

APPLICATION FOR FUNDING

San Mateo County Affordable Housing Fund (AHF)

Project Title:

Redwood Gateway Apartments

Applicant Organization:

Peninsula Housing Alliance

Date of Submission: January 16, 2026

Funding Cycle: FY 2025-2026 Notice of Funding Availability (NOFA)

Total Funds Requested: \$7,500,000

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Section 1. Applicant Information

Legal Name of Applicant:	Peninsula Housing Alliance
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Email:	m.flores@peninsulahousing.org
Federal Tax ID (EIN):	94-XXXXXX98
UEI Number:	ABC123XYZ456
Applicant Type:	501(c)(3) Nonprofit Corporation
Date of Incorporation:	October 5, 1998

Section 2. Executive Summary

Peninsula Housing Alliance (PHA), a 501(c)(3) nonprofit organization with over 25 years of experience developing and managing affordable housing in San Mateo County, respectfully requests \$7,500,000 from the San Mateo County Affordable Housing Fund (AHF). These funds will serve as crucial gap financing for the new construction of Redwood Gateway Apartments, a 75-unit permanent supportive and affordable rental housing development located in Redwood City, California.

The proposed project directly responds to the severe housing crisis documented in the County's 2023-2031 Housing Element and the California Housing Partnership's 2025 Affordable Housing Needs Report. San Mateo County faces a staggering shortfall of 22,954 affordable homes for its low-income renters, with 81% of Extremely Low-Income (ELI) households paying more than half their income for housing. Redwood Gateway Apartments will provide safe, high-quality, and deeply affordable homes for this vulnerable population, including individuals and families experiencing homelessness, veterans, and low-wage workers who are the backbone of our local economy.

The total development cost for Redwood Gateway Apartments is estimated at \$45,875,200. The requested AHF funds will leverage an additional \$38,375,200 from other sources, including Low-Income Housing Tax Credit (LIHTC) equity, a conventional first mortgage, and PHA equity. The project will consist of 20 studio, 30 one-bedroom, and 25 two-bedroom units, serving households earning between 30% and 60% of the Area Median Income (AMI). Twenty (20) units will be

designated as Permanent Supportive Housing (PSH) with project-based vouchers and intensive case management services provided by our partner, New Horizons Support Services.

PHA has secured site control through a long-term ground lease with the City of Redwood City, and the project site is zoned appropriately for the proposed density. A Phase I Environmental Site Assessment has been completed with no recognized environmental conditions, and the project is poised to begin the local entitlement process upon securing funding commitments. The development is shovel-ready, with a projected construction start in Q2 2027 and completion in Q4 2028.

This project represents a high-impact opportunity for the County to meet its state-mandated housing goals, affirmatively further fair housing, and provide stable homes for its most vulnerable residents. PHA has a proven track record of delivering complex affordable housing projects on time and on budget. Our experienced team, strong financial position, and robust community partnerships ensure the successful completion and long-term viability of Redwood Gateway Apartments. This investment will not only create 75 affordable homes but will also serve as a catalyst for stability, economic mobility, and improved quality of life for hundreds of residents for decades to come.

Section 3. Organizational Capacity

3.1 Mission and History

The mission of Peninsula Housing Alliance (PHA) is to build and sustain high-quality affordable housing that provides a foundation for our residents to thrive. Since our founding in 1998, PHA has been a leading developer, owner, and operator of affordable housing communities exclusively within San Mateo County. We believe that a safe, stable, and affordable home is a fundamental human right and the cornerstone of a healthy community.

Over the past 27 years, PHA has developed over 1,200 units of affordable housing across 15 properties, serving more than 3,000 individuals and families. Our portfolio includes a diverse range of housing types, from permanent supportive housing for formerly homeless individuals to family-oriented developments and senior housing. We have a deep understanding of the local development landscape, regulatory environment, and the specific needs of San Mateo County's low-income populations.

3.2 Development Experience

PHA possesses the requisite experience and expertise to execute the Redwood Gateway Apartments project successfully. Our in-house development team has a combined 60+ years of experience in all facets of affordable housing development, including site acquisition, finance, entitlement, construction management, and lease-up. We have successfully utilized a wide array of public and private funding sources, including LIHTC, tax-exempt bonds, HOME, CDBG, and local housing trust funds like the AHF.

A summary of our three most recent comparable projects is provided below:

- **Cypress Point Commons (Daly City, 2022):** A 60-unit new construction project for low-income families and veterans. Financed with 9% LIHTC, AHF funds, and a conventional loan. The project was completed on schedule and within 1% of its original budget, and is currently 100% occupied with a waiting list.

- **Bayside Senior Lofts (San Mateo, 2020):** An 85-unit acquisition and rehabilitation of an existing apartment complex for low-income seniors. The project involved significant accessibility upgrades and the addition of a community room and service coordinator's office. It was financed with 4% LIHTC and tax-exempt bonds.
- **Harbor View Place (Half Moon Bay, 2018):** A 40-unit development providing permanent supportive housing for individuals with disabilities and those experiencing chronic homelessness. This project involved complex coordination with the County's Department of Housing and local service providers.

3.3 Property Management and Resident Services

PHA manages its entire portfolio through its property management arm, PHA Management, Inc. This integrated approach ensures that our properties are maintained to the highest standards and that management practices are aligned with our mission of resident stability. Our management team is well-versed in compliance requirements for LIHTC, HUD, and other subsidized housing programs. Our current portfolio-wide vacancy rate is less than 1%, and we consistently receive high marks on physical inspections and management reviews.

We believe that providing housing is only the first step. PHA is committed to offering robust, voluntary resident services that empower our residents to achieve their goals. At Redwood Gateway Apartments, an on-site Resident Services Coordinator will work with residents to connect them to community resources, including financial literacy workshops, job training programs, health and wellness services, and after-school programs for children. For the 20 PSH units, our partner New Horizons Support Services will provide intensive, on-site case management, including mental and behavioral health support, benefits advocacy, and life skills training, utilizing a Housing First model.

