



December 19, 2023

Dear Nicky,

In January 2023, we applied to the City of San Mateo for the PLHA Housing Assistance with Case Management Program to help fund The New Beginnings Project in North Central. This permanent supportive housing will provide a safe and secure place for young adults transitioning (TAY) out of the Foster Care system. Please allow this letter to serve as an update to our August 7th addendum.

Since our August addendum, several updates have encouraged us to pursue a different unit type. Given the recommendations of our arborist regarding tree preservation, we began to explore unit options that might provide more capability for tree protection and preservation.

In addition, with the passage of Senate Bill 4, St. James AME Zion Church and St. James Community Development Corporation now has the opportunity to provide affordable multi-family residential housing on the property at 831 Monte Diablo Street. The bill requires that 100% of the units must be affordable at specific income levels and property owner must agree to maintain the affordability of the units for at least 55 years.

As a result of these findings and legislation, we began working with Firm Foundation Community Housing, our developer, to propose a multi-family residential "Village" comprised of five 264 square foot affordable housing rental units. Firm Foundation's micro-home unit meets HCD quality standards, and is on a fixed foundation with utilities as well as a private bathroom, kitchen, appliances, and living space.

The unit has been reviewed by a CASp consultant and complies with section 11B of the 2019 California Building Code. These CA state-certified homes can be fully installed within six to eight weeks, making them a much quicker and more cost-effective alternative to other types of housing development. The units will be assembled in a temporary, HCD-approved factory and placed on site with certification placards.

We are excited about our modified proposal for a 5-unit Village on the site, as we believe it will better align with the needs of the TAY population we are serving. Each individual will have their own private space, but the design of the Village will include group open space areas for the residents to enjoy.

We are currently in concept design review with our architect, FOG Studios. However, they have been able to provide us with a fit test design utilizing minimum requirements, such as 11B site requirements. While the attached fit test site plan is still a work-in-progress, we believe that it demonstrates that the project is feasible. A density bonus compliance memo will also accompany our planning application and describe any concessions and/or incentives that the project would like to request.

Here is our updated project development budget for our PLHA grant, highlighted in **bold**.

1. Monte Diablo Site Construction: Demo, Grading, Wet and Dry Utilities, Foundations, decks/ramps
2. FFCH Unit Construction: 264 sq.ft. unit
3. **Pre-development expenses: Architecture, Engineering, Reports/Studies, Permit fees, Impact fees, etc.**
4. Firm Foundation Developer's fee: a percentage of the above total cost of the project

Development Expense Category	Budget Estimate	Notes
Site Construction:	\$541,020	
Unit Construction:	\$423,160	
Pre-development Expense:	\$346,500	
Developer's fee:	\$117,961	~9% of above sub-total
TOTAL EST. DEV BUDGET	\$1,428,641	5-unit Village

Pre-development expenses encompass all soft costs related to the development of the project, and exclude only Construction costs. A more detailed table of Pre-development expenses is below.

Pre-development Expenses for Monte Diablo Project	Budget Estimate	Notes
Architecture and Engineering	\$50,000	
Reports and Studies	\$125,000	\$35K Standard reports; \$90K PGE utility study/design
Financing Costs	\$10,000	
Operating Reserve	\$35,000	
Builders Risk Insurance	\$15,000	
OCIP Insurance	\$15,000	
Impact Fees and Taxes	\$30,000	Will request Density Bonus concession, as possible
Permit Fees	\$30,000	Will request Density Bonus concession, as possible
Special Inspections	\$5,000	Will request Density Bonus concession, as possible
Sub-total of Pre-development Expenses	\$315,000	
Soft Cost Contingency	\$31,500	
Sub-total of Pre-development Expenses + Soft Cost Contingency	\$346,500	
Developer's Fee	\$117,961	
TOTAL PRE-DEVELOPMENT EXPENSES	\$464,461	

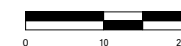
As indicated by the table, our original request of \$377,212.00, in development funding will adequately cover our sub-total of pre-development and contingency expenses. Being awarded this grant will enable us to move forward with the project.

Thank you for your kind attention to this and your ongoing support of this important project. Please do not hesitate to reach out with any questions you might have.

Sincerely,

Rev. Penny Nixon 415-269-2259
New Beginnings Project Manager
St James Community Development Corporation Saintjamescdc.org

5 STUDIO UNITS
264 GSF EACH (DIMENSIONS ARE TO FACE OF STUD)
TOTAL BUILDING AREA = 1,320 SF
PARKING: 1 EXISTING (WIDENED)



SCALE $1/8" = 1'-0"$

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