Women in Wood Construction

Affordable Housing: Development, Design and the Benefits of Wood

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Mission and History

For almost 40 years, RCD has created and preserved affordable housing for those with the fewest options, to build community and enrich lives.
RCD Portfolio Overview

63 communities since 1984

- 5,265 residents
- 2,556 apartments
- 26 cities, 6 counties
- 100% of residents are low-income
- Approx. 1/3 of residents have special needs
- 50,500 sq. ft. of commercial space
How We Build Communities

Real Estate Development
Creating properties that benefit residents and the broader communities

Community Development
Partnering with community organizations and residents to strengthen neighborhoods

Asset Management
Maintaining properties in top financial and physical condition

Resident Services
Providing on-site services to help our residents thrive
What is Affordable Housing?

Everyone deserves a safe, stable and affordable place to live.

- A home is considered affordable if the household pays approximately 30% of their income toward rent and utilities.
- Our region’s housing costs have outpaced local incomes, creating a deep need for affordable housing.
- The housing crisis is a complex problem. Building new, affordable housing is a critical component of the solution.
- RCD residents pay rent that is far below market rate allowing them to live in stable, affordable housing.
Who lives in Affordable Housing?

Most residents are employed, but their wages still qualify them as very-low or low-income.

The Wage and Housing Gap

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Median Annual Wage</th>
<th>% of AMI for a 1-Person Household</th>
<th>% of monthly income needed to afford a “fair market rent” 1-br apartment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dishwashers</td>
<td>$29,162</td>
<td>35%</td>
<td>74%</td>
</tr>
<tr>
<td>Retail Salespersons</td>
<td>$31,782</td>
<td>38%</td>
<td>68%</td>
</tr>
<tr>
<td>Security Guards</td>
<td>$36,670</td>
<td>44%</td>
<td>59%</td>
</tr>
<tr>
<td>Receptionists</td>
<td>$37,107</td>
<td>44%</td>
<td>58%</td>
</tr>
<tr>
<td>Preschool Teachers</td>
<td>$42,245</td>
<td>51%</td>
<td>51%</td>
</tr>
<tr>
<td>Medical Assistants</td>
<td>$46,134</td>
<td>55%</td>
<td>47%</td>
</tr>
</tbody>
</table>


Income limits may be higher than exact percentage of median in high housing cost areas like the East Bay.
Who lives in Affordable Housing?

Most residents are employed, but their wages still qualify them as very-low or low-income.

### Who Qualifies for Affordable Housing?

Range of income levels used to determine eligibility for affordable housing, and the rent that's actually affordable to them

<table>
<thead>
<tr>
<th>Income Level (% of Area Median Income or AMI)</th>
<th>Extremely Low (30% AMI)</th>
<th>Very Low (50% AMI)</th>
<th>Low (80% AMI)</th>
<th>Median (100% AMI)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income limits for a one-person household</td>
<td>$27,450</td>
<td>$45,700</td>
<td>$73,100</td>
<td>$83,450</td>
</tr>
<tr>
<td>Affordable monthly rent at 30% of income</td>
<td>$686</td>
<td>$1,143</td>
<td>$1,828</td>
<td>$2,086</td>
</tr>
<tr>
<td>Income limits for a four-person household</td>
<td>$39,150</td>
<td>$65,250</td>
<td>$104,400</td>
<td>$119,200</td>
</tr>
<tr>
<td>Affordable monthly rent at 30% of income</td>
<td>$979</td>
<td>$1,631</td>
<td>$2,610</td>
<td>$2,980</td>
</tr>
</tbody>
</table>

Based on HUD 2020 Fair Market Rent of $1,808 for a one-bedroom apartment in Alameda or Contra Costa counties. ([https://www.huduser.gov/portal/datasets/fmr.html](https://www.huduser.gov/portal/datasets/fmr.html))

Note that actual rents are often much higher, especially for newly built apartments.

Wage information from California Economic Development Department for 1st Quarter 2020 ([www.labormarketinfo.edd.ca.gov](http://www.labormarketinfo.edd.ca.gov))
How does someone get into Affordable Housing?

Each development and the apartments within them have different restrictions

- We work closely with local partners to market our new buildings
- Most apartments are filled through a lottery system

Example of flyer for a new development
How do we build Affordable Housing?

- Developing Affordable Housing follows a similar path as market rate development:
  - Site Selection
  - Feasibility Analysis and Due Diligence
  - Financing
  - Construction
  - Lease up and operations

- **However, there is a key difference:** financing for Affordable Housing is very different than for market rate developments which impacts all other components of development.