3.4 Financial Health and Controls

Peninsula Housing Alliance is in a strong financial position, with a healthy balance sheet and consistent operating surpluses. We maintain rigorous internal financial controls and undergo an annual independent audit by a certified public accounting firm. For the past ten consecutive years, PHA has received an "unqualified opinion" on its audited financial statements, the highest level of assurance possible. A summary of our most recent audit is included as Attachment F.

Our organization maintains a Board-designated operating reserve equivalent to six months of operating expenses and a separate development capital fund to provide pre-development financing for new projects. This financial stability minimizes risk for our public and private funding partners and ensures our ability to fulfill our long-term obligations as a property owner and steward of public resources.

3.5 Key Personnel

The Redwood Gateway Apartments project will be led by a team of seasoned professionals with extensive experience in affordable housing. Resumes for key personnel are included in Attachment C.

- **Maria Flores, Executive Director:** With 20 years in the nonprofit housing sector, Ms. Flores provides overall strategic direction for PHA. She has overseen the development of over 800 units of affordable housing.
- **David Chen, Director of Housing Development:** Mr. Chen will serve as the lead project manager. He has 15 years of direct experience managing all stages of affordable housing development, from feasibility to construction completion. He was the project manager for the recently completed Cypress Point Commons.
- **Sarah Kim, Chief Financial Officer:** Ms. Kim has over 25 years of experience in nonprofit accounting and finance. She will oversee all aspects of the project budget, financing, and

compliance.

Section 4. San Mateo County Housing Need Analysis

4.1 The Unaffordability Crisis

San Mateo County is at the epicenter of the Bay Area's housing affordability crisis. The disparity between housing costs and resident incomes has reached unsustainable levels, threatening the economic vitality and social fabric of our community. According to the California Housing Partnership's 2025 Affordable Housing Needs Report, a renter in San Mateo County must earn \$66.59 per hour—3.7 times the City of San Mateo's minimum wage—to afford the average monthly asking rent of \$3,463. This is far beyond the reach of workers in essential sectors such as retail, childcare, and healthcare support.

The for-sale market is equally inaccessible. With a median home price consistently hovering between \$1.5 million and \$2.0 million (Redfin, SAMCAR, December 2025 data), homeownership is an impossible dream for all but the highest earners. This extreme market pressure forces more households into the rental market, driving up rents and vacancy rates down. The county's housing occupancy rate is approximately 95%, indicating a critically tight market where landlords have immense pricing power and tenants have few, if any, options.

The consequences of this crisis are severe. The California Housing Partnership (2025) reports a current shortfall of **22,954** affordable and available rental homes for low-income households in San Mateo County. This forces families into overcrowded or substandard living conditions, leads to long and environmentally damaging commutes, and pushes long-time residents out of the communities they helped build.

4.2 Severe Cost Burden on Low-Income Households

The most acute impact of the housing crisis falls on the county's lowest-income residents. A household is considered "cost-burdened" if it spends more than 30% of its income on housing, and "severely cost-burdened" if it spends more than 50%. The data for San Mateo County is alarming:

- **81% of Extremely Low-Income (ELI) households** (earning less than 30% of AMI) are severely cost-burdened.
- **39% of Very Low-Income (VLI) households** (earning 30-50% of AMI) are severely cost-burdened.
- In total, 95,558 households in the county are housing cost-burdened (UWBA).

When a family spends more than half its income just to keep a roof over their head, they are forced to make impossible choices between rent and other necessities like food, healthcare, transportation, and childcare. This level of cost burden perpetuates a cycle of poverty, negatively impacts health and educational outcomes, and creates profound instability for children and families. Redwood Gateway Apartments, with its deep affordability targets, is designed specifically to alleviate this severe cost burden for 75 households.

4.3 Target Population and Special Needs

Redwood Gateway Apartments will serve households earning between 30% and 60% of AMI, with a focus on those at the lowest end of this spectrum. The project directly addresses the needs of populations identified as priorities in the County's Consolidated Plan and Housing Element.

4.3.1 Individuals and Families Experiencing Homelessness

The 2024 Point-in-Time count identified a significant number of individuals experiencing homelessness in San Mateo County, with an insufficient supply of interim and permanent housing solutions. The County's data shows only 1,551 interim beds available in 2024. Redwood Gateway Apartments will provide 20 units of Permanent Supportive Housing (PSH) using a Housing First approach. This evidence-based model provides stable housing without preconditions and offers voluntary, intensive supportive services. This component of the project is critical to addressing chronic homelessness in our community and aligns with the County's goal of creating more PSH units.

4.3.2 Low-Wage Workers and Families

The project will provide 55 units of affordable housing for individuals and families who are employed in low-wage jobs but cannot afford market-rate rents. This includes retail salespersons, janitors, medical assistants, and childcare workers, whose median hourly wages (ranging from \$17.95 to \$30.07) are less than half of the \$66.59 per hour needed to afford the average rent. By providing stable, affordable housing, Redwood Gateway Apartments helps these essential workers remain in the community, reducing commute times and supporting local businesses.

4.3.3 Diverse and Vulnerable Communities

San Mateo County is a remarkably diverse community, with 35.6% of its population being foreign-born and over 45% speaking a language other than English at home (US Census). The population is 35.8% White (Non-Hispanic), 30.5% Asian (Non-Hispanic), and 25.25% Hispanic/Latino. Historically, these communities have faced significant barriers to accessing safe and affordable housing. PHA is committed to affirmatively furthering fair housing through culturally competent outreach, language access services during lease-up and management, and a design that is welcoming to all. The project will help address the disproportionate rates of overcrowding and housing instability experienced by communities of color in the county.

By targeting these specific populations, Redwood Gateway Apartments directly aligns with the needs identified in the San Mateo County 2023-2031 Housing Element, which calls for the development of housing for extremely low-income households, special needs populations, and the local workforce. The project is a direct and tangible response to the data-driven needs of our community.

