Review of Proposals To Fund Affordable Housing Development

Hercules Housing Successor Agency

July 28, 2026

NOFA and Responses

Notice of Funding Availability (NOFA) issued in October 2025

$5 Million available from the Low- and Moderate-Income Housing Asset Fund of the Housing Successor to the former Hercules Redevelopment Agency

Three (3) Developers responded:

- Community Housing Works (CHW)
- Satellite Affordable Housing Associates (SAHA)
- Eden Housing (EDEN)

Proposal Evaluation Criteria

☑ Developer qualifications and experience

☑ Financial capacity

☑ Alignment with Housing Element and community goals

☑ Project readiness and economic viability

☑ Project eligibility and affordability

☑ Reasonable cost assumptions

☑ Compliance with California and Federal funding requirements and rent limits

Additional Review Factors

- ☆ Number of affordable units at deepest levels of affordability
- ☆ Number of new residents based on bedroom count
- ☆ Progress towards Regional Housing Needs Allocation (RHNA)
- ☆ Progress towards Housing Element goals
- ☆ Income and age limit restrictions on local Housing Fund source
- ☆ Positive cash flow projections to cover expenses and debt service
- ☆ Development timeline elements: site control, funding commitments, development application status

RSG Findings:

- All of the projects and developers are worthy of support.
  - All developers have considerable experience and reputations.
  - All of the projects provide additional needed housing at varying levels of affordability.
  - All of the projects are projected to be completed at a reasonable development cost.

- It is better to fund one project than split the $5 million available to multiple projects.
  - The funded project will be more competitive for other funding sources.
  - The funded project will have a higher chance of successful and timely development.

Proposals Key Differences

Developer/Project	CHW Bayline Apts	SAHA Sycamore Crossing	EDEN Victoria Green	
Affordable Units	82	**99**	65 new	*196 new + rehab*
Deeply Affordable (30% AMI) units	**29**	25	20	*34*
Weighted Avg Affordability Level	49.9% AMI	49.9% AMI	**48.0% AMI**	*52.3% AMI*
# of Residents Served (per BR count)	223	**261**	92	*508*
Units for Special Needs Populations	Persons with intellectual and development disabilities (21)	TBD	Seniors (33)	
Potential RHNA credit	82	**99**	65	*110**
City Funding per unit	$60,241	**$50,000**	$75,758	*$25,253*

Detailed Proposal Comparison Summary

Developer	CHW	SAHA	EDEN	
Project Name	Bayline Apartments	Sycamore Crossing	Victoria Green	
Location	Bayfront Boulevard	Sycamore & San Pablo Ave.	Paradise Drive (near Victoria Crescent W)	
Population Served (units)	Individuals and families (61) Persons with intellectual and development disabilities (21)	Individuals and families (99)	New Units: Seniors (65)	*Existing Units:* *Individuals and families (131)*
Unit Type	1, 2, and 3 BR	Studio, 1, 2, and 3 BR	Studio and 1 BR	*Studio, 1, 2, and 3 BR*

Detailed Proposal Comparison Summary

Developer	CHW	SAHA	EDEN	
Number of Units by Income Level:			New Units	*New + Rehab*
30% AMI	29	25	20	*34*
50% AMI	16	25	18	*58*
60% AMI	27	49	27	*81*
80% AMI	10	0	0	*23*
Manager	1	1	1	*2*
# of Units	**83**	**100**	**66**	***198***
Target Income Levels as % of Total Units:				
30% AMI	35%	25%	30%	*17%*
50% AMI	19%	25%	27%	*29%*
60% AMI	33%	49%	20%	*41%*
80% AMI	12%	0%	0%	*12%*
Manager	1%	1%	1%	*1%*
Weighted Avg Affordability	49.9% AMI	49.9% AMI	**48.0% AMI**	*52.3% AMI*
Weighted Avg Bedroom Size	1.72	1.70	0.71	*1.69*
Est. Resident Count	223	**261**	92	*508*

Developer Proposal Comparison Summary

Developer	CHW	SAHA	EDEN	
Total New Building Sq Ft	95,980	102,660	46,681	
Number of Stories	4	5	3	
			New Units	*New + Rehab*
Total Development Cost (net of land)	$60,161,999	$78,620,509	$44,778,036	*$53,307,186*
Cost per Unit (net of land)	$724,843	$786,205	$678,455	*$269,228*
Include Prevailing Wage	Yes	Yes	Yes	
Developer Fee	$2,800,000	$10,515,813	$7,547,677	
Developer Fee per unit	$33,735	$105,158	$38,120	
City Funding Requested	$5,000,000	$5,000,000	$5,000,000	
City Funding per Unit	$60,241	**$50,000**	$75,758	*$25,253*
Cash Flow Projections:				
Long Term NOI:	Positive;	Positive;	Positive;	
Debt Service Coverage:	Maintains 1.15x coverage;	Maintains 1.15 coverage thru Yr 15;	Maintains 1.15 coverage thru Yr 25;	
Potential Soft Loan Repayment:	May begin in Year 11	Not until Year 31	May begin in Year 11	

Developer Proposal Comparison Summary

Developer	CHW	SAHA	EDEN	
Housing Successor Compliance: ***Minimum 30% @ 30% AMI, Maximum 20% @ 60-80% AMI***				
			New Units	*New + Rehab*
Number of 30% AMI Units	**29**	25	20	*34*
Housing Asset Fund Subsidy Per 30% AMI Unit	**$172,414**	$200,000	$250,000	*$147,059*
Can Allocate Full Request to 30% AMI	Yes	Yes	Yes	*Yes*
Percent Senior Units	0%	0%	50%	17%
SB 341 Compliance by Age	Yes	Yes	Yes	

Developer Proposal Comparison Summary

Developer	CHW	SAHA	EDEN
Alignment with Community Goals / Housing Element Needs:			
Housing Choice Vouchers (Program H1-3)	no	no	no
Senior Housing Project (Program H2-3)	no	no	yes
Alternative Housing Model (Program H2-5)	no	no	no
Housing for Persons with Special Needs (Program H4-1)	yes	no	yes
Policy 1.5 Encourage development of new special needs housing for seniors, single parents, families, large families, the disabled, including those with developmental disabilities, and extremely low-income households	yes	yes	yes
Policy 1.6. Use density bonuses and other incentives to facilitate the development of new housing for extremely low, very low- and low-income households in conformity with State law	**yes**	**yes**	**yes**
Policy H4.5 Encourage housing serving special needs such as elderly and disabled	yes	no	yes

RSG

BETTER COMMUNITIES.
BOLDER FUTURES.

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