Sarah Bontrager, Housing Program Manager, City of Elk Grove

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## Section 3: Answers to Questions

### 1. Team Structure and History

**1.1. Identify key staff, including brief resumes that include length of time with the organization, the lengths of time providing affordable housing and related services at other employers, and contact information (location, phone, e-mail address). The proposal should indicate each team member's responsibility for project tasks and identify the team lead who will be the primary liaison.**

#### **Mutual Housing California (Developer, Owner, Property Manager, Resident Services)**



**Roberto Jimenez, Chief Executive Officer** – Roberto has 19 years of experience in the affordable housing industry, which includes multifamily housing development, property management, resident services, and resident job training. He served as Executive Director of Farmworker Housing Development Corporation (FHDC) in Woodburn, Oregon from 2005 to 2016. During this time, he tripled the size of FHDC's affordable housing portfolio, developed or rehabilitated 330 units of diverse multifamily housing, and managed a variety of resident services programs. He then launched Evolve Workforce and Property Management, a non-profit third-party property management company which focused on creating job training opportunities in the management of affordable rental housing. From 2016 to 2018, Roberto was Real Estate Development Director at Cabrillo Economic Development Corporation in Ventura, California. In 2018, he became Chief Executive Officer of Mutual Housing California (Mutual). Roberto earned an Executive Education Degree at the Achieving Excellence in Community Development program at the Kennedy School of Government, Harvard University, and a B.A. in comparative literature from the University of Oregon. ([roberto@mutualhousing.com](mailto:roberto@mutualhousing.com), 916-403-5224)



**Keith Bloom, Director of Acquisitions** – Keith is responsible for identifying new development opportunities for Mutual. He has over 34 years of development experience in both the affordable and market-rate multifamily industries. Keith's responsibilities for "pipeline development" require him to work in close partnership with numerous local government agencies, community-based organizations, and development communities. They also require him to have an in-depth understanding of local, state, and federal financing programs, in particular the California Tax Credit Allocation Committee's (CTCAC) 4% and 9% Low-Income Housing Tax Credit (LIHTC) programs, California Housing Finance Agency's (CalHFA) and California Debt Limit Allocation Committee's (CDLAC) tax-exempt bond programs, as well as the many State Housing and Community Development (HCD) programs. Prior to joining Mutual in 2013, Keith worked for 11 years with Thompson|Dorfman Partners, a Bay Area market-rate multifamily developer. From 1989 to 1999, Keith served as Project Manager and Development Director for Community Housing Opportunities Corporation, a nonprofit affordable housing developer headquartered in Davis. Keith obtained a B.A. in Political Science from Stanford University and Master's in Management from the Graduate School of Management at UC Davis. Keith ([keith@mutualhousing.com](mailto:keith@mutualhousing.com), 916-813-3091) will be the primary contact for the project.





**Ryan Cassidy, Vice President of Real Estate** – Ryan recently joined Mutual, and oversees its Housing Development division. He has spent the last 15 years with New York City’s RiseBoro Community Partnership, leading its efforts to rapidly expand their portfolio of affordable housing. Ryan brings experience from all levels of affordable housing, from project management, construction management, and property management, to senior leadership. He has led the development and management of over 3,000 units of affordable housing totaling over \$750 million. During his tenure with RiseBoro, Ryan was a leading policy voice as Director of Sustainability and Construction – lending his counsel to New York City Mayor’s Office of Sustainability, New York State Energy Research and

Development Authority, and several other State and City agencies. He successfully led the first Passive House new construction and rehab projects in the country, which won international recognition. His collaborative approach has allowed him to manage and execute projects with stakeholders carrying a range of interests by bridging gaps in understanding between colleagues, local government, community interest groups, and tenants through deep listening and working towards shared goals. Ryan has a B.A. in History and Political Science from James Madison University in Harrisonburg, Virginia and is a Certified Passive House Consultant. ([ryan@mutualhousing.com](mailto:ryan@mutualhousing.com), 916-403-5216)



**Winter Chaslow, Director of Property Management** – Winter oversees the daily operational activities of Mutual Housing Management, Mutual’s affiliate property management company. She supervises all management and maintenance activities to ensure our communities remain financially and physically sustainable for the long-term benefit of residents and Mutual. She also ensures that her staff maintain focus on the specific issues faced by residents and the services to be provided that best meet their needs. Winter has 17 years of experience in regulatory compliance and property management of affordable multi-family housing for both non-profit and for-profit firms in Sacramento and the Bay Area. From 2006 to 2011, she served as

District Compliance Auditor for USA Multifamily Management, from 2011 to 2017 as Director of Compliance for First Pointe Management Group, from 2017 to 2020 as Associate Director of Property Operations for Eden Housing, and 2020 to 2021 as Regional Director of Property Operations for Mercy Housing. Winter joined Mutual in 2021. Housing the most vulnerable populations including people coming out of homelessness, these properties require very attentive management and Winter earned her B.A. in Business Management from Western Governor’s University. ([winter@mutualhousing.com](mailto:winter@mutualhousing.com), 916-403-5226)



**Tejal Shah, Director of Resident Services** – Tejal oversees resident services across Mutual’s entire portfolio as well as community engagement within the communities Mutual operates. Joining Mutual in 2022, her 20-year career has been focused on the integration of community-based resident services within affordable housing communities. Tejal began her housing career working as a transitional housing case manager and a shelter supervisor at a domestic violence agency in Chicago. Upon moving to the Bay Area, she worked for 13 years with East Bay Asian Local Development Corporation (EBALDC), an affordable housing and community development non-profit based in Oakland. During this time, she grew

EBALDC’s social service, financial service, and community organizing programs. Tejal has a B.A. in Anthropology from the University of Texas at Austin and a M.A. in Social Sciences from University of Chicago. ([tejal@mutualhousing.com](mailto:tejal@mutualhousing.com), 916-403-5220)



### Mogavero Architects (Architect)



**David Mogavero, Principal and Founder** – Since 1984, Mogavero Architects has designed buildings and communities with the goal to inspire sustainability and create places with meaning. Its award-winning architecture, planning and urban design services have been provided to clients throughout California, from small towns to intensely urban settings. The firm has extensive experience in the areas of affordable housing, student housing, mixed-use and sustainable development. David’s practice has embraced the full range of progressive community design, including high density mixed-use infill and holistic building systems. David’s roles as developer and environmental advocate help him conceive projects that are economically viable and sensitive to the community and the environment. David earned a B.A. in Architecture at the State University of New York in 1974. ([dmogavero@mogaveroarchitects.com](mailto:dmogavero@mogaveroarchitects.com), 916-443-1033)

### Sunseri Construction (General Contractor)



**Donny Lieberman, President and CEO** – Donny is the President/CEO of Sunseri Construction, having held this position since 1990. Sunseri is a general contracting company headquartered in Chico. Founded in the early 1970’s, the firm specializes in serving California-based organizations that develop affordable multi-family housing and has constructed over eight thousand units of housing serving low-income seniors, families, and the homeless. Sunseri partners with its developer clients from project inception, and assists the development team with budgets, scheduling, and value engineering. These pre-construction services are critical in defining a project’s program, controlling its budget, and reducing construction risk. Sunseri understands the funding intricacies of its clients and has sophisticated systems in place to manage wages, hiring, and compliance. Sunseri has long standing and excellent relationships with local governments, HCD, CalHFA, and other public and private lenders and investors servicing affordable housing developers. The firm is also very experienced in implementing hiring practices such as MBE/WBE participation and Section 3 hiring to promote disadvantaged businesses and individuals. ([dl@sunsericonstruction.com](mailto:dl@sunsericonstruction.com), 530-891-6444)

