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City Council to Consider Extending Eden Housing Agreement

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Eden Housing, Inc., the non-profit organization selected by the Orinda City Council to create an affordable senior housing development on the site of Orinda's old library, returns to the Council's agenda on November 29. Council members will vote on approving Eden's request for a one-year extension of its Exclusive Right to Negotiate (ERN) Agreement with the City.

The original agreement, approved on a 4-1 vote a year ago (with Steve Glazer opposing), is set to expire on December 14, 2011. Council members and Orinda residents learned at the November 1st Council meeting that Eden Housing is unable to complete the Disposition, Development, and Loan Agreement (DDLA) associated with the project because it is currently working to secure additional financing.

Upon the Council's approval of the one-year ERN extension, Eden would receive a guarantee from the City that it will not discuss or negotiate development of the old library site with anyone other than Eden during that time. The City would receive a commitment from Eden to diligently pursue the project.

City staff anticipates that there will be no fiscal impact to the City with the granting of the ERN Agreement extension. In preparation for the Council's consideration of the issue the Council's Senior Housing Subcommittee, composed of Mayor Victoria Smith and Council Member Amy Worth, met with City staff and Eden representatives last week to discuss the proposed extension. Woody Karp, Senior Project Developer, and Joyce Glass, Karp's counsel on the project, represented Eden Housing, Inc.

Participants at the Subcommittee meeting also discussed the City's plan to contact an appraiser to determine if the former library property at 2 Irwin Way, which is slated to be used as the senior housing site, needs to be reappraised. Concerns have been raised by Orinda residents that the property's value may have changed with recent real estate market fluctuations and have asked for a review. Staff members concurred with Subcommittee members Smith and Worth that a reappraisal would be prudent.

Karp agreed and advised the group that, in order for Eden to continue to meet the target dates associated with the applications he will be making for funding and tax credits, any updated appraisal would need to be completed prior to the Christmas holidays.

Karp also briefed Council members and staff on the latest difficulties being faced by Eden and other senior housing developers in light of the federal government's recent 39 percent and 12 percent cuts to its HOME Investments Partnerships Program (HOME) and Community Development Block Grants (CDBG) initiatives, respectively. Karp will be requesting a combined \$2.5 million from both of these funding sources in support of the Orinda senior housing project, and said that he has been working hard to build a strong case with the Affordable Housing Program Manager in the County's Department of Conservation and Development, who helps to develop recommendations for the Board of Supervisors concerning the allocation of CDBG and HOME funds.

Because Contra Costa County has only been awarded an allocation of \$4 million in affordable housing development funds by the federal government on average each year, the County's allocation review process has traditionally been a competitive one. It has become even more challenging with the struggling economy, making Eden's planning with the County more complex and contributing to its need to adjust its timelines for the Exclusive Right to Negotiate (ERN) Agreement and the DDLA.

In closing, Smith and Worth reflected on the project's history and observed that, with the myriad details over the years regarding design and funding, it is important for all concerned to remember the true focus of the project - the seniors who will ultimately benefit from having affordable senior housing that offers services which enable them to continue to live full lives.

All in attendance agreed, as Karp stated, "Our goal is that the people in place age gracefully."

Orinda residents wanting to view the Exclusive Right to Negotiate (ERN) Agreement will find a copy attached to Item G-8 of the materials which will be reviewed by the City Council during its November 29th meeting on the City's web site: www.ci.orinda.ca.us.

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