Maudelle Miller Shirek Community in Berkeley will create 87 affordable homes near transit.
Site Selection

- **Opportunity:** site selection
  - Relationship referrals and partnerships
  - Request for proposal

- **Opportunity:** entitlements can be streamlined/expeditated under state legislation

- **Challenge:** financing constraints on site selection
  - Site amenities
  - Transit requirements
  - High resource maps
  - Long term holds
  - Unpredictable timeline

For new prospective developments, we map nearby amenities to see how the site will score on future funding applications.
Design and Construction

- Long term owner perspective
  - Durability
  - Operating efficiency

- Financing requirements
  - Construction requirements
  - Sustainability and accessibility goals

- Target population needs
  - Family
  - Senior
  - Permanent Supportive Housing
Financing

Affordable Housing financing is very complicated! It’s like a multi-layered layer cake:

- Local sources (city and county)
  - Examples in the Bay Area: Measure A1 in Santa Clara County, Measure A1 in Alameda County, Impact fees in City of Fremont
- State sources (HCD)
  - Affordable Housing and Sustainable Communities (AHSC)
  - Multi-Family Housing Program (MHP)
  - No Place Like Home (NPLH)
- Low Income Housing Tax Credits (LIHTC) and LIHTC Investors
- Conventional loans (Wells Fargo, Bank of America, Chase)

![Figure 5. Capital Stack Composition for Two 9% New Construction Developments in Los Angeles Awarded in 2019](image)

Source: Data scraped from applications posted online. State and federal tax credits have been combined into one category to represent total tax credit equity.

Terner Center Report, “The Complexity of Financing Low-Income Housing Tax Credit Housing in the United States”
About Lowney Architecture

Offices in California + Hawaii

20+ Completed Multifamily Projects

20 Years in Business

50 Person Collective Team

Grocery Hospitality Industrial Mixed-use Multifamily Restaurant Retail
Affordable Housing Expertise

AFFORDABLE HOUSING CLIENTS

ABODE SERVICES
ALLIED HOUSING
BRIDGE Housing
CITY OF Oakland
community housing partnership
EAH HOUSING
EBALDC
EDEN HOUSING
mercy HOUSING
MidPen HOUSING
rcd
SAHA SATELLITE AFFORDABLE HOUSING ASSOCIATES
Affordable vs Market Rate

Differences in design

DENSITY
Units, parking

MATERIALITY
Exterior, interior

AESTHETICS
Massing, composition

PERFORMANCE
Acoustics, sustainability
Density

Major Design Differences in Affordable Housing Projects

1. INCREASED BUILDING SIZE
   • CTCAC minimum unit sizes are larger
   • Additional required spaces for CTCAC Funding
   • CTCAC requires 50% 2 & 3 bed units for Family Buildings

2. INCREASED ACCESSIBILITY
   • Publicly funded projects must meet CBC Chapter 11B: 5% units accessible
   • CTCAC funded projects require 10% accessible units

3. DECREASED PARKING
   • Density bonus law reduces parking requirements
   • 100% Affordable Housing projects require no parking

4. MIXED INCOME: DENSITY BONUS APPLIED, BUT NOT PUBLICLY FUNDED
   • Mixed projects have highest density
   • Adds affordable, small-sized units without competitive funding
Materiality
From the Outside to Inside

EXTERIOR
- Simpler materials
- No panelized systems or rainscreens
- Stucco on drain mat or cementitious panels on furring strips
- Easily maintained facade

Lowney Project: Bella Creek, Rohnert Park

INTERIOR
- Simple finishes, particularly in bathrooms and kitchens
- Higher durability
Aesthetics
Massing and Fenestrations

MASSING
• Minimizing massing shifts
• Lots of straight walls
• Juxtaposed with city’s requirements

FENESTRATION
• Smaller/reduced fenestration
• Smaller windows that are accessible
• No balconies

Lowney Project: Electric Lofts, Oakland, CA
Performance
Acoustic and Energy Requirements

ACOUSTICS
- Affordable projects meet minimum code requirements; looking for cost effective solutions
- Market-rate projects go beyond minimum

GREEN CERTIFICATION
- Green Point Rated Gold makes affordable housing more competitive for CTCAC
- Market rate housing minimizes long-term energy savings
How can Wood Construction be Beneficial for Affordable Housing?

LABOR + MATERIALS

• Ease of access to skilled labor
• Modifying wood is simpler
• Wood is readily available
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TRADE COORDINATION
• Flexibility with the various trades involved
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• Flexibility with the various trades involved

COSTS
• Availability of workforce and materials
• Exterior rigid insulation not required
How can Wood Construction be Beneficial for Affordable Housing?