### **1.2. Introduce your organization, describing its history of developing affordable housing. Indicate how many projects and units has your organization placed into service which were California LIHTC projects.**

Mutual Housing California is a nonprofit affordable housing developer, owner, manager, and resident services provider headquartered in Sacramento. Since our founding in 1988, we have been working in concert with local governments, community stakeholders, neighborhood groups, and social service agencies to develop high quality, sustainable, and permanently affordable rental housing. We have extensive experience in new construction and substantial rehab projects. With in-house expertise in development, finance, construction management, property management, resident services, and community organizing, we work with teams of experienced designers, contractors, and private and public lenders and investors to ensure that each of our developments is designed, constructed, and operated in a manner which ensures long-term financial viability, physical sustainability, and resident and neighborhood pride. Our developments house very diverse populations—including working families, seniors, developmentally disabled, farmworkers, as well as those who have been homeless or are at risk of homelessness. To date, Mutual’s portfolio includes 21 communities totaling 1,148 units throughout the greater Sacramento area. We also currently have under construction three new developments totaling 385 units all of which will be completed in Spring 2024.

We have an extensive track record of securing project financing from a variety of public and private funding sources. Of our 21-property portfolio and 3 projects under construction, 16 include financing from CTCAC’s 4% or 9% LIHTC programs and 15 from CDLAC’s or CalHFA’s tax-exempt bond programs. All our projects also include funding from a wide variety of local and State HCD funding programs. Mutual has long-standing



relationships with LIHTC investors such as Merritt Community Capital, Wells Fargo Bank, Enterprise, and Raymond James, as well as conventional construction and permanent lenders that include Wells Fargo, Bank of America, Bank of the West, and Citibank. With an impressive corporate balance sheet, Mutual has the capacity to self-fund predevelopment costs as well as provide investor- and lender-required financial guarantees.

## 2. Relevant Development Experience

**2.1. Using examples, describe your organization’s experience developing projects highly comparable in scope and scale to the specific site vision within the last five years in California. Indicate how many such comparable projects and units your organization placed into service over that time period. For any examples given, include the name of any jurisdictional partner along with a contact person, phone number, and the approximate amount of funding received by funding source.**

### Lavender Courtyard by Mutual Housing



Lavender Courtyard is a 53-unit rental community located at 16th and F Streets in downtown Sacramento. It provides permanently affordable housing to low-income seniors 62 years of age and older and is welcoming to seniors of the LGBTQ community. The project’s urban design includes 48 one-bedroom units and 4 two-bedroom units serving residents earning between 20% and 40% of Area Median Income (AMI), as well as 1 one-bedroom manager’s unit. Construction was completed in May 2022. Built on a .6-acre infill parcel, the four-story, double-loaded corridor building achieves a density of 88 units per acre. The

ground floor includes a manager's office, resident services office, community room, laundry room, two residences and 17 parking spaces (0.3 spaces per unit). A central outdoor courtyard provides residents with beautifully landscaped open space and socializing areas. The upper three floors are accessed via an elevator. Roof top solar panels generate electricity that offsets the common area’s energy usage. Lavender Courtyard’s total development cost was \$27.5 million. It received an allocation of tax-exempt bonds and 4% federal and State tax credits in April 2020. Financing sources included LIHTC equity from Enterprise (\$10 million), a construction loan from US Bank (\$18.5 million), residual receipts “soft” loans from HCD’s Multifamily Housing Program (MHP) (\$11 million) and Sacramento Housing and Redevelopment Agency (SHRA) (\$2 million), Federal Home Loan Bank Affordable Housing Program (AHP) grant (\$500,000), Harry and Jeannette Weinberg Foundation grant (\$2.5 million), and deferred developer fee (\$1.5 million). SHRA also provided 24 Project-Based Vouchers for units reserved for seniors coming out of homelessness.

Local Financing Partner: SHRA

Financing: \$2 million HOME loan, 24 Project-Based Vouchers, \$200,000 in impact fee waivers

Contact Information: Christine Weichert, Director of Development Finance

[cweichert@shra.org](mailto:cweichert@shra.org), 916-440-1353



## Adelante, a Mutual Housing Community



Adelante is a 38-unit rental community located on 5<sup>th</sup> Street in Davis. The property serves low-income families earning between 30% and 40% AMI. It includes 15 one-bedroom, 12 two-bedroom, and 10 three-bedroom units, as well as a two-bedroom manager's unit. Built on a 1-acre parcel, the three-story, double-loaded corridor building was completed in January 2022. Its density of 38 units per acre (which exceeded the density allowed under the zoning code) was achieved by utilizing State Density Bonus law to obtain a concession of one parking space per unit, well below the City's parking

standard. Community space includes a manager's office, resident services room, community room, laundry room, and outdoor play structure and socializing area. The project features rooftop solar which helped it achieve a Green Point Rating designation. Adelante's total development cost was \$23 million. It received tax-exempt bond and LIHTC allocations in April 2020. Financing sources included 4% federal and State tax credit equity (\$10 million) from Enterprise, tax-exempt construction loan (\$18 million) from Wells Fargo, MHP loan (\$9.5 million), land donation and grant (\$2 million) from master plan developer Dinerstein Companies to fulfill its affordable housing obligation, City of Davis "soft" loan (\$400,000), AHP grant (\$400,000), and a sponsor loan (\$700,000).

Local Financing Partner: City of Davis

Financing: \$2 million Dinerstein grant (administered by City), \$400,000 HOME loan

Contact Information: Kelly Stachowicz, Assistant City Manager

[kstachowicz@cityofdavis.org](mailto:kstachowicz@cityofdavis.org), 530-747-5802

## Mutual Housing at Spring Lake



Located in Woodland, Mutual Housing at Spring Lake provides 101 one-, two-, three-, and four-bedroom flats and townhomes for agricultural workers and their families earning between 30% and 60% AMI. The three-story garden-style project was developed in two phases, with the first phase completed in February 2015 and the second in June 2019. Total development cost was \$38 million. The project received 9% tax credits allocations in June 2013 and September 2017. Project financing included LIHTC equity (\$23.5 million) provided by Wells Fargo, Citibank construction loan (\$28 million), CCRC term loan (\$2 million), USDA 514 Farm Labor

Housing "soft" term loan (\$8.5 million, coupled with 521 Rental Assistance funds), HCD Joe Serna Farmworker Housing "soft" loan (\$1 million), City of Woodland "soft" loan (\$2.5 million), and deferred developer fee (\$500,000). Mutual Housing at Spring Lake was the first certified Zero Net Energy rental housing built in the United States. The first phase of the project received the Housing Innovation Award from the U.S. Department of Energy and was one of two housing developments internationally to receive the United Nations' World Habitat Award as an exemplary model of innovative and sustainable housing as well as resident leadership development.



