

## UPholdings statement of interest and project leads

UPholdings is a full-service affordable housing real estate company that encompasses a development arm (UP Development LLC), a property management company (UPA, LLC), and an asset management division (UP Holdings LLC) to ensure high-quality housing for residents that responds to local needs. We have a strong portfolio of existing projects with nearly 1,500 units, with hundreds more anticipated to come online in the next few years.

UPholdings works across all types of housing – including family, senior, and workforce housing – but has developed a specialization in creating and operating permanent supportive housing for high-needs populations. The need for housing for these target groups – such as people experiencing homelessness, people with disabilities, or people with mental health diagnoses – is enormous and many of our partners struggle to find independent living options for their clients in these target population groups. UPholdings has identified a set of best-practices to design buildings and develop partnerships that allow for people to access on-site services, obtain funding that is earmarked for supportive housing, and has created their Blended Management model to ensure full support of residents by the operating team.

In November 2020, Merced County selected UPholdings – in partnership with Self-Help Enterprises, a Central Valley-focused non-profit developer with over 50 years of affordable housing experience in the region – to serve as its development partner in pursuit of state funding to create units for people experiencing homelessness with a serious mental illness. Merced County Department of Behavioral Health Services (BHRS) has long been challenged with finding housing opportunities for their clients and led the RFQ efforts that identified UPholdings. Together, Mercy Village was conceptualized and designed to provide apartments for the target population in an integrated setting with services provided by BHRS on-site and live-in property management staff. In addition to the supportive housing units, the remaining 75% of units will be affordable for families and individuals and will feature top-rate amenities. Altogether, the project will feature 151 units of 1-, 2-, and 3-bedroom apartments, an amenity-rich clubhouse, and will include a Federally Qualified Health Center open to the public.

In addition to the Mercy Village project, UPholdings and BHRS have had ongoing discussions related to future projects that seek to end homelessness in the area and provide long-term housing for vulnerable populations. The need for such housing is great. The 2020 Point-in Time reported 636 individuals experiencing homelessness at the time of the January 2020 count. The current Coordinated Entry System (CES) list for people experiencing homelessness in search of housing includes nearly 600 individuals, of whom 387 have a disability. The CES list also reports 137 people who first experienced homelessness in the last 12 months, very likely related to economic instability brought about by the COVID-19 pandemic. Further, BHRS reports a need for housing among their clients that may not meet the definition of homelessness, but are instead living in institutional settings, insecure housing, or other unstable living arrangements. UPholdings and BHRS are working together to create housing matched with wrap-around services to ensure everyone in Merced has a place to live with dignity. Mercy Village is a first step in meeting this goal.

The Mercy Village project was submitted by the County and the development team to the California Department of Housing and Community Development for funding from its No Place Like Home



Program. Concurrently, the project has completed its site plan and has submitted it to the City of Merced for review and advisement on next steps in the path toward entitlements. The NEPA environmental review process has been initiated, community stakeholders have been engaged, and paths toward complete project funding has been mapped out. Local funding from municipalities are a critical piece of the capital stack for competitive projects. At the most fundamental level, they provide the necessary gap dollars needed to fully fund the project's construction, a necessary component to any development. Further, they improve a project's competitiveness for larger pots of state and federal funds, which seek to award projects with local buy-in and leveraged funding to ensure good stewardship of their resources.

Affordable housing development demands persistence and creative financial approaches to achieve all the necessary funding for construction. Upholdings has a successful history of using a wide range of funds for the development and operation of affordable housing including: tax credits, HUD funds such as HOME or CDGB, Project Homekey, AHP grants from various Federal Home Loan Banks, state funding such as No Place Like Home, private foundation grants, and mortgages from commercial lenders, plus many more. To that end, we are interested in being considered for any funding source awarded by the City of Merced, both via their ongoing affordable housing fund programs such as HOME or via one-time funds that may be available from state or federal programs.

Upholdings also has experience in pursuing funds that require local participation or co-sponsorship for funds, such as the NPLH or Affordable Housing and Sustainable Communities (AHSC) programs. These projects involve collaboration with local units of government to achieve housing solutions that meet their needs. Further, programs such as AHSC provide grant dollars to support municipal budgets, such as green infrastructure and public transit enhancements. While these projects require full local buy-in, they also allow local governments to access funding otherwise unavailable to them by way of applications largely completed by the development team: a mutually beneficial arrangement for all parties.

