Waterman Gardens
San Bernardino, California

Erik Johnson, VP Development
National Community Renaissance

Together, we transform lives and communities.

May 19, 2016

MISSION STATEMENT

National Community Renaissance
(National CORE)

- A national not-for-profit affordable housing development corporation dedicated to neighborhood revitalization by building and managing high quality, service-enriched affordable housing

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CAPACITY & EXPERIENCE

- Total Residents: 27,000+
- Employees: 350+
- Approximately 10,000 Units in CA, TX, AR, and FL
- Nation's 4th Largest Non-Profit Affordable Housing Developer
- Full Service Organization

✓ Acquisitions	✓ Property Management
✓ Project Development	✓ Compliance
✓ Construction	✓ Asset Management
✓ Social Services	

May 19, 2016

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NATIONAL COMMUNITY CORE RENAISSANCE

HOPE through HOUSING FOUNDATION

SAN BERNARDINO, CA

May 19, 2016

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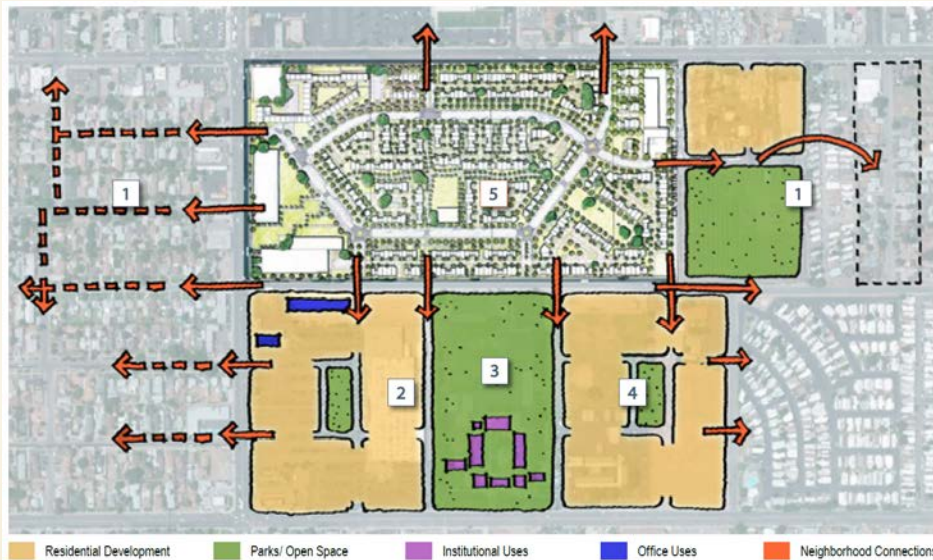
CASE STUDY: WATERMAN GARDENS

- **Redevelopment of outmoded public housing into a service enriched, mixed-income community**

  - 38 acre site
  - One-for-one replacement of 252 units
  - $50M+ invested to date
  - HACSB led master plan entitled 411 units and 300,000 sf of amenity space - financially infeasible

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REVITALIZATION OF THE NEIGHBORHOOD

Residential Development | Parks/ Open Space | Institutional Uses | Office Uses | Neighborhood Connections

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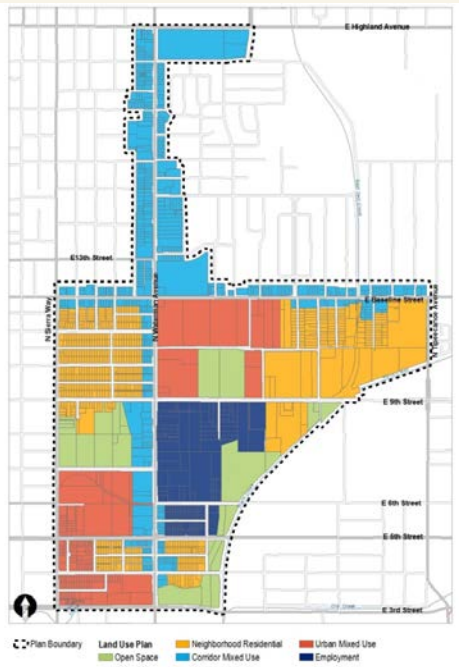
OUR TOOL BOX

- **Neighborhood Transformation Specific Plan**
- HOME Funds
- 9% LIHTC
- HUD 221(d)(4) Loan
- Rental Assistance Demonstration (RAD)
- Move To Work (MTW)
- HCD Housing Related Parks Program (HRPP)

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NEIGHBORHOOD TRANSFORMATION SPECIFIC PLAN

- Modifies entitlements
- Rezoning allows flexibility to respond to the market
- Increases density
  - Off-sets infrastructure costs
  - Qualifies for certain funding (cap & trade)
- Provides options for on and off-site infrastructure
- Streamlines environmental clearance
- Provides eligibility to apply for $30M CNI grant
- Garners broader community support
- Recaptures costs from future development

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Deal Summary
Val 9 – Offsite Replacement Phase

- Developer:

CORE/HACSB/HP1
- Project Type:
  New Construction
- Unit Subsidy
  Type:
  RAD, PBV
- Number Units: 75

Total Development Budget	$27,431,258
Debt- HUD 221(d)(4) Loan –Wells Fargo	$10,671,000
LIHTC Equity -Wells Fargo	$12,424,223
City of San Bernardino HOME Loan	$1,500,000
County of San Bernardino HOME Loan	$810,000
HACSB Loan	$1,000,000
Deferred Developer Fee	$1,026,035

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VALENCIA AND 9TH

VALENCIA AVENUE ELEVATION

VALENCIA AVENUE ELEVATION

THE CLUBHOUSE

Deal Summary
Waterman Gardens 1:Onsite Phase

- Developer:

CORE/HACSB/HP1
- Project Type:
New Construction
- Unit Subsidy Type:
RAD
- Number Units: 62

Total Development Budget	$25,685,281
Debt- HUD 221(d)(4) Loan –Wells Fargo	$8,783,100
LIHTC Equity -Wells Fargo	$13,876,145
City of San Bernardino HOME	$734,000
HACSB Loan	$762,000
HACSB Lease	$663,000
Deferred Developer Fee	$867,036

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Waterman Gardens Phase 1

Conceptual Elevations

Deal Challenges

- RAD Implementation
- FHEO Ruling
- Relocation
- 221(d)(4) Timing
- Section 106 Clearance
- Public Agency Constraints
- City Bankruptcy

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LESSONS LEARNED

- Stay strategic and focused deal terms, commitments and milestones

- Assume nothing is right on old approvals

- Evaluate density and subsidy assumptions

- Housing Authorities have become more sophisticated deal makers

- RAD is evolving and not always consistent

- IT TAKES A VILLAGE!

Erik Johnson

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