

RESOLUTION NO. _____

RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA APPROVING A CONDITIONAL FURTHER ADVANCE OF FUNDS IN THE AMOUNT OF \$285,000 TO COMMUNITY HOUSING SONOMA COUNTY FOR HEARN VETERANS VILLAGE, 2149 WEST HEARN AVENUE, APN 134-011-012, LOAN NOS. 9933-3035-18 and 9933-3045-18

WHEREAS, the Housing Authority issued a Notice of Funding Availability (“NOFA”) on July 26, 2018, announcing approximately \$4.1 million of federal and local funds for affordable housing, and applications were due on August 31, 2018; and

WHEREAS, the Housing Authority received 11 applications requesting almost \$22 million; and

WHEREAS, Community Housing Sonoma County (“CHSC”) submitted an application requesting \$285,000 for predevelopment costs associated with an expansion of Hearn Veterans Village located at 2149 West Hearn Avenue, Santa Rosa, California, 95407, APN 134-011-012 (“Hearn Veterans Village”); and

WHEREAS, the Housing Authority chair appointed Commissioners Burke, Johnson-Morgan and himself to a NOFA Ad Hoc Subcommittee to review the applications with staff and make funding recommendations to the Housing Authority; and

WHEREAS, on October 22, 2018, the Housing Authority approved Round 1 funding for two projects, totaling \$3.7 million, deferring consideration of the remaining funds; and

WHEREAS, on December 12, the NOFA Ad Hoc Committee (Commissioners Burke and Johnson-Morgan present) and staff reviewed the