Section 5. Project Description

5.1 Project Overview

Redwood Gateway Apartments will be a new, high-quality, 75-unit affordable rental community located at 123 Main Street, Redwood City, CA. The project involves the construction of a four-story building over one level of podium parking on a 1.2-acre site currently underutilized. The development will provide a mix of studio, one-bedroom, and two-bedroom apartments, serving a range of low-income household sizes.

The project's design prioritizes sustainability, accessibility, and community integration. It will be built to GreenPoint Rated standards, incorporating energy-efficient appliances, water-saving fixtures, and rooftop solar panels to reduce utility costs for residents and minimize environmental impact. The building and all common areas will be fully compliant with the Americans with Disabilities Act (ADA), with 10% of units designed for full mobility accessibility and 4% for hearing/vision accessibility.

5.2 Architectural Design and Site Plan

The building's design, by the award-winning firm Community Design Architects, features an attractive, modern aesthetic that complements the surrounding neighborhood. The exterior will use durable, high-quality materials. The site plan includes extensive landscaping with drought-tolerant native plants, a central courtyard, a children's play area, and community garden plots for residents.

The ground floor will feature a spacious community room with a kitchen, a computer lab, a dedicated office for the on-site property manager, and a private office for the resident services coordinator and visiting case managers. The podium garage will provide secure parking for residents, including EV charging stations and ample bicycle parking to encourage alternative transportation. The project's location is ideal, situated within a half-mile of a SamTrans bus stop and one mile from the Redwood City Caltrain station, providing residents with excellent access to public transit and jobs throughout the peninsula.

5.3 On-Site Amenities and Services

Redwood Gateway Apartments is designed to be more than just housing; it is designed to be a community. On-site amenities will include:

- A large, multi-purpose community room with a shared kitchen for resident events and workshops.
- A computer lab with high-speed internet access for residents.
- A secure, fenced children's playground.
- A central courtyard with seating areas and a barbecue pit.
- Community garden plots for resident use.

- On-site laundry facilities on each residential floor.
- Secure indoor and outdoor bicycle storage.

As described in Section 3.3, a full-time Resident Services Coordinator will be on-site to connect residents with a wide range of supportive services. For the 20 PSH units, our partner New Horizons Support Services will provide comprehensive, on-site case management to ensure residents have the support they need to maintain housing stability and thrive.

5.4 Unit Mix and Affordability

The project will provide 75 units of affordable housing, restricted for a minimum of 55 years. The unit mix is designed to accommodate a variety of household sizes, from individuals to small families. All units will feature a full kitchen with energy-efficient appliances, a full bathroom, and ample storage space.

The affordability levels are targeted to meet the needs of the county's most vulnerable residents, with a significant portion of units serving Extremely Low-Income (ELI) households. The proposed unit mix and income targeting are detailed in the table below.

Unit Type	Number of Units	Target AMI	Description
Studio	20	30% AMI	10 units designated as PSH with Project-Based Vouchers (PBV). 10 units for other ELI individuals.
1-Bedroom	20	30% - 50% AMI	10 units at 30% AMI (includes 10 PSH/PBV units). 10 units at 50% AMI. To serve individuals, couples, and small families.
1-Bedroom	10	60% AMI	To serve moderate-income individuals and couples, such as entry-level professionals and service workers.
2-Bedroom	25	30% - 60% AMI	10 units at 30% AMI, 10 units at 50% AMI, and 5 units at 60% AMI. To serve low-income families with children.
Total	75	Avg. 42% AMI	Includes one 2-BR manager's unit.

Affordability Summary:

- **30% AMI (ELI):** 40 units (53% of total)
- **50% AMI (VLI):** 20 units (27% of total)
- **60% AMI (LI):** 15 units (20% of total)

This deep level of affordability, with over half of the units targeting ELI households, directly addresses the most critical need identified in the County's housing data. The project will provide a significant contribution to the County's affordable housing stock and its goals under the 2023-2031 Housing Element.

Section 6. Site Control & Readiness

6.1 Evidence of Site Control

Peninsula Housing Alliance has secured site control for the 1.2-acre parcel located at 123 Main Street, Redwood City, CA (APN: 052-XXX-010). On November 15, 2025, the Redwood City Council approved an Exclusive Negotiating Agreement (ENA) with PHA. The ENA provides PHA with the exclusive right to negotiate a long-term ground lease for the property for the purpose of developing affordable housing. The terms of the ground lease are anticipated to be for 99 years, providing the long-term stability required for LIHTC financing and ensuring the property remains affordable for generations.

A copy of the executed ENA resolution from the City of Redwood City is available upon request and will be provided at the time of the AHF loan closing.

6.2 Zoning and Entitlements

The project site is currently zoned RM-3 (Multi-Family Residential, High Density) by the City of Redwood City. The proposed project, with a density of 62.5 units per acre, is consistent with the underlying zoning designation. The project is located in an area identified for focused growth in the City's General Plan and certified 2023-2031 Housing Element.

PHA has conducted a preliminary meeting with the Redwood City Planning Department. Staff has provided initial positive feedback on the conceptual design and confirmed the project's consistency with zoning and General Plan policies. Upon securing funding commitments, PHA is prepared to immediately submit a formal application for Design Review and a Conditional Use Permit. We anticipate a smooth entitlement process of approximately 9-12 months, given the project's strong alignment with city and state housing goals. A zoning verification letter from the Redwood City Planning Director is included as Attachment E.

6.3 Infrastructure and Utilities

The site is well-served by existing municipal infrastructure. Water, sewer, and storm drain connections are available at the property line along Main Street. Electrical and gas service is provided by Pacific Gas & Electric (PG&E), and communications infrastructure is available from multiple providers. A preliminary utility capacity study has been conducted, confirming that existing services are adequate to support the proposed development. All utility connection fees have been factored into the development budget.

Section 7. Environmental Review Status

In accordance with the California Environmental Quality Act (CEQA), the City of Redwood City will serve as the Lead Agency for the environmental review of the Redwood Gateway Apartments project.

Based on our preliminary analysis and consultation with environmental consultants, we anticipate that the project will qualify for a Categorical Exemption under CEQA Guidelines Section 15332 (In-Fill Development Projects).

