

**Life Plan Humboldt & Rural Communities Housing
County of Humboldt Housing Trust Fund Grant Application
(SECOND DRAFT of 3/11/2024)**

Project Summary

Life Plan Humboldt (LPH) and Rural Communities Housing (RCH) are private nonprofit public benefit corporations that are partnering together to create a vibrant mixed-income community where residents can age in place. The new construction senior housing development will be situated in the McKinleyville Town Center on a 14.6-acre parcel located at Hiller Road and Nursery Way. One hundred and sixty-eight new market rate housing units will be integrated with fifty new housing units for low-income seniors. Together, the development will create two hundred and sixteen new housing units. Due to the proposed project density, all of the units will qualify as affordable units for purposes of meeting Housing Element low-income housing goals.

Market Rate Housing

The market rate housing will be developed by LPH and will consist of one hundred and forty-four apartments and cottages and two twelve-unit memory care home for people with dementia and advanced health care needs. Residents will pay an initial entry fee, the amount of which is dependent on the size of their chosen home. They will also pay a monthly fee that covers maintenance, housekeeping, utilities, activities, a meal plan and health care coordination. Currently there is no life plan community within two hundred miles of our area.

LPH has been able to engage experts in developing, planning, financing and operating life plan communities. Formal agreements are now in place with Greenbrier Development Corporation, (a national life plan community developer), Kendal Corporation (a federation of 11 nonprofit life plan communities), and architects Perkins Eastman. LPH has also established a relationship with Ziegler Bank for the bond financing that will be used to pay off the pre-financing debt, as well as to complete construction.

Affordable Housing

The affordable housing will be developed by RCH and will consist of 50 one-bedroom units affordable to seniors earning 60% or less of the area median income on approximately 2 acres that because of grant application and project financing requirements, must be subdivided from the 14.6-acre property into a separate parcel. In all other respects, including sharing of common spaces and amenities, affordable housing and market rate housing will be fully integrated into a seamless community.

RCH will leverage public financing from local, state, and federal agencies with private equity made available through the Low-Income Housing Tax Credit (LIHTC) program administered by the California Tax Credit Allocation Committee (CTCAC). The apartments will offer independent living for income eligible seniors who will pay below market rents.

Life Plan Humboldt and Rural Communities Partnership

LPH entered into a Purchase Option Agreement with L&A Enterprises LLC to acquire the 14.6 acres of vacant land. Section 14 of the Purchase Option Agreement gives LPH the right to convey a portion of the property to RCH for the construction, ownership and management of the affordable units.

LPH and RCH entered into an Exclusive Negotiation Agreement for site acquisition and development of affordable housing portion of the project that will be financially feasible and meet the mutual goals of the life-plan community. LPH and RCH are applying jointly for funding from the County to support predevelopment activities necessary to apply and secure subsequent funding for affordable housing, offsite infrastructure, and construction costs.

McKinleyville Town Center Affordable Housing Goals

The 2011 Update of the County Housing Element included a significant increase in the Affordable Housing Inventory in the McKinleyville Town Center. As a companion implementation measure, Ordinance 2475 was adopted by the Board of Supervisors to among other things, establishing a priority for assisting low-income housing projects in the McKinleyville Town Center. Ordinance 2475 was necessary to demonstrate to the California Department of Housing and Community Development and local interested parties that development of the stated affordable housing inventory in the Town Center would be practical and feasible.

Specifically, section 18.16 of Ordinance 2475 stipulates that “The County will pursue the use of Housing Income Trust Funds to help pay for subdivision costs associated with the division of multifamily zoned portions of the properties to facilitate the construction of affordable units.”

Additionally, section 18.17 stipulates that the County will pursue state and federal funding to contribute infrastructure and affordable housing development costs on the McKinleyville Town Center parcels.

The LPH and RCH project promises to fulfill the affordable housing goals of the Town Center, and serve as a cornerstone of the McKinleyville Community Plan’s proposed multi-use build-out of the McKinleyville Town Center.

Housing Trust Funding Request

LPH and RCH are applying jointly for Humboldt County Housing Trust Funds to support predevelopment activities that include (1) subdivision to create a separate legal lot for the affordable portion of the project, (2) site acquisition of the newly created parcel by RCH, and (3) project readiness expenses enabling competitive applications for subsequent affordable housing infrastructure and construction funding. County funding in support of these predevelopment activities will result in the construction of new low-income units and fulfillment of a significant portion of the affordable housing inventory in the McKinleyville Town Center.

HOUSING TRUST FUNDING REQUEST	
Property Subdivision	Cost
Title Report	\$500
Phase I and II Property Evaluation	\$15,000
Biological Evaluation/Wetlands Determination	\$5,000
CEQA Environmental Review	\$30,000
Survey (Topo, Boundary, ALTA)	\$25,000

Tentative Map & Application	\$15,000
Final Map	\$5,000
County & Agency Fees	\$15,000
Legal Fees	\$5,000
Sub-total Property Subdivision	\$115,500
Site Acquisition	Cost
Property Appraisal	\$8,000
Property Cost (approximate pending appraisal)	\$365,000
Legal Fees	\$5,000
Sub-total Site Acquisition	\$378,000
Affordable Housing Application Readiness	Cost
CDBG Engineering Study Off-site Infrastructure Requirements (water, wastewater, energy, trails, roads improvements)	\$25,000
Affordable Housing Market Study	\$8,000
Sources and Uses of Funds Report (expenses, cash flow, financing, capital needs assessment)	\$5,000
Property Appraisal Update	\$1,500
Preliminary Architectural Drawings (25% design documents)	\$250,000
Construction and Engineering Documents (Geotechnical, Civil, Mech, MEP consulting)	\$200,000
Affordable Housing Grant and Tax Credit Application Preparation	\$25,000
Sub-total Affordable Housing Application Readiness	\$514,500
TOTAL HOUSING TRUST FUNDING REQUEST	\$1,008,000

Future Funding Applications

After subdivision and site acquisition, LPH and RCH intend to apply for local, state, and federal funding to construct the off-site infrastructure necessary to support the affordable housing units. The requested pre-development activity funding, together with secured funding for necessary off-site infrastructure improvements, will ensure a competitive Tax Credit Allocation Committee and State Housing Construction grant application for the project.

Project Timeline

ACTIVITY	SCHEDULE
Property Subdivision and Acquisition	January 2025
Application for State & Federal Offsite Infrastructure Funds	March 2025
Tax Credit Allocation Committee and State Housing Construction Application	January 2026
Construction Start	March 2027
Construction Complete	October 2028