Local Financing Partner: City of Woodland  
Financing: \$2.5 million “soft” loan  
Contact Information: Erika Bumgardner, Principal Planner, City of Woodland  
[erika.bumgardner@cityofwoodland.org](mailto:erika.bumgardner@cityofwoodland.org), 530-661-5886

### Wong Center



Wong Center is a 150-unit senior project located in downtown Sacramento’s Railyards. Construction started in July 2022 and will be completed in Spring 2024. The urban-designed project is composed of 135 one- and 14 two-bedroom units, along with 1 two-bedroom manager’s unit, serving seniors 55 years and older earning between 40% and 60% AMI. The four-story, double-loaded corridor building is located on a 2-acre infill parcel, built at a density of 75 units per acre with 87 parking spaces (.58 spaces per unit). Mutual was able to

the site by obtaining setback concessions to the City’s zoning standards using State Density Bonus law. The community includes management offices, community center, conference room, a laundry room on each floor, and a ground floor bike storage room. All ground floor units feature mobility accessible features such as roll-in showers. Outdoor community spaces include socializing courtyards, bocce court, dog park, and barbeque and seating areas. Wong Center received tax-exempt bond and 4% federal tax credit allocations in December 2021. The total development cost is \$55.5 million. Financing sources include tax credit equity (\$25 million) from Merritt, tax-exempt construction (\$26.5 million) and permanent loans (\$6.5 million) from Bank of the West, Wong Center Foundation grant (\$13 million), master plan developer Downtown Railyard Ventures land donation and grant (\$2.5 million) to fulfill its inclusionary affordable housing obligation, SHRA “soft” loan (\$3.5 million), impact fee waivers (\$2 million), and deferred developer fee (\$3 million).

Local Financing Partner: SHRA  
Financing: \$3.5 million “soft” loan, \$2 million in impact fee waivers  
Contact Information: Christine Weichert, Director of Development Finance  
[cweichert@shra.org](mailto:cweichert@shra.org), 916-440-1353

### Mutual Housing on the Boulevard



Mutual Housing on the Boulevard is a 127-unit project located along Stockton Boulevard just south of Florin Road in South Sacramento. The project includes 65 one-, 43 two-, and 18 three-bedroom units serving low-income large family and special needs populations earning between 30% and 60% AMI. The project also includes 1 two-bedroom manager’s unit. Fifty units are set aside for previously homeless households. Boulevard’s construction will be completed in September 2023. The project contains 7 buildings—1 urban-designed three-story, double-

loaded corridor building fronting Stockton Boulevard and 2 three-story walk-up flat and 4 two-story townhome buildings. Built on 5.32 acres, the project achieves a density of 23 units per acre. The all-electric project will be





participating in the Sacramento Municipal Utility District’s (SMUD) Neighborhood Solar Share program, by which SMUD provides solar generated power from offsite that can be utilized by the project. Total development cost is \$60 million. Boulevard received tax-exempt bond and 4% tax credit allocations in April 2021. Financing sources include 4% tax credit equity (\$28 million) from Enterprise, tax-exempt and taxable construction loans (\$40 million) and permanent loan (\$8 million) from JP Morgan Chase, HCD No Place Like Home loan (\$12 million), SHRA “soft” loan (\$7 million), general partner capital contribution (\$2 million), and deferred developer fee (\$3 million). SHRA also provided 67 Project-Based Vouchers for units reserved for households coming out of homelessness.

Local Financing Partner: SHRA

Financing: \$7 million HOME loan, 67 project-based vouchers, \$850,000 in impact fee waivers

Contact Information: Christine Weichert, Director of Development Finance

[cweichert@shra.org](mailto:cweichert@shra.org), 916-440-1353

### Cornerstone



Cornerstone is a 108-unit community located on 46<sup>th</sup> Street just south of 47<sup>th</sup> Avenue in South Sacramento. Mutual Housing was awarded the project by SHRA via an RFP process in August 2019. Construction is scheduled for completion in Spring 2024. It is comprised of 12 three-story garden style buildings and a separate community building with management and resident services offices, large community room for resident

activities, and laundry room. There are also three outdoor socializing and play areas for adults and children. The project includes 24 one-, 53 two-, and 30 three-bedroom units, serving low-income families earning between 30% and 60% AMI. Sixteen of the units will be reserved for formerly homeless households. The project also includes 1 two-bedroom manager’s unit. We were able to achieve a density (34 units per acre) exceeding that allowed under the County’s zoning by utilizing reduced setback and parking concessions allowed under State Density Bonus law. Total development cost is \$45 million. The project is financed via a unique “hybrid” tax credit structure that includes both 4% tax credit/tax-exempt bond and 9% tax credit programs. Cornerstone received tax-exempt bond and 4% tax credit allocations in August 2021 and a 9% tax credit allocation in October 2021. Utilizing this structure, the project was able to generate tax credit equity (\$23.5 million) from US Bank, taxable and tax-exempt construction loans (\$28.5 million) also from US Bank, permanent loan (\$8 million) from US Bank, SHRA “soft” loan (\$10.5 million), local impact fee waivers (\$2 million), and deferred developer fee (\$1 million).

Local Financing Partner: SHRA

Financing: \$10.5 million HOME loan, 16 project-based vouchers, \$2 million in impact fee waivers

Contact Information: Christine Weichert, Director of Development Finance

[cweichert@shra.org](mailto:cweichert@shra.org), 916-440-1353

As described in detail in 3.2, at all its communities Mutual also brings a unique approach to providing resident services by empowering residents through a variety of programs. Programs related to healthcare, financial planning, adult and youth education, computer literacy, resident leadership development, and many others are provided free of charge. Organized by our Resident Services staff in coordination with third-party service provider partners, these programs assist our residents in strengthening life skills and as well as their communities.



## **2.2. What about your organization’s experience, strengths, or approach uniquely positions your team to maximize the likelihood of achieving the City’s site vision at lower cost and faster speed than other organizations?**

**Development Team**—As noted in 1.1, Mutual will team with Mogavero Architects and Sunseri Construction to design and build the Old Town project. Over the past three decades this team has developed numerous projects together. Mogavero has designed four projects for Mutual, most recently our Lavender Courtyard project. Sunseri has built seven projects developed by Mutual, including Lavender Courtyard, as well as ten projects designed by Mogavero. This collaborative team approach best ensures that each team member understands from the project’s outset its design, budget, and timeline constraints. This understanding results in a more cost-effective design and clear construction drawings, both of which significantly reduce the risk of costly change orders and/or schedule delays during construction. Mutual’s team approach has proven highly successful, as Mutual, Mogavero, and Sunseri have over many years delivered numerous affordable housing projects on-budget, on-time, and of the highest quality. We expect the result to be no different on the Old Town project.

**Financing**—Mutual is also unique in its experience in obtaining financing for its projects. As described in 1.2 and 2.1, we have an extensive track record of winning very competitive Statewide affordable housing financing competitions. Our success is a result of our deep understanding of each program’s complex programmatic and underwriting requirements and each project’s suitability and competitiveness under each program. Understanding the programs’ various requirements (e.g., populations served, affordability levels) is also critical to ensuring that they are compatible with a locality’s project vision. And as detailed in 6.1, Mutual is also unique in that we pursue “non-traditional” funding sources that other developers typically do not pursue. These non-traditional funding sources are very important to consider when developing a project’s capital stack, assessing its competitiveness under the State’s financing programs, as well as reducing the need for typically scarce local funding.

For both reasons above, we believe we are uniquely positioned to achieve the City’s vision more cost-effectively and quicker than other developers.