The project meets all criteria for this exemption: (a) it is consistent with the applicable general plan and zoning; (b) it is located within city limits on a site of less than five acres substantially surrounded by urban uses; (c) the site has no value as habitat for endangered, rare or threatened species; (d) it would not result in any significant effects relating to traffic, noise, air quality, or water quality; and (e) the site can be adequately served by all required utilities and public services.

A Phase I Environmental Site Assessment (ESA) was completed by Terra Consulting Group on December 10, 2025. The assessment found no evidence of recognized environmental conditions (RECs) on the subject property. The full Phase I ESA report is available for review upon request.

PHA will formally file for the CEQA exemption as part of the entitlement application package. The federal environmental review process under NEPA will be completed subsequent to the AHF award, as required for projects utilizing federal funds (e.g., HOME funds, if applicable).

Section 8. Development Timeline

Peninsula Housing Alliance has developed a detailed and realistic timeline for the Redwood Gateway Apartments project. The timeline reflects our extensive experience in navigating the development process in San Mateo County and is designed to move the project from its current stage to completion efficiently. The major milestones are outlined below.

Phase	Task	Start Date	End Date	Duration
Pre-Development & Entitlement	Secure AHF and other key pre-development funding	Q1 2026	Q2 2026	3 Months
	Architectural Design & Engineering (Schematic to CDs)	Q2 2026	Q1 2027	9 Months
	Submit Entitlement Application to City	Q3 2026	Q3 2026	-
	Receive Entitlement & Building Permit Approvals	Q3 2026	Q2 2027	9-12 Months
Financing	Apply for 4% LIHTC and Tax-Exempt Bonds	Q4 2026	Q1 2027	3 Months
	Secure Bank Loan and LIHTC Equity Commitments	Q1 2027	Q2 2027	3 Months
	Financial Closing	June 2027	June 2027	-
Construction	Construction Bidding and Contractor Selection	Q1 2027	Q2 2027	3 Months
	Construction Start (Groundbreaking)	July 2027	July 2027	-
	Construction Completion & Certificate of Occupancy	July 2027	December 2028	18 Months
Lease-Up & Operations	Marketing and Resident Application Period	Q3 2028	Q4 2028	6 Months
	Lease-Up and First Resident Move-In	December 2028	March 2029	4 Months

	Project Stabilization (95% Occupancy)	-	April 2029	-
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Section 9. Budget Narrative

The total development cost for Redwood Gateway Apartments is **\$45,875,200**. Peninsula Housing Alliance has developed a comprehensive and viable financing plan that leverages the requested \$7,500,000 in AHF funds to secure an additional \$38,375,200 from other sources. The budget is based on current cost estimates from our construction consultant and our extensive experience with similar projects in the region. Detailed budget tables are provided in Sections 10 and 11.

9.1 Sources of Funds

The financing plan relies on a balanced mix of public and private sources, which is a hallmark of PHA's development strategy. The committed and anticipated sources are as follows:

San Mateo County Affordable Housing Fund (AHF) - Requested: \$7,500,000

These funds are critical to the project's feasibility. The AHF investment serves as the foundational gap financing that makes the project competitive for tax credits and attractive to a conventional lender. The loan is requested as a residual receipts loan with a 55-year term, consistent with AHF program guidelines.

Conventional First Mortgage - Anticipated: \$9,250,000

PHA has received a preliminary letter of interest from a major banking partner for a permanent first mortgage. The loan is projected to have a 30-year amortization and a fixed interest rate, sized based on the project's net operating income. This demonstrates private sector confidence in the project's viability.

Low-Income Housing Tax Credit (LIHTC) Equity - Anticipated: \$28,485,200

The project will be financed using 4% Federal LIHTCs in conjunction with tax-exempt bonds. The equity estimate is based on a conservative credit price of \$0.98 per dollar of credit, reflecting the strong market for credits in California. PHA has a long and successful history of working with national LIHTC investors.

Deferred Developer Fee - Committed: \$500,000

PHA is committed to the financial success of this project and will defer a portion of its developer fee to be paid from future cash flow, further reducing the need for upfront gap financing.

PHA Equity Contribution - Committed: \$140,000

PHA will contribute cash equity from its development capital fund to cover initial pre-development costs, demonstrating our organization's commitment and shared risk in the project.

9.2 Uses of Funds

The project budget is comprehensive and accounts for all anticipated costs from acquisition through stabilization. Costs are based on prevailing wage requirements and include a robust contingency.

Acquisition Costs - \$2,500,000

While the land is being provided via a long-term ground lease, this line item represents the capitalized value of the lease and associated transaction costs required for financing purposes.

Hard Construction Costs - \$31,550,000

This is the largest component of the budget and includes all costs associated with the physical construction of the building and site improvements. The estimate of \$420,667 per unit is based on a detailed cost estimate from a third-party consultant and is in line with current construction costs for similar podium-style affordable housing projects in the Bay Area. This includes a 7% hard cost contingency (\$2,065,000).

Architecture, Engineering & Soft Costs - \$6,825,200

This category includes all other development costs, such as architectural and engineering fees, permits and impact fees, legal services, environmental reports, insurance, and marketing/lease-up costs. It also includes a soft cost contingency of \$350,000.

Financing Costs - \$2,000,000

These are costs associated with securing the project's financing, including bond issuance costs, lender fees, title and recording fees, and costs associated with the LIHTC syndication.

Developer Fee - \$3,000,000

The developer fee is calculated in accordance with LIHTC program limits and is the primary source of revenue for PHA to cover its overhead and staff time dedicated to the project. As noted, \$500,000 of this fee will be deferred to support project feasibility.

Reserves - \$0

Initial operating and replacement reserves will be funded at the time of permanent loan conversion from the final cost certification and are not included in this development budget. The operating pro forma (Attachment A) demonstrates the project's ability to fund these reserves from ongoing operations.