LABOR + MATERIALS
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PERFORMANCE
- Environmentally friendly
- Improved acoustics
- Modularization

TRADE COORDINATION
- Flexibility with the various trades involved

COSTS
- Availability of workforce and materials
- Exterior rigid insulation not required

LABOR + MATERIALS
- Ease of access to skilled labor
- Modifying wood is simpler
- Wood is readily available
Case Study – Rick Judd Commons

- Secured site through a broker and then assembled second adjacent site to increase size
- One of our first developments entitled through SB35
- City funding came with a lot of design involvement by the city
- Ultimately, 8 different public funding sources needed

62 affordable apartments in Concord for families and some formerly homeless households

Acquired site in 2019 and started construction in 2022
Case Study – Rick Judd Commons

Development budget (sources)

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perm Loan Wells Fargo 10 yr T + 2.87%</td>
<td>780,000</td>
</tr>
<tr>
<td>City of Concord</td>
<td>7,800,000</td>
</tr>
<tr>
<td>AHSC</td>
<td>10,074,816</td>
</tr>
<tr>
<td>AHSC HRI</td>
<td>2,450,000</td>
</tr>
<tr>
<td>IIG</td>
<td>4,212,680</td>
</tr>
<tr>
<td>NPLH</td>
<td>3,582,085</td>
</tr>
<tr>
<td>Contra Costa County HOPWA and HOME</td>
<td>2,200,000</td>
</tr>
<tr>
<td>Deferred Developer Fee</td>
<td>0</td>
</tr>
<tr>
<td>GP equity -</td>
<td>118,008</td>
</tr>
<tr>
<td>HCD Accelerator</td>
<td>33,602,436</td>
</tr>
<tr>
<td><strong>TOTAL SOURCES</strong></td>
<td><strong>64,820,025</strong></td>
</tr>
</tbody>
</table>

- Hard construction costs = $45.3m
- Affordable Housing has some unique uses, mostly associated with the financing requirements.
# Case Study – Rick Judd Commons

## Rent and income targeting

<table>
<thead>
<tr>
<th>% of Area Median Income</th>
<th>Number of Units</th>
<th>Income Limits</th>
<th>Rent by Unit Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>30%</td>
<td>13</td>
<td>1 person: $30,000 2 persons: $34,290 3 persons: $38,580</td>
<td>1-BD $803 2-BD $964 3-BD $1,114</td>
</tr>
<tr>
<td>50%</td>
<td>40</td>
<td>1 person: $50,000 2 persons: $57,150 3 persons: $64,300</td>
<td>1-BD $1,339 2-BD $1,607 3-BD $1,856</td>
</tr>
<tr>
<td>60%</td>
<td>8</td>
<td>1 person: $60,000 2 persons: $68,580 3 persons: $77,160</td>
<td>1-BD $1,607 2-BD $1,929 3-BD $2,228</td>
</tr>
</tbody>
</table>
Project Overview

LOCATION
• 1313 Galindo, Concord, CA

UNIT TYPES

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Bedroom A</td>
<td>36</td>
</tr>
<tr>
<td>1 Bedroom A ACS</td>
<td>3</td>
</tr>
<tr>
<td>1 Bedroom B1</td>
<td>1</td>
</tr>
<tr>
<td>2 Bedroom B1</td>
<td>3</td>
</tr>
<tr>
<td>2 Bedroom B2</td>
<td>4</td>
</tr>
<tr>
<td>2 Bedroom B3</td>
<td>2</td>
</tr>
<tr>
<td>2 Bedroom B4</td>
<td>2</td>
</tr>
<tr>
<td>2 Bedroom B4 ACS</td>
<td>1</td>
</tr>
<tr>
<td>2 Bedroom B5</td>
<td>4</td>
</tr>
<tr>
<td>2 Bedroom B ACS</td>
<td>1</td>
</tr>
<tr>
<td>3 Bedroom C</td>
<td>3</td>
</tr>
<tr>
<td>3 Bedroom C ACS</td>
<td>1</td>
</tr>
<tr>
<td>Manager 2 Bedroom</td>
<td>1</td>
</tr>
<tr>
<td>Total Units:</td>
<td>62</td>
</tr>
</tbody>
</table>
Site Plan
Unit Features

- Minimize unit differences
- Durable casework
- Fiberglass shower surrounds
- No carpets
- Full height pantry cabinets
- Accessible windows
Sustainability Features

Exterior Insulation Facade System (EIFS)

Perforated shading devices on facade

CMU

Source: StoCorp.com
Lessons Learned

Strategic material and finish selection.
Reduce construction costs where possible, through choice of materials and finishes, while maintaining long-term durability.

Early integration of sustainability checklists.
Go through your selected Sustainability checklists early; on-board a Green Point consultant during DD.

Comprehending competitive funding.
Understand the requirements of competitive funding sources. Review applications and checklists with ownership early on.

Fusing density bonus law.
Understand and apply the Density Bonus Law. Work with Market Rate developers to understand how adding affordable units can benefit their project.
Thank you!

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Paige Smith, AIA LEED BD+C  
Senior Project Manager  
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Questions?

This concludes The American Institute of Architects Continuing Education Systems Course.
Questions? Ask us anything.

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Take our survey!