## **3. Operating Experience**

### **3.1. What constitutes success when operating affordable housing comparable in scope and scale to the applicable site? Describe your organization’s experience successfully operating or partnering to operate such housing, highlighting relevant examples.**

When operating any affordable housing project, there are several fundamental keys to success. All are dependent upon having well-trained, highly professional property management, maintenance, and resident services staff. Keys include:

- Property management staff who treat residents fairly and respectfully, enforce lease rules to ensure residents have a pleasant and secure living environment, establish and adhere to operating budgets that ensure the property’s financial and physical sustainability, and manage and ensure compliance with regulatory agencies’ requirements.
- Maintenance staff who consistently perform high-quality preventive maintenance of a property’s buildings and grounds and quickly respond to residents’ request for repairs, to ensure the property’s long-term physical sustainability.



- Resident services staff who work on an ongoing basis with residents, to ensure that residents receive the assistance—whether directly from staff and/or third-party service providers--that meets their particular needs and assists them in maintaining housing stability.

Mutual takes great pride in achieving these keys to success at all of our twenty-one properties. These properties serve very diverse populations with a wide range of income levels and service needs. While challenging, the work of our property management, maintenance, and resident services teams enables Mutual to provide high quality housing that is affordable and safe to our residents and accepted by their surrounding communities. The most relevant examples of operating success are our Lavender Courtyard and Spring Lake projects described in 2.1.

**3.2. What resident services do you believe would be necessary to both meet state requirements and more importantly meaningfully serve the site’s envisioned target population? Why? Describe your organization’s approach to providing and/or partnering to provide high-quality resident services, highlighting relevant examples.**

For over 30 years, Mutual has provided a variety of support services and community building activities to our properties’ residents. Our service-enriched housing has been a place where residents can build their financial strength, obtain access to services, and find support to stay stably housed. Many affordable housing developers choose to provide a level of resident services solely to meet State funding programs’ minimum requirements. We instead choose to provide services that go well beyond State requirements because we see how our residents succeed when provided comprehensive services. For the Old Town project, we will utilize an “age-friendly communities” service model. This model focuses on reducing physical and social barriers for older adults, including maintaining physical and mental capacity that enable seniors to live actively and age in place.

As at all our communities, we will tailor our services to the needs of the Old Town residents. Determining these needs begins at move-in. Property Management staff will introduce each new resident to our onsite Resident Services Coordinator. The coordinator will perform a short welcome survey with the resident to learn about their specific service needs, assistance needed to connect with providers, and programs and community events they may be interested in. Their responses will then be used by our staff to also better understand the residents’ broader needs and interests and from that create an Annual Service Plan. We will also contract with third-party service providers, such as health service providers, financial services, job training, and food banks, based on resident need. Resident Services staff will annually update this plan by obtaining input on an ongoing basis from the residents and as well as third-party service providers.

We anticipate that the Old Town residents will need many of the same services Mutual provides at all its properties, including but not limited to:

- **One-on-one counseling**, to assist residents with their many ageing-related physical and mental health concerns.
- **Preventative services**, to support residents in maintaining financial stability and having the resources if an emergency arises, such as job loss or major expense. Services include financial counseling and coaching, access to financial workshops, and support with wealth building and retirement planning through our Financial Capability services.
- **Digital literacy training and equipment**, to close the divide between those who have ready access to the internet and computers and those who do not—particularly seniors. At all our properties we provide Chromebooks that can be checked out along with training and internet access.



- **Crisis support**, to work with residents who receive a lease violation or notice to pay or quit. This involves collaboration between our residents and Resident Services and Property Management teams, both of whom have the goal of reducing evictions and turnovers. We support residents by participating in payment plans, assisting them in developing budgeting plans to pay back rent, and other strategies. The success of this support is clear and evidenced by extremely low eviction and turnover rates within Mutual’s portfolio. For example, in 2022 there were only 5 evictions and 118 move-outs (a very low turnover rate in the industry).
- **Group activities**, to reduce social isolation, bring people together, and build community.
- **Leadership development**, to engage residents in participating in the property’s resident council. These councils work to identify areas of common interest or concern at the property (e.g., community events, neighborhood watch, property maintenance).

Examples of Mutual’s service provider partners whose services will be well-suited for Old Town’s residents include:

- Health Education Council—Health and wellness workshops
- Umpqua Bank—Financial capability workshops
- Social Work Department, CSUS—Support around resources and navigation
- AARP—Free tax preparation and other services for older adults
- SMUD—Energy savings and energy discount program education

## 4. Partnership

**4.1. How does your organization approach partnership with a public agency? Describe key tenets of your approach that guide your communication, problem solving, and trade-off navigation. Offer examples of your approach in action and how it led to success for comparable developments. Developer: Provide three relevant public agency references, including email and phone. If submitting for both sites, ensure at least one reference is relevant to each site’s envisioned housing type.**

Mutual is unique amongst affordable housing developers in that it takes the approach—from a project’s initial concept stage, throughout development, and then during operations—of working with a locality as “joint venture” partners. Through this collaborative approach we can best ensure a locality’s vision is achieved and the housing built serves as a community asset. We appreciate the importance of a locality’s having input into a project, particularly given its own significant financial “skin in the game” without which any project would be infeasible.

**Predevelopment Stage**—Our partnership begins at a project’s concept stage, when Mutual first meets with the locality’s Housing staff to discuss the project’s vision. With our design team we then create and present a concept plan to the locality to ensure consistency with its vision. Once the concept plan is finalized, we reach out to the project’s nearby stakeholders (e.g., property owners, businesses, service providers) to gain further understanding of the project’s surroundings and learn of ways in which the project’s plan can be improved. After obtaining stakeholder feedback, Mutual’s team then begins the locality’s entitlement process. This process



requires very close collaboration with Planning staff as well as many other departments (e.g., Building, Public Works, Fire) and is critical to obtaining project approvals in a timely fashion. Concurrent with the entitlement process, we work with the local Housing staff in reviewing the project's financial underwriting and together determining the extent of local funding required. Once the local and State funding sources are committed, we and our design team continue working closely with the locality's Building Department to complete the plan check and permitting process in order to pull permits within what is a the very short State-imposed 180-day construction-start deadline. Simultaneously with plan check/permitting, we and our lender and investor partners work closely with the locality's Housing staff to complete the loan closing process also in order to meet the same State-imposed deadline. All of these processes are time-consuming, at times complex, and can put a project at financial risk if not completed in a timely manner.

**Construction Phase**—Mutual's collaboration with the locality continues during a project's construction. We provide to local staff but also surrounding neighbors our construction schedule as well as the contact information for both Mutual staff and our general contractor's onsite superintendent in the event questions or concerns arise during construction.

**Operations Phase**—Our collaboration continues after construction is complete. We provide to our local government partner the contact information of the project's onsite manager as well as their offsite supervisor to ensure that the project is professionally managed, maintained, and we are responsive to any community issues that may arise.