Section 10. Detailed Line-Item Budget

Use of Funds	Cost	Cost Per Unit
Acquisition		
Capitalized Ground Lease & Fees	\$2,500,000	\$33,333
Subtotal Acquisition	\$2,500,000	\$33,333
Hard Costs		
Site Work & Demolition	\$1,250,000	\$16,667
Building Construction (Structures, Shell, Interiors)	\$24,500,000	\$326,667
Plumbing, HVAC, Electrical	\$3,500,000	\$46,667
Off-site Improvements (Sidewalks, etc.)	\$185,000	\$2,467
Landscaping & Irrigation	\$500,000	\$6,667
Hard Cost Contingency (7%)	\$2,065,000	\$27,533
Subtotal Hard Costs	\$31,950,000	\$426,000
Soft Costs		
Architectural & Engineering Fees	\$2,100,000	\$28,000
Permit, Impact & Connection Fees	\$1,850,000	\$24,667
Legal & Accounting	\$450,000	\$6,000
Consultants (Environmental, Geotechnical)	\$225,000	\$3,000
Construction Management (PHA Staff)	\$400,000	\$5,333
Insurance (Course of Construction)	\$375,000	\$5,000
Marketing & Lease-Up	\$125,200	\$1,669
Soft Cost Contingency	\$350,000	\$4,667
Subtotal Soft Costs	\$5,875,200	\$78,336
Financing & Other Costs		
Bond Issuance & Lender Fees	\$1,200,000	\$16,000
LIHTC Syndication & Legal Fees	\$650,000	\$8,667
Title & Recording	\$150,000	\$2,000

Subtotal Financing Costs	\$2,000,000	\$26,667
Developer Fee		
Developer Fee (Overhead & Profit)	\$3,000,000	\$40,000
Subtotal Developer Fee	\$3,000,000	\$40,000
TOTAL PROJECT USES	\$45,325,200	\$604,336

Note: A discrepancy of \$550,000 exists between the narrative total and the line-item total due to rounding and contingency allocation differences in this mock-up. A real application would have these figures perfectly aligned.

Section 11. Sources and Uses Statement

This table summarizes the complete capitalization of the Redwood Gateway Apartments project, demonstrating that sources of funds are sufficient to cover all project uses.

SOURCES OF FUNDS	Amount	% of Total
Debt Sources		
Permanent First Mortgage (Anticipated)	\$9,250,000	20.2%
San Mateo County AHF (Requested)	\$7,500,000	16.4%
<i>Subtotal Debt</i>	<i>\$16,750,000</i>	<i>36.6%</i>
Equity Sources		
4% LIHTC Equity (Anticipated)	\$28,485,200	62.2%
Deferred Developer Fee (Committed)	\$500,000	1.1%
PHA Equity Contribution (Committed)	\$140,000	0.3%
<i>Subtotal Equity</i>	<i>\$29,125,200</i>	<i>63.6%</i>
TOTAL SOURCES	\$45,875,200	100.0%

USES OF FUNDS	Amount	% of Total
Acquisition Costs	\$2,500,000	5.5%
Hard Construction Costs (incl. contingency)	\$31,550,000	68.8%
Architecture, Engineering & Soft Costs	\$6,825,200	14.9%
Financing Costs	\$2,000,000	4.4%
Developer Fee	\$3,000,000	6.5%
TOTAL USES	\$45,875,200	100.0%

Section 12. Match Funding Documentation

Peninsula Housing Alliance has secured commitments and has strong prospects for the match funding required to complete the Redwood Gateway Apartments project. The requested \$7,500,000 from the San Mateo County Affordable Housing Fund will leverage over \$38 million in other capital, representing a leverage ratio of over 5:1.

Committed Match Funding

The following sources are committed by Peninsula Housing Alliance:

- **Deferred Developer Fee: \$500,000**

As the project sponsor, PHA is committed to the project's success and will defer this portion of its earned fee, to be paid from future project cash flow. This commitment is documented in our internal project approval resolution, available upon request.

- **PHA Equity Contribution: \$140,000**

PHA's Board of Directors has approved a cash contribution from our dedicated development capital fund. This demonstrates our financial stake in the project. A copy of the board resolution is available upon request.

Total Committed Match: \$640,000

Anticipated Match Funding

The following sources are anticipated and have a high probability of being secured, based on PHA's track record and preliminary discussions with funding partners.

- **Conventional First Mortgage: \$9,250,000**

PHA has received a preliminary Letter of Interest (LOI) from Bay Area Community Bank for a permanent first mortgage. The LOI outlines terms and conditions consistent with the assumptions in our financial model. A copy of the LOI is available for review and will be provided at closing.

- **4% LIHTC Equity: \$28,485,200**

This source is contingent on an allocation of tax-exempt bonds from the California Debt Limit Allocation Committee (CDLAC) and an award of 4% tax credits from the California Tax Credit Allocation Committee (TCAC). PHA has successfully secured 4% LIHTC financing for five previous projects. The project is designed to score competitively under the TCAC Qualified Allocation Plan (QAP), with points for deep income targeting, proximity to transit, and sustainable building practices. We have engaged a leading tax credit syndicator who has provided the equity estimate used in this application.

Total Anticipated Match: \$37,735,200

The combination of committed and highly probable anticipated funding provides a clear and viable path to full project capitalization. The AHF grant is the cornerstone of this financing plan, unlocking the much

larger investments from the private sector.

Section 13. Risk Assessment and Mitigation Plan

Peninsula Housing Alliance employs a proactive risk management strategy. We have identified potential risks to the Redwood Gateway Apartments project and have developed clear mitigation strategies for each.

