



BENNETT VALLEY APARTMENTS –
\$272,000 REDUCTION TO PRIOR FUNDING
COMMITMENT FOR COSTS ASSOCIATED
WITH THE DEMOLITION OF THE SITE
PRIOR TO DEVELOPER ACQUISITION

Housing Authority Meeting
December 19, 2022

Nicole Del Fiorentino
Housing and Community Services Manager

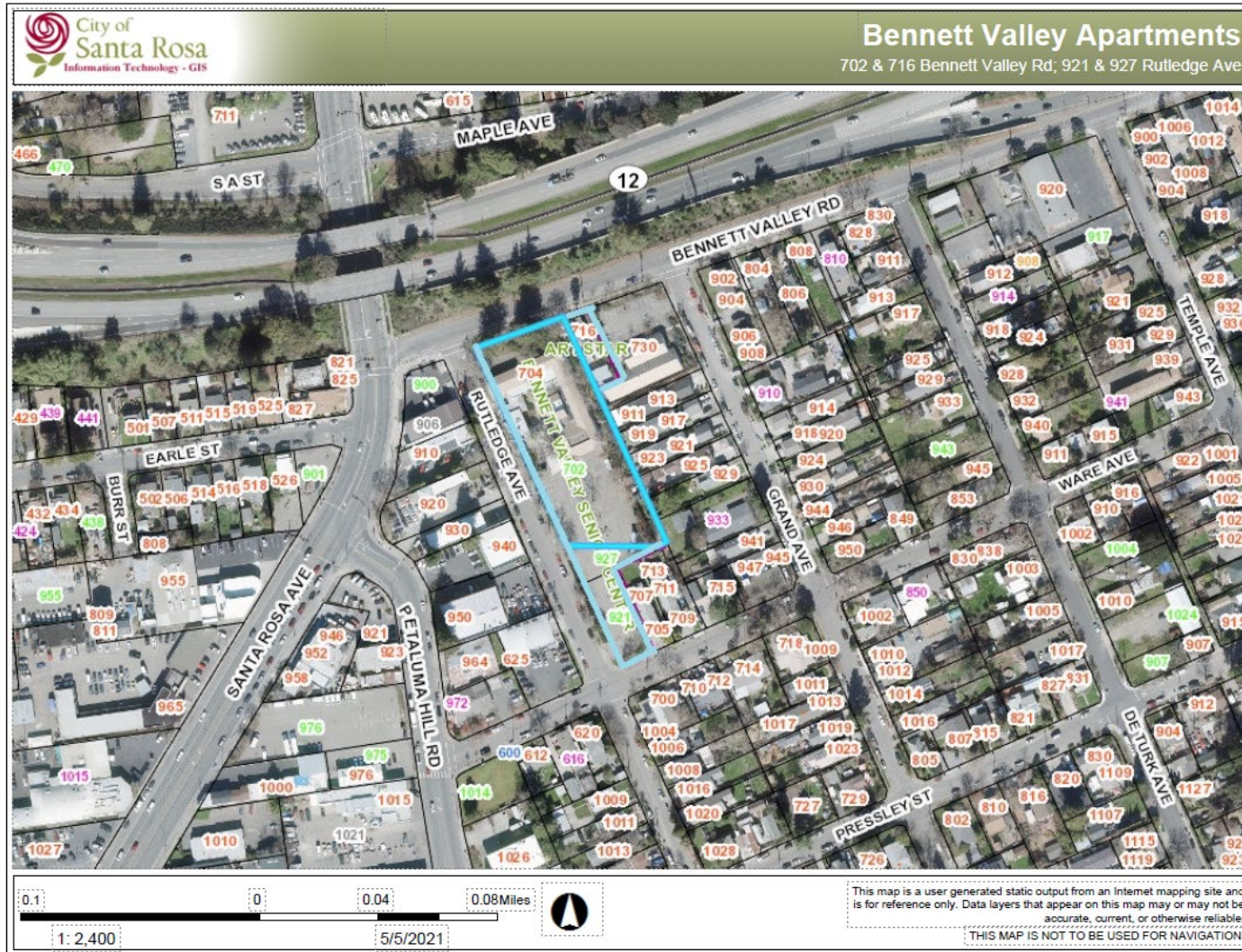
BENNETT VALLEY APARTMENTS

- 702 & 716 Bennett Valley Road /
- 921 & 927 Rutledge Avenue

- Formerly the
Bennett Valley
Senior Center
Complex



BACKGROUND



BACKGROUND

- February 2019: City Council directed staff to utilize site for affordable housing
- September 2019: Council selected the development proposal submitted by Freebird Development, LLC & Allied Housing, Inc.
 - Bennett Valley Apartments

BENNETT VALLEY APARTMENTS

- 62 units
 - 51% Permanent Supportive Housing Units

Affordability Mix:

- 32 units @ 20% AMI
- 29 units @ 50% AMI
- 1 unrestricted manager's unit

Unit Mix:

- 19 Studios
- 19 1-BR units
- 9 2-BR units
- 15 3-BR units

BENNETT VALLEY APARTMENTS

- Exclusive Negotiation Agreement approved by City Council in May 2020
- Disposition and Development Agreement approved by City Council in June 2021
 - Sale of site to Developer once all funding sources required to construct the project have been committed
 - Anticipated April 2023

HOUSING AUTHORITY INVESTMENT

- \$5.8M Housing Authority award in loan funds
 - \$2M for Predevelopment Costs
 - \$3.8M for Construction Costs
- 30 Project-Based Vouchers

SITE DEMOLITION

- October 20, 2022, fire damaged structures



ANALYSIS

- Of the \$5.8M loan award, \$2M has been lent and \$3.8M remains as an encumbrance in the Housing Authority budget.
- A reduction of \$272,000 for demolition would reduce the total award to \$5,528,000 and unencumber the funds necessary to demolish the structures.

ANALYSIS

- All other loan terms would remain unchanged
- Approval of this award modification would allow the project to move more quickly following the April 2023 sale with the structures already demolished

RECOMMENDATION

It is recommended by the Housing and Community Services Department that the Housing Authority, by resolution, approve a reduction up to \$272,000 to a prior conditional commitment of loan funds in the amount of \$5,800,000 to Freebird Development Company, LLC for the Bennett Valley Apartments project to allow funds to be utilized for demolition of the site prior to developer acquisition.

- QUESTIONS?