Throughout the development and operating processes described above, Mutual makes its top priority to be communicative, responsive, and transparent with its local government partner. The key tenets of our partnership approach are:

- **Establishing and Maintaining a Shared Vision**—State affordable housing programs' requirements frequently change, often relating to prioritization of populations served, affordability levels required, and amount of funding available. These changes can occur any time, even multiple times, from initial project conceptualization through finalizing design and financing. As such, a project's initial program and/or design may require modification in order to be eligible for and effectively compete for State funding. When this occurs, Mutual closely and quickly collaborates with local government staff to understand the reasons for revisions, consider available options, and then come to agreement on the extent of revisions required to both maintain a project's initial vision and enable it to be successfully financed.
- **Team Problem Solving/Trade-Off Navigation**—Particularly during a project's predevelopment phase—concept design, stakeholder outreach, and entitlement processing, as well as financial underwriting to determine the local government's financial support—challenges often arise. When this occurs, Mutual's approach is to discuss with its local government partner potential solutions, the pros and cons of each, and agree upon a path forward. Often times the options present trade-offs (e.g., between architectural modifications, affordability levels, State funding competitiveness, local financial contribution). Our problem-solving approach always remains focused on maintaining the project's original vision, ensuring its financial feasibility, and avoiding delays. This approach is also critical during the project's plan check/permitting and construction processes. The State's CDLAC bond and CTCAC tax credit require a project to begin construction within 180 days of having received a funding award. To meet this very short "drop dead" timeline the development team's architect must timely submit plans, respond to plan check comments, and quickly review and resolve with local government staff what are often technical planning and building code issues. That is why Mutual's team includes Mogavero Architects, a firm with over forty years' experience in affordable multifamily housing design. Problem-solving is also critical during construction. To prevent delays, it is critical that our team's general contractor quickly resolve with Building, Public Works, Fire, and other local government staff any problems that arise in the field. For



this same reason, we have included on our team Sunseri Construction which also has over forty years of general contracting experience in multifamily construction.

- **Constant and Transparent Communication**—To timely deliver a project, it is critical that Mutual be in constant communication with local government staff. Total transparency is also essential for Mutual to maintain local government’s trust throughout a project’s development process. Working closely with Housing and Planning staff during a project’s conceptual design, financial underwriting, and entitlement processes as well as Building, Public Works, Fire and other staff during the plan check/permitting and building inspection processes best ensure timeliness throughout the development process. During a project’s predevelopment phase, Mutual typically holds standing meetings (e.g., bi-weekly) with the appropriate local government staff, distributes agendas, meeting minutes, and monthly project update memos as “tools” to maintain a project’s schedule.

Examples of Mutual’s partnership approach and its success include:

- San Juan Apartments by Mutual Housing’s **establishing and maintaining a project’s shared vision**. In late 2020, Mutual responded to a SHRA RFP for the development of affordable housing on adjacent City- and County-owned sites totaling 5.5 acres in south Sacramento. Our vision included a mixed-use project of 116 family rental units, 3,000 square-foot commercial space, and 4,000 square-foot childcare facility. Our proposal was selected by SHRA, and we and our design team immediately began working very closely with SHRA to finalize the project’s plan. However, given the property’s complex infrastructure, storm water treatment, and cross-jurisdictional planning challenges as well as major changes to the CDLAC funding program, finalizing project’s vision/site planning required a very iterative and lengthy process with SHRA. Numerous plans were evaluated—from the original 116-unit mixed-use plan to a 150-unit residential-only plan, to what ultimately became a two-phased 170-unit residential-only project. Arriving at a plan that maintained SHRA’s original vision, maximized the project’s competitiveness under CDLAC’s new funding process, and resulted at an acceptable level of local gap funding, required extremely close collaboration with SHRA over a nearly two-year period. The 113-unit Phase 1 project obtained development approvals and a SHRA funding commitment in early 2023 and will be applying for CDLAC funding in Aug 2023.
- Lavender Courtyard’s **team problem solving** to ensure a project’s competitiveness for State funding. After acquiring the .6-acre downtown Sacramento site in 2015, we first presented our project vision for a 53-unit senior affordable housing community to the City Councilmember whose district the project was in as well as SHRA staff. After receiving their feedback, we then held several public and private meetings over the next several months with various stakeholders (e.g., nearby residents and businesses, neighborhood associations, advocacy groups). Through this process, we obtained valuable community input and buy-in for the project’s vision. The project’s entitlements were then processed very quickly by the City in 2016. Concurrently, Mutual worked with SHRA and City Transportation staff in an effort to obtain State Affordable Housing Sustainable Communities (AHSC) funding. However, after two unsuccessful AHSC applications Mutual determined an alternative financing structure was needed. We presented a restructured financing plan to SHRA that included MHP, 4% and State LIHTCs, tax-exempt bonds, \$1.9 million SHRA “soft” loan, and 24 Project-Based Vouchers. SHRA concurred that this plan would make the project more competitive for State funding. Subsequently, all State funding sources were applied for and obtained, local funds were committed, construction was commenced in October 2020 and completed in May 2022.
- Cornerstone’s **constant and transparent communication** to successfully execute complex financing and permitting processes. In 2018, SHRA issued an RFP for the development of affordable housing on a County-owned 7-acre property in an historically underserved area of south Sacramento. Mutual, in partnership with Habitat for Humanity, submitted a proposal with a project vision that included both a



108-unit family rental community and 18 for-sale homes. After being selected as the developer, we continued to collaborate with SHRA and County Planning staff as well as the Supervisor whose district the project was located in to refine the project to meet the needs of its future residents as well as address design concerns raised by the neighboring homeowners. The project's entitlement process was then completed with few challenges. Concurrently, financing the rental project required a unique and very complex "hybrid" 4% and 9% LIHTC structure. This required the project to be legally and financially "split" which in turn necessitated two separate financial closings and permitting processes. This added complexity required Mutual, its design team, and general contractor to work extremely closely with SHRA, County Planning, Building, and other departments' staff throughout these processes. The project's financing closed, permits pulled, and construction commenced in February 2022.

#### Public agency references:

Christine Weichert, Director of Development Finance, Sacramento Housing and Redevelopment Agency  
Contact Information: [cweichert@shra.org](mailto:cweichert@shra.org), 916-440-1353

Kelly Stachowicz, Assistant City Manager, City of Davis  
Contact Information: [kstachowicz@cityofdavis.org](mailto:kstachowicz@cityofdavis.org), 530-747-5802

Erika Bumgardner, Principal Planner, City of Woodland  
Contact Information: [erika.bumgardner@cityofwoodland.org](mailto:erika.bumgardner@cityofwoodland.org), 530-661-5886

## 5. Designing the Vision

**5.1. Describe the most appealing aspects of the site in question and your team's intuitions about how to design the development to capitalize on those aspects in service of the City's vision. Use images, diagrams, and illustrations to help tell the story. It is sufficient to use images from past work to convey the design ideas and narrative—a conceptual site plan is not required.**

A short walking distance from the City's Old Town, services and amenities (e.g., Bel Air Market, CVS pharmacy, Safe Credit Union, Starbucks), Lewis and Strong parks and walking trails, and SacRT bus stops (e.g., providing local and regional service as well as on-demand shuttle service), the project site is ideally located for a senior housing community. The community will provide a wonderful place to live for both active and limited mobility seniors given its vibrant location in the pedestrian-friendly historic neighborhood.

Specifically, we envision a 3-story all-electric building that fronts the length of the Elk Grove Boulevard frontage to emulate the historic district's relationship to the street. The use of brick, horizontal lap siding, and iron guardrails on the building's exterior will further reinforce the Old Town's historic fabric. Locating the main lobby entry, management offices, community gathering spaces, and tall storefront windows along the sidewalk will help activate the street frontage. Within the building will be 89 units, including 73 one-bedroom, 13 two-bedroom, and 3 studio apartments, all accessed via two elevators. Residents will have access to generous community space, including an indoor community room and two outdoor courtyards. Seventy-two parking spaces will be located along the site's east and west perimeters and shielded from street view with "tuck under" spaces and landscaping. Electric vehicle charging stations will be provided. Our plan allows for the retention of the existing mature oak trees lining the site's southern edge.



