

**1819 Pico Blvd., 2024 19<sup>th</sup> Street & 2024 18<sup>th</sup> Court**  
**MERITS FOR LOAN APPLICATION APPROVAL**

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DEVELOPER:	Community Corporation of Santa Monica (CCSM)
DEVELOPMENT TYPE:	New Construction – 48 residences 22 @ one-bedroom; and 14 @ two-bedrooms; and 12 @ three-bedrooms
AFFORDABILITY:	Extremely Low- to Low-Income
TARGET POPULATION:	Large Families and Small Families/Individuals
REQUESTED ACQUISITION/ PREDEVELOPMENT LOAN:	\$10,658,973
PROJECTED PERMANENT CITY LOAN:	\$12,144,307 <sup>1</sup>

**Summary:**

CCSM submitted a Housing Trust Fund application to the City of Santa Monica for a proposed development of 48 new affordable housing residences targeted to extremely low- to low-income large families and small families/individuals and one two-bedroom on-site manager’s residence. This loan commitment funds only acquisition and predevelopment activities, involving acquisition of the property, as well as design, engineering and site work. During the predevelopment period and prior to submitting a development application to the City’s Planning Division, the Developer will hold two community meetings to provide an opportunity for input into the development’s design.

Once the proposed development obtains the necessary entitlement approvals, the Developer will submit a loan application for additional City housing trust funds needed to fill the gap between the total development cost and other public and private financing obtained by the Developer (e.g., Low Income Housing Tax Credits and bank loan). The City’s anticipated permanent loan is \$12,144,307 or \$253,006 per residence. The estimated total development cost is \$35,004,723 or \$729,265 per residence.

The table on the following pages list the seven criteria by which the loan request was evaluated and the merits upon which the loan request was granted.

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<sup>1</sup> Developer anticipates submitting a Housing Trust Fund application for construction and permanent financing once the proposed development obtains Planning Approval. At that time, Housing staff will underwrite the application for the Loan Committee’s consideration.

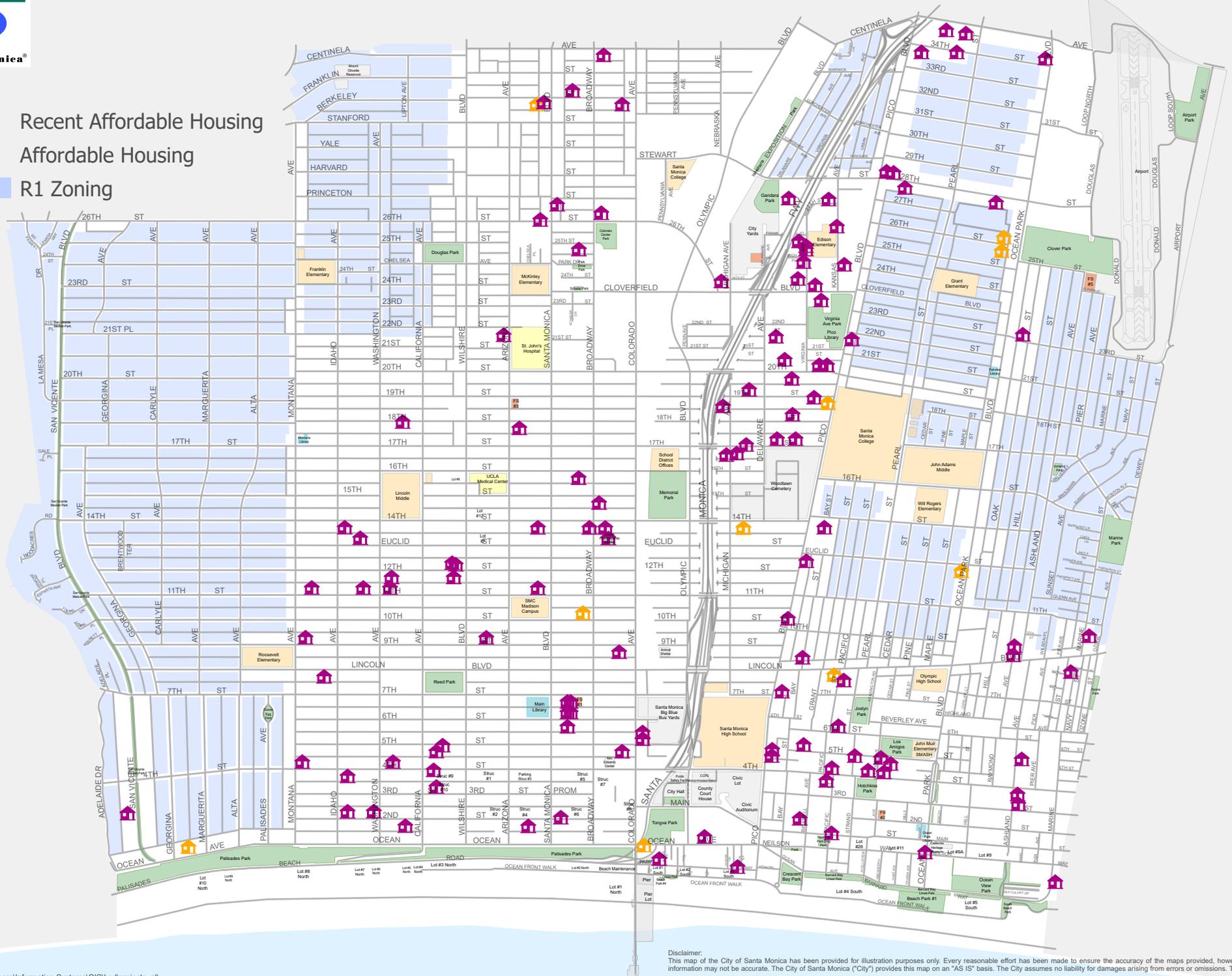
<b>LOAN REQUEST EVALUATION</b>	
<b>CRITERIA</b>	<b>MERITS</b>
<p>(1) Significantly increases affordable housing opportunities for households who have difficulty finding housing including the homeless, large families, the disabled, seniors, and person traditionally served by Single-Room Occupancy housing.</p>	<p><i>The proposed development would increase affordable housing opportunities for large families in Santa Monica who typically have difficulty finding appropriately-sized housing in the city. The unit mix includes 14 two-bedroom residences and 12 three-bedroom residences, or 54 percent of the development.</i></p>
<p>(2) Cost-effective or achieve the lowest possible subsidy per unit for City resources.</p>	<p><i>The proposed City subsidy would be leveraged by approximately \$20,319,202 (59%) in tax credit equity from the 9% Low Income Housing Tax Credits from the State of California, approximately \$1,179,756 (3%) in a bank loan based upon the residential rental revenue, and approximately \$1,201,562 (3%) in a bank loan based on the commercial rental revenue. CCSM will continue to explore other funding sources during the predevelopment period to ensure that the proposed development is cost-effective and achieves the lowest possible subsidy per unit for City resources.</i></p>
<p>(3) Benefit a high percentage of very low- and low-income households by ensuring deeper affordability.</p>	<p>All 48 residences would target low-income households, with 33 residences providing deeper affordability. Fifteen residences would serve low-income households (51-80% AMI), with 22 residences serving households at or below very low-income levels (31-50% AMI), and 11 residences serving households at or below extremely low-income levels (30% AMI). One 80% AMI residence would be reserved for an on-site manager.</p>