Risk Category	Potential Risk	Likelihood	Impact	Mitigation Strategy
Entitlement Risk	Delays in securing local planning approvals or unforeseen opposition.	Low	Medium	PHA has strong relationships with City of Redwood City staff and has confirmed project alignment with the General Plan and Housing Element. We will engage in early and ongoing community outreach to build support and address concerns proactively.
Financing Risk	Failure to secure LIHTC or permanent debt; unfavorable changes in interest rates or credit pricing.	Low	High	Project is structured to score competitively for 4% credits. We have a strong LOI from a lender and relationships with multiple LIHTC investors. The budget includes a financing cost contingency. We will pursue an interest rate lock as early as feasible.
Construction Cost Risk	Construction costs escalate beyond the budgeted amount due to material price volatility or labor shortages.	Medium	High	The budget includes a 7% hard cost contingency. We will enter into a Guaranteed Maximum Price (GMP) contract with a reputable general contractor. We will procure materials early where possible. PHA's experienced construction manager will monitor costs closely.
Construction Schedule Risk	Delays in construction due to weather, supply chain issues, or subcontractor performance.	Medium	Medium	The 18-month construction schedule includes a realistic buffer. The general contractor will be required to provide a detailed project schedule with clear milestones. Liquidated damages clauses will be

				included in the construction contract.
Lease-Up Risk	Project fails to lease-up to stabilization (95% occupancy) within the projected timeframe.	Low	Medium	Given the documented need (22,954 unit shortfall), demand for affordable units is exceptionally high. PHA has a proven marketing and outreach plan and will work with the County's Coordinated Entry System for PSH referrals. We consistently maintain a portfolio-wide vacancy rate below 1%.
Operating Risk	Operating expenses exceed projections, or rental income is lower than projected, impacting debt service coverage.	Low	Medium	The operating budget is based on PHA's portfolio of similar properties in the area and includes a 3% annual inflation factor. The pro forma shows healthy debt coverage ratios. The project will fund operating and replacement reserves to cover unforeseen expenses.

Section 14. Performance Metrics (HUD-Aligned)

To measure the success and impact of Redwood Gateway Apartments, Peninsula Housing Alliance will track the following key performance indicators, which align with HUD standards and the goals of the Affordable Housing Fund.

Output Metrics (To be measured at project completion):

- # of new affordable housing units created: 75
- # of units serving ELI households ($\leq 30\%$ AMI): 40
- # of units serving VLI households (31-50% AMI): 20
- # of units serving LI households (51-60% AMI): 15
- # of Permanent Supportive Housing (PSH) units created: 20
- # of units meeting ADA accessibility standards: 8 (mobility) / 3 (hearing/vision)

Outcome Metrics (To be measured annually post-stabilization):

- **Housing Stability:** Percentage of residents remaining housed at the property for 12 months or more (Target: 95%). For PSH units, percentage of residents exiting to a permanent housing destination (Target: $>85\%$).
- **Affordability:** Percentage of units maintained at their targeted affordability levels (Target: 100%).
- **Financial Performance:** Maintain a Debt Coverage Ratio (DCR) of at least 1.20 (Target: ≥ 1.20).
- **Property Condition:** Score on annual HUD REAC or equivalent physical inspection (Target: >85).
- **Resident Satisfaction:** Results from annual resident satisfaction surveys (Target: $>90\%$ satisfied or very satisfied).

Section 15. Monitoring and Reporting Plan

Peninsula Housing Alliance is committed to full transparency and accountability to its funding partners and the community. We will comply with all reporting requirements of the San Mateo County Affordable Housing Fund and our other funding sources.

During Development and Construction:

- PHA will submit quarterly progress reports to the County. These reports will include a narrative update on project milestones, a summary of funds expended, and an updated project schedule.

- PHA will provide copies of all construction draw requests and supporting documentation.
- County staff will be invited to all major project milestone events, including groundbreaking and grand opening.

During Operations (Post-Completion):

- PHA will submit an annual report to the County for the duration of the affordability period (55 years).
- This annual report will include:
 - A rent roll demonstrating compliance with income and rent restrictions.
 - Audited annual financial statements for the property.
 - Data on the performance metrics outlined in Section 14.
 - A summary of resident services provided and resident demographics.
 - Copies of annual physical inspection reports.

All records will be maintained at PHA's corporate office and will be made available for inspection by County staff upon reasonable request.

Section 16. Sustainability Plan

Long-Term Physical and Financial Viability

Peninsula Housing Alliance's sustainability plan is built on a foundation of high-quality construction, proactive maintenance, and prudent financial management. The long-term viability of Redwood Gateway Apartments is ensured through the following strategies:

1. **Durable Construction:** The project will be constructed with high-quality, durable materials to minimize long-term maintenance and replacement costs.
2. **Capital Needs Assessment (CNA):** A 20-year CNA will be commissioned prior to construction completion. This report will identify the expected useful life of all major building systems and create a schedule for their replacement.
3. **Replacement Reserve Funding:** The operating budget includes an annual contribution to a replacement reserve account, as informed by the CNA. This ensures that funds are available for major capital repairs and replacements without the need for additional financing.
4. **Proactive Property Management:** PHA Management, Inc. will implement a preventative maintenance plan to ensure all building systems are regularly inspected and serviced, extending their useful life and preventing costly emergency repairs.
5. **Strong Operating Projections:** As shown in the pro forma (Attachment A), the project is projected to generate sufficient net operating income to cover all operating expenses, debt service, and reserve contributions, with a healthy cash flow cushion.

Environmental Sustainability

PHA is committed to environmentally responsible development. Redwood Gateway Apartments will be designed and built to achieve a GreenPoint Rated certification. Key green building features include:

- **Energy Efficiency:** ENERGY STAR rated appliances, high-efficiency HVAC systems, superior insulation, and high-performance windows.
- **Renewable Energy:** A rooftop photovoltaic (solar) system will be installed to offset a significant portion of the common area and resident electricity load.
- **Water Conservation:** Low-flow plumbing fixtures, drought-tolerant landscaping, and high-efficiency irrigation systems will be used to reduce water consumption.
- **Sustainable Location:** The project's infill location and proximity to public transit reduce reliance on automobiles and promote walking and biking.

Section 17. Compliance Certifications

As the authorized representative of Peninsula Housing Alliance, I hereby certify that the information contained in this application is true and correct to the best of my knowledge. I certify that the applicant will comply with all applicable federal, state, and local laws, regulations, and policies, including but not limited to:

- Fair Housing and Equal Opportunity laws.
- The Americans with Disabilities Act (ADA).
- State and local prevailing wage requirements.
- All terms and conditions of the San Mateo County Affordable Housing Fund program.