See attached concept site plans and imagery for further detail of our Old Town project. Our intent is to add density and a more urban form than currently exists in the neighborhood, while at the same time using design and material details that honor the historic architectural styles in the Old Town neighborhood.

## **5.2. What trade-offs does the City's vision present, and how would you navigate those with the City? Be specific and break down the vision into parts, unpacking the tradeoffs involved with each part and how your team would navigate them.**

As with all projects, Old Town project's vision will be driven by decisions regarding program, design, affordability, and financing. Each of these elements may involve trade-offs. As described in 4.1, Mutual will work with the City of Elk Grove to together evaluate these elements, options and their trade-offs, and only then finalize the project's vision and plans. The following are major project elements and trade-offs to be considered:

- **Building Height vs. Neighborhood Compatibility**—Mutual's concept plan includes a 3-story building. However, the site could comfortably accommodate a 4-story building. A trade-off to evaluate with a 4-story building is the 37 additional units it would add versus the compatibility of its 10-foot taller height with the surrounding historic neighborhood.
- **Ground-Floor Commercial Space vs. Number of Units**—The RFP suggests that incorporating commercial and/or childcare space could help integrate the project into the neighborhood. Mutual's concept plan does not include such space. There are several trade-offs to be considered in including one or both uses. As was our recent experience on the San Juan Apartments project, which originally included mixed uses, these non-residential development costs would negatively impact the project's tiebreaker and competitiveness for State funding. Also, depending upon the size of one or both uses the number of residential units would be decreased by 4 to 8 units.
- **Onsite Parking vs. Number of Units**—Our 89-unit concept plan includes 72 onsite parking spaces. A trade-off to consider is adding units to the building's east side by eliminating the adjacent 15 parking spaces. While the unit count would increase by 12, the parking ratio would decrease from .8 to .55 spaces per unit which is below the City standard of .75.
- **Affordability vs. Local Financial Contribution**—The City's RFP states that the project's level of affordability is to range from 30% to 50% of Sacramento County AMI while the City's total financial contribution to both the Old Town and Sheldon Farms North sites will be a maximum of \$9 million. As noted in 6.1, while Mutual fully supports making the Old Town Senior project as affordable as possible, the City's \$3 million financial contribution will likely need to be greater to achieve this level of affordability. Alternatively, a higher affordability range could be considered (e.g., 30% to 70% AMI) in order to lessen the City's financial contribution.

From concept planning through financial structuring, we will work in partnership with the City to assess these and many other project elements to ensure the Old Town plan will be cost-effective, financially feasible, and competitive for State funding while at the same time maintain the City's vision for the project.





**5.3. What architect will you team with to complete this work and how does this architect suit the City's vision? Offer examples of projects the architect has completed that demonstrate their fit as well as examples of projects your organization completed with the architect, highlighting ways those projects are applicable to this work. Architect: Provide two references, both email and phone, for comparable developments that involved significant collaboration with the public agency to finalize the design. If submitting for both sites, ensure at least one reference is relevant to each site's envisioned housing type.**

As noted in 1.1, Mutual will be teaming with Mogavero Architects to design the Old Town project. We have a long history of successfully working with Mogavero. One of the firm's primary areas of focus is affordable multifamily design, specifically high-density and sustainable projects in urban infill settings. The Mogavero team is also very skilled in assisting its clients to obtain community thought to help guide design, gain support for controversial projects, and facilitate the local entitlement process. Mogavero exhibited all of these skills on Mutual's Lavender Courtyard (see 2.1).

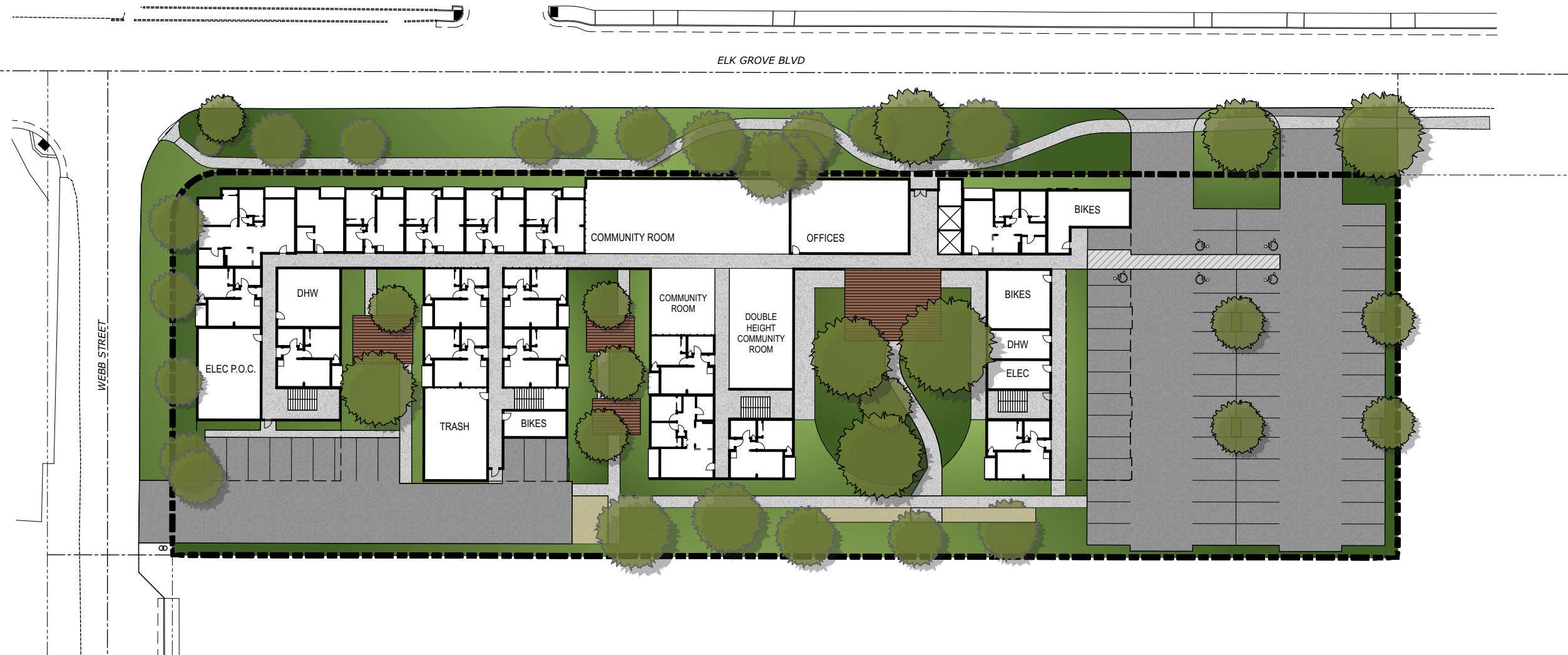
Public agency references:

Amy Wolfson, Director of City Planning, City of Nevada City  
[Amy.wolfson@nevadacityca.gov](mailto:Amy.wolfson@nevadacityca.gov), 530-265-2496 x130  
Cashin's Field project