<b>LOAN REQUEST EVALUATION</b>	
<b>CRITERIA</b>	<b>MERITS</b>
(4) Located in areas currently underserved by affordable housing developments.	The proposed development is in the Pico Neighborhood. See the attached map of City-Funded Affordable Housing for the geographic distribution of City-supported developments. Given the proximity to transit (both the Expo Line and bus routes), schools, supermarkets, parks, and other services, the proposed development would provide new affordable housing opportunities for low-income households as well as convenient access to valuable community amenities.
(5) Address an area of need identified in the Housing Element of the City of Santa Monica.	Santa Monica’s Housing Element includes the goal of producing housing for all income categories (Goal 2.0), including providing financial assistance to nonprofit housing developers for affordable housing (Objective 2.c) and facilitating the development of special-needs housing which includes large families (Objective 2.f).
(6) Addresses a particular need identified in the Council-approved Housing Trust Funds Plan.	The Housing Trust Fund Guidelines Initial Plan was approved by City Council in July 2018, identifying affordable housing for four target populations: seniors, persons living with disabilities, large families, and small families/individuals. The proposed development addresses the identified need of affordable housing for both large families and small families/individuals.
(7) Loan Applicant’s past and projected effectiveness implementing the City-established local preferences (i.e. households which live or work in Santa Monica).	CCSM has achieved moderate success in ensuring that Santa Monica residents and workers are beneficiaries of CCSM’s affordable housing through outreach and local marketing strategies. CCSM is working with City staff on improving implementation methods to increase the intended outcomes anticipated by the local priority policy. The result will be new local preference implementation activities that are incorporated into the requirements for this loan.



# City-Funded Affordable Housing Developments: 1980 - Present

-  Recent Affordable Housing
-  Affordable Housing
-  R1 Zoning



Disclaimer:  
 This map of the City of Santa Monica has been provided for illustration purposes only. Every reasonable effort has been made to ensure the accuracy of the maps provided, however, some information may not be accurate. The City of Santa Monica ("City") provides this map on an "AS IS" basis. The City assumes no liability for damages arising from errors or omissions. THE MAPS  
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