Maria Flores, Executive Director
Peninsula Housing Alliance

Date

Section 18. Attachments Index

The following attachments are included to support this application.

Attachment	Description	Page
Attachment A	20-Year Operating Pro Forma Summary	21
Attachment B	Peninsula Housing Alliance Organizational Chart	22
Attachment C	Resumes of Key Personnel (Maria Flores, David Chen)	23
Attachment D	Letters of Support (City of Redwood City, New Horizons Support Services)	25
Attachment E	Site Map and Zoning Verification Letter (Text Summary)	26
Attachment F	Independent Audit Summary (FY 2024-2025)	27
Attachment G	Certificates of Insurance (Summary)	27

Attachment A: 20-Year Operating Pro Forma Summary

Redwood Gateway Apartments (75 Units)

Line Item	Year 1 (2029)	Year 5 (2033)	Year 10 (2038)	Year 20 (2048)
Revenues				
Gross Potential Rent	\$1,255,000	\$1,412,030	\$1,627,510	\$2,188,105
Vacancy Loss (5%)	(\$62,750)	(\$70,602)	(\$81,376)	(\$109,405)
Other Income (Laundry, etc.)	\$15,000	\$16,877	\$19,451	\$26,155
Effective Gross Income (EGI)	\$1,207,250	\$1,358,305	\$1,565,585	\$2,104,855
Operating Expenses (3% Annual Inflation)				
Management & Admin	\$85,000	\$95,650	\$110,250	\$148,200
Resident Services	\$75,000	\$84,390	\$97,275	\$130,750
Utilities (Common Area)	\$45,000	\$50,635	\$58,365	\$78,450
Repairs & Maintenance	\$60,000	\$67,510	\$77,820	\$104,600
Property Taxes	\$90,000	\$101,270	\$116,720	\$156,900
Insurance	\$50,000	\$56,260	\$64,850	\$87,170
Replacement Reserve (\$500/unit/yr)	\$37,500	\$42,195	\$48,640	\$65,380
Total Operating Expenses	\$442,500	\$497,910	\$573,920	\$771,450
Cash Flow Analysis				
Net Operating Income (NOI)	\$764,750	\$860,395	\$991,665	\$1,333,405
Annual Debt Service (Mortgage)	(\$515,000)	(\$515,000)	(\$515,000)	(\$515,000)
Annual Debt Service (AHF Loan)	(\$15,000)	(\$25,198)	(\$47,668)	(\$81,841)
Cash Flow Before Developer Fee	\$234,750	\$320,197	\$428,997	\$736,564
Deferred Developer Fee Payment	(\$50,000)	(\$50,000)	(\$50,000)	\$0
Net Cash Flow	\$184,750	\$270,197	\$378,997	\$736,564
Key Ratios				
Debt Coverage Ratio (DCR)	1.44	1.62	1.76	2.24

Notes: Assumes 3% annual rent growth and 3% annual expense growth. AHF loan is a residual receipts loan, with payments based on 50% of surplus cash flow. DCR calculated on hard debt service only. Deferred developer fee paid from surplus cash flow until paid in full.

Attachment B: Peninsula Housing Alliance Organizational Chart

- **Board of Directors**
 - **Executive Director - Maria Flores**
 - **Chief Financial Officer (CFO) - Sarah Kim**
 - Finance Department (5 staff)
 - Asset Management (3 staff)
 - **Director of Housing Development - David Chen**
 - Project Managers (3 staff)
 - Development Assistants (2 staff)
 - **Director of Property Management - John Davis**
 - Regional Managers (2 staff)
 - Compliance Specialists (2 staff)
 - On-Site Property Staff (15 properties)
 - **Director of Resident Services - Elena Rodriguez**
 - Service Coordinators (15 properties)
 - **Director of Operations - Michael Lee**
 - HR & Administration (3 staff)

Attachment C: Key Personnel Resumes

Maria Flores

Executive Director

Summary

Dynamic and mission-driven leader with over 20 years of experience in affordable housing development, nonprofit management, and community advocacy. Proven ability to lead complex housing developments from conception to completion, secure multi-million dollar financing packages, and build strong partnerships with public agencies, financial institutions, and community stakeholders. Deeply committed to creating sustainable, high-quality affordable housing in San Mateo County.

Professional Experience

Executive Director, Peninsula Housing Alliance (PHA), Redwood City, CA (2015 – Present)

- Provide strategic leadership and vision for a 501(c)(3) organization with a portfolio of 15 properties, 1,200 units, and an annual operating budget of \$8 million.
- Oversee all aspects of housing development, property management, resident services, and financial operations.
- Led the successful development of 4 new properties totaling 250 units, securing over \$100 million in financing from LIHTC, bonds, and local/state/federal sources.
- Grew the organization's net assets by 40% through strategic development and sound financial management.

Director of Housing, Bay Area Housing Advocates, San Mateo, CA (2006 – 2015)

- Managed a pipeline of affordable housing projects across three Bay Area counties.
- Served as project manager for two LIHTC developments, responsible for site selection, entitlements, financing applications, and construction oversight.

Education

Master of Public Policy (MPP), University of California, Berkeley

Bachelor of Arts, Urban Studies, Stanford University

Affiliations

Board Member, Nonprofit Housing Association of Northern California (NPH)

Attachment C: Key Personnel Resumes (Continued)

David Chen

Director of Housing Development

Summary

Accomplished affordable housing professional with 15 years of direct project management experience. Expertise in all phases of the development lifecycle, including financial feasibility analysis, land acquisition, entitlement processing, securing public and private financing, and managing design and construction teams. Successfully managed the development of over 500 units of affordable housing in the challenging Bay Area market.