Bruce Monaghan, Urban Design Manager, City of Sacramento  
[bmonighan@cityofsacramento.org](mailto:bmonighan@cityofsacramento.org), 916-808-1241  
1212 Del Paso Blvd project



FLOOR	STUDIO	1 BR	2 BR	
1	1	13	3	
2	1	29	5	
3	1	31	5	
<b>TOTAL</b>		<b>73</b>	<b>13</b>	
<b>TOTAL UNITS</b>				<b>89</b>
<b>PARKING</b>	<b>72</b>			



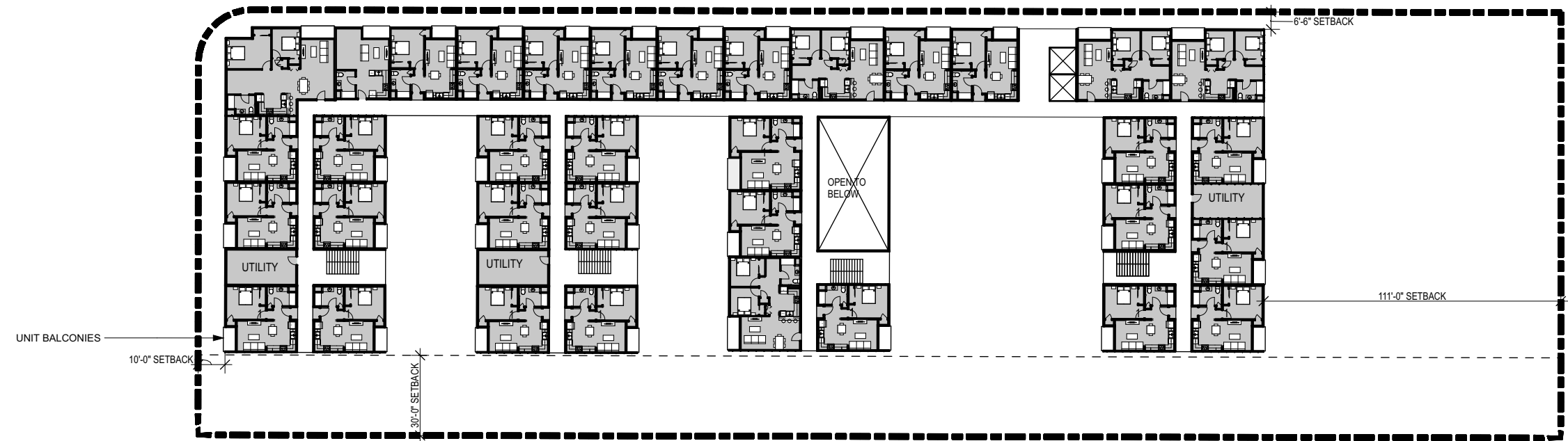
BIMcloud: bimcloud.mogaveroarchitects.com - BIMcloud/222046 Elk Grove Sites RFP-Mutual (Old Town Site) - Printed: Friday, June 23, 2023, 2:47 PM

■ Illustrative Site Plan - Scale 1" = 50'



BIMcloud: bimcloud.mogaveroarchitects.com - BIMcloud/222046 Elk Grove Sites RFP-Mutual (Old Town Site) - Printed: Friday, June 23, 2023, 2:47 PM

FLOOR	STUDIO	1 BR	2 BR	
1	1	13	3	
2	1	29	5	
3	1	31	5	
<b>TOTAL</b>	<b>3</b>	<b>73</b>	<b>13</b>	
<b>TOTAL UNITS</b>				<b>89</b>
<b>PARKING</b>	<b>72</b>			



■ Second and Third Floor - Scale 1" = 50'





## 6. Financial Plan

**6.1. What should be the Plan A and Plan B for this project’s funding sources and why? Offer your informed intuition on the approach that will be competitive and effective for achieving the vision—a capital stack, operating proforma, and formal assessment of competitiveness (i.e., scoring & tiebreaker) for funding are not required. Describe your organization’s experience securing the funding sources mentioned and highlight your organization’s record of high performance in funding rounds relative to competitors.**

When financing each of its projects, Mutual evaluates multiple financing structures and their relative competitiveness for various State funding programs. The programs considered are typically CDLAC tax-exempt bond, CTCAC’s 4%, 9%, and State LIHTC, CalHFA’s Mixed Income Program (MIP), and various HCD (e.g., MHP) programs.

### **Plan A Financing**

We are proposing to finance the Old Town Senior project with CalHFA’s MIP, CDLAC’s tax-exempt bond, and CTCAC’s 4% and State LIHTC programs. This financing structure will make the project most competitive, eliminate the need to “win” multiple State housing funding competitions, and therefore be executed much more quickly than alternative financing structures. The first step in the project’s financing process will be to apply to MIP for permanent first (40-year amortizing) and “soft” second (\$4 million) term loans. While the award of MIP funds is done via a competitive tiebreaker, our analysis indicates that the Old Town Senior project’s tiebreaker will be very competitive. Additionally, CalHFA awards its MIP funding only to those projects whose bond and State LIHTC requested amounts will be available under the subsequent CDLAC and CTCAC application rounds’ MIP set aside. In other words, any project that receives MIP funding is guaranteed of bond and LIHTC funding. As such, once the Old Town project obtains a MIP award the uncertainty faced by most projects of subsequently having to compete for bond and LIHTC funding will be eliminated.

Mutual has a long track-record of securing funding from the CDLAC and CTCAC programs. We have been particularly successful since 2019, during which time we have “won” allocations of tax-exempt bonds and 4% LIHTCs for six projects. Our success is based on a thorough understanding of both programs’ requirements and in particular their scoring and tiebreaker systems. While the MIP program is relatively new, with 2020 being its first full year, its scoring and tiebreaker system is essentially the same. Mutual has applied for MIP, having submitted an application in early 2023 for our 242-unit project in downtown Sacramento. We believe our recent as well as historic performance in securing the same funding sources as those proposed for the Old Town Senior project matches up against the top affordable housing developers throughout California.

The advantage of the above financing structure’s having to “win” only a single rather than multiple funding competitions does come with a trade-off related to the project’s affordability. The MIP program requires a 40% range in affordability levels. As such, we are proposing that the Old Town Senior project include units with rents ranging from 30% and 70% AMI. Also as required by MIP, we are proposing that project’s average affordability be no greater than 60% AMI.

The project could achieve deeper affordability if additional financial assistance were provided. Potential local sources could include additional gap funds, impact fee waivers, and/or Project-Based Vouchers. A potential State funding source is the Department of Developmental Services’ (DDS) Community Placement Plan program. In collaboration with Regional Centers and affordable housing developers, this program provides “soft” loans of up to \$100,000 per unit, rental assistance, and case management services to projects that reserve units for developmentally and intellectually disabled individuals. Mutual recently discussed the Old Town Senior project with Alta California Regional Center. It believes there is a significant need in Elk Grove for high-quality, long-term affordable housing for intellectually and developmentally disabled seniors who desire to remain living within their communities. Another possible State funding source is the California Energy



Commission’s (CEC) Building Initiative for Low-Emissions Development (BUILD) program. This program provides financial incentives of up to \$2 million to affordable housing projects that incorporate advanced building design and all-electric technologies. (Mutual is currently working with another CEC program, the Electric Program Investment Charge Program, to develop a Zero-Net-Energy affordable housing project in Stockton.) The often-overlooked federal Energy Tax Credit program is yet another potential funding source. To the extent onsite solar generation is required to meet the Old Town Senior project’s Title 24 energy code and enhanced decarbonization goals, we can utilize this program to generate additional tax credit funding.

### **Plan B Financing**

This financing structure would combine State MHP with CDLAC tax-exempt bonds and CTCAC 4% and State LIHTCs. Utilizing MHP would enable the Old Town Senior project to achieve much deeper affordability than under Plan A. To be competitive for MHP funding, the project’s average affordability would have to be approximately 40% of Sacramento County AMI. Additionally, per MHP regulations 25% of the project’s units would have to be reserved for formerly homeless senior households. These residents would also be provided case management services, which Mutual does via third-party supportive service providers at several of its existing properties. However, the benefit of achieving this deeper affordability comes with the potential “cost” of both uncertainty and timeliness in obtaining financing. The project would have to “win” not one but two separate State funding competitions—MHP and CDLAC/CTCAC. While we and other developers have funded projects in this way, “winning” both competitions is less certain and typically takes longer than the Plan A financing structure. Also, while MHP is currently in the Governor’s proposed 2023-2024 budget, the State budget and the certainty of MHP funding being available will not be determined until later this summer.

Under Plan B, Mutual would also pursue additional funding sources such as the DDS, CEC, and Energy Tax Credit programs described in Plan A.

It should be noted that given the RFP’s preference to serve a senior population, the Old Town project does not benefit under either the 4%/bond or 9% programs for being located in a High Opportunity Area (HOA). Only Large Family or Permanent Supportive Housing (PSH) projects located in an HOA receive scoring and tiebreaker advantages under these State programs. These competitive advantages significantly increase the probability of such projects “winning” State funding. Additionally, this advantage could increase LIHTC equity that the project could generate. One trade-off of pursuing a Large Family project may be that the project would be reduced to approximately 60 units. Another trade-off of either a Large Family or PSH project is that it may not meet the City’s vision for the site.

### **6.2. How large a City loan do you estimate you will need to successfully compete for the competitive funding sources identified in your financing Plan A and Plan B? Offer your informed intuition and explain how you arrived at that estimate —you may provide a range if it enables faster estimation. Then, describe what your team would do to economize on local funds for this project, illustrating your perspective with examples from prior work as needed.**

For both Plan A and Plan B financing plans we are assuming a \$3 million City loan. We arrived at this amount based on the \$9 million total City funding that will be available between the Old Town and Sheldon Farms North projects and our estimate that the former project will yield approximately one-half the number of units of the latter. Under Plan A, the combination of the \$3 million City and CalHFA MIP \$4 million “soft” loans we estimate will provide sufficient “soft” loans for the project to have a very competitive MIP/CDLAC tiebreaker. Under Plan B, additional City financial support will likely be needed for the project’s CDLAC and MHP tiebreakers (the latter being significantly weighted toward projects with the most local funding) to be competitive as well as to serve a much lower income population than that under Plan A. (It should be noted that under all the State affordable housing funding programs described in 6.1, the more local financial assistance provided to a project the more competitive it will be under the State programs’ scoring and tiebreaker systems.)



In all its projects, Mutual is very aware of the local government’s limitations in providing financial support. As such, from the outset of each project our approach is to maximize private and public non-local funding sources as well as design and build a cost-effective project—with the goal of limiting local funding required. We accomplish this in several ways. As described in 1.2, given our long-standing relationships with private lenders and investors we are able to negotiate most favorable debt terms and equity pricing. With our understanding of the State funding programs we are able to ensure competitiveness for and maximize these “soft” funds. Mutual also pursues alternative funding sources as described in 6.1 which most affordable housing developers do not consider. And as detailed in 2.2, the long-term working relationship between the Mutual, Mogavero Architects, and Sunseri Construction team enables us to control design and construction costs to ensure delivery of a cost-effective project. Together, all of the above serve to economize on the local funds needed for a project.



## Section 4: Surplus Land Act Statement

**The City will only consider projects that would qualify each site as “exempt surplus land” under the Surplus Land Act pursuant to Government Code section 54221(f)(1). Please review the Surplus Land Act exemptions carefully and describe which exemption(s) will apply to your proposed project and the basis for such exemption(s).**

The Old Town project will qualify as “exempt surplus land” under the State Surplus Land Act as follows:

- It will restrict 100% of its units to lower income households as defined in Section 50079.5 of the Health and Safety Code
- Its rents will be affordable for a minimum of 55 years
- Its rents will in no event will be higher than 20% below the median market rents for the neighborhood in which the site is located

Both Financing Plans A and B will ensure that these exemptions are met given that all potential State affordable housing funding sources Mutual would utilize require 100% of the project’s units to be restricted to low-income households, affordability restrictions be maintained for a minimum of 55 years, and rents be no higher than 20% below market.





## Section 5: Conflict of Interest Statement

**Submit a statement regarding any activities or relationships of the proposer that might create a conflict of interest for the proposer or the City**

See attached Conflict of Interest Statement that confirms Mutual holds no conflicts of interest for this site or future work with the City.





June 30, 2023

Jason Lindgren  
City Clerk  
City of Elk Grove  
8401 Laguna Palms Way  
Elk Grove, CA 95758

Dear Jason:

Mutual Housing California has no relationships or activities that would cause conflicts of interest with the City of Elk Grove.

Sincerely,

A handwritten signature in blue ink, appearing to read "Roberto", enclosed in a thin blue rectangular border.

Roberto Jimenez  
Chief Executive Officer  
Cc: Sarah Bontrager, Housing Program Manager, City of Elk Grove

## Section 6: Insurance

**Submit evidence of ability to insure as stated in Appendix B and summarized below.**

See attached insurance letter from Arthur J. Gallagher evidencing Mutual's ability to meet the City's insurance requirements.





Insurance | Risk Management | Consulting

Arthur J. Gallagher Risk Management Services, LLC  
595 Market Street, Suite 2100  
San Francisco, CA 94105  
CA Lic # 0726293  
United States

M 415.546.9300  
F 415.536.8499

ajg.com

June 9, 2023

City of Elk Grove  
8401 Laguna Palms Way  
Elk Grove, CA 95758

Re: Mutual Housing California Compliance with Elk Grove Insurance Requirements for New Construction

To Whom It May Concern:

Please let this confirm the ability of Mutual Housing California, and the ultimate limited partnership entity they create for the development of the upcoming Project, to comply with the Insurance Requirements provided by Elk Grove.

Through a combination of existing insurance policies and programs Mutual Housing California already has in place, paired with project-specific insurance policies to be secured for the Project itself, all insurance requirements can be complied with.

The pricing of the coverage to be secured will vary based on market conditions and insurance carrier appetite and rating for the project, along with the obligations required of the Project to meet certain requirements, for example, such as deductible levels and earthquake insurance, which are factors that will influence the ultimate pricing of the programs.

Mutual Housing California has the capacity to obtain the required insurance.

Sincerely,

*Justin Dove*

Justin Dove  
Area Executive Vice President  
415.536.4016  
justin\_dove@ajg.com

## Section 7: Exceptions

**Note any exceptions to the RFP requirements in their entirety. The City may reject any requests for modifications to the RFP requirements that were not noted in response to this RFP.**

Mutual requests no exceptions to the RFP requirements.