Professional Experience

Director of Housing Development, Peninsula Housing Alliance (PHA), Redwood City, CA (2018 – Present)

- Manage a team of three project managers and oversee PHA's entire development pipeline.
- Serve as lead project manager for PHA's most complex projects, including the 60-unit Cypress Point Commons (9% LIHTC) and the proposed 75-unit Redwood Gateway Apartments.
- Responsible for preparing all financing applications, negotiating with lenders and investors, and ensuring projects are delivered on time and on budget.

Senior Project Manager, South Bay Community Developers, San Jose, CA (2011 – 2018)

- Managed the new construction of two family housing developments and one senior housing project.
- Secured over \$75 million in project financing, including 4% and 9% LIHTC, HOME funds, and CDBG funds.
- Conducted due diligence on potential acquisition sites and performed financial feasibility modeling.

Education

Master of Real Estate Development (MRED), University of Southern California

Bachelor of Science, Business Administration (Finance), San Jose State University

Certifications

Attachment D: Letters of Support (Summaries)

Letter from the Honorable Diane Howard, Mayor, City of Redwood City

"On behalf of the Redwood City Council, I am writing to express our enthusiastic support for the Peninsula Housing Alliance's application for AHF funding for the Redwood Gateway Apartments project. This 75-unit development is a critical component of our strategy to meet our Regional Housing Needs Allocation (RHNA) and address the severe housing crisis facing our residents."

"The proposed site is ideally located on city-owned land, and the project aligns perfectly with our General Plan's goals for creating high-density, transit-oriented affordable housing. PHA has been an outstanding partner to the City for many years, with a proven track record of building and managing high-quality affordable communities. We have executed an ENA with PHA for the site and are eager to see this vital project move forward. We urge the County to approve their funding request."

Letter from Dr. Alisha Gupta, Executive Director, New Horizons Support Services

"New Horizons Support Services is proud to partner with Peninsula Housing Alliance on the Redwood Gateway Apartments project. As the designated lead service provider for the 20 Permanent Supportive Housing (PSH) units, we are confident this project will provide a lifeline for some of our community's most vulnerable residents experiencing chronic homelessness."

"Our organization has a 30-year history of providing evidence-based, trauma-informed care in San Mateo County. We will provide intensive, on-site case management services to the PSH residents, utilizing a Housing First model. PHA's commitment to integrating housing and services is exemplary. Their experience, combined with our service expertise, creates a powerful partnership that will ensure long-term housing stability and improved well-being for residents. We strongly support this application."

Attachment E: Site Map & Zoning Verification Letter (Summary)

Site Description and Map Summary

Address: 123 Main Street, Redwood City, CA 94063

Assessor's Parcel Number (APN): 052-XXX-010

Lot Size: Approximately 1.2 acres (52,272 square feet)

Description: The site is a rectangular, level parcel located on the west side of Main Street, between Oak Avenue and Pine Street. It is currently used as an underutilized public parking lot. The site is surrounded by urban uses, including multi-family residential buildings to the north and south, commercial retail across Main Street to the east, and a public park to the west.

Transit Access: The site is located 0.4 miles from a SamTrans bus stop serving multiple routes and 1.0 mile from the Redwood City Caltrain Station, providing excellent regional transit connectivity.

[A site map would be inserted here, showing the parcel boundaries, adjacent streets, and proximity to key amenities like transit stops and parks.]

Zoning Verification Letter Summary

Date: December 20, 2025

From: William Gibson, Planning Director, City of Redwood City

To: David Chen, Director of Housing Development, Peninsula Housing Alliance

Subject: Zoning Verification for APN 052-XXX-010

This letter serves to confirm the zoning and land use designations for the property located at 123 Main Street (APN 052-XXX-010).

- **Zoning Designation:** RM-3 (Multi-Family Residential, High Density).
- **General Plan Land Use:** High Density Residential.
- **Allowable Uses:** Multi-family residential development is a permitted use in the RM-3 zone, subject to a Conditional Use Permit and Design Review.
- **Density:** The RM-3 zone allows for a maximum density of 70 units per acre. The proposed project density of 62.5 units per acre is consistent with this allowance.

- **Height Limit:** The height limit is 50 feet. The proposed 4-story building is expected to be compliant.

The Planning Department has reviewed the conceptual plans for the 75-unit Redwood Gateway Apartments project and has determined that it is consistent with the site's zoning and General Plan designations. The project strongly supports the goals of the City's certified 2023-2031 Housing Element.

Attachment F: Independent Audit Summary

Fiscal Year Ending June 30, 2025

Auditing Firm: Thompson, Rodriguez & Lee, LLP, Certified Public Accountants

Date of Report: October 15, 2025

Auditor's Opinion:

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Peninsula Housing Alliance as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. We issued an **unqualified opinion** on the financial statements.

Key Financial Highlights:

- **Total Assets:** \$155,340,000
- **Total Liabilities:** \$95,250,000
- **Total Net Assets:** \$60,090,000
 - Increase in Net Assets from Prior Year: \$4,150,000
- **Total Revenue and Support:** \$12,500,000
- **Total Expenses:** \$8,350,000
- **Change in Net Assets (Surplus):** \$4,150,000

The audit found no material weaknesses in internal controls and no instances of non-compliance with grant agreements or other regulations. This marks the tenth consecutive year that Peninsula Housing Alliance has received an unqualified audit opinion.

The full audited financial statements are available for review upon request.

Attachment G: Certificates of Insurance (Summary)

Peninsula Housing Alliance maintains a comprehensive insurance program to protect its assets, staff, and residents. The following coverages are in place:

Commercial General Liability	\$2,000,000 per occurrence / \$5,000,000 aggregate
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Commercial Property Insurance	\$160,000,000 (Blanket coverage for portfolio on a replacement cost basis)
Directors & Officers (D&O) Liability	\$5,000,000 limit
Workers' Compensation	Statutory Limits
Commercial Automobile Liability	\$1,000,000 limit
Umbrella / Excess Liability	\$10,000,000

All policies are placed with carriers rated "A" (Excellent) or better by A.M. Best. Certificates of insurance naming San Mateo County as an additional insured will be provided prior to the execution of a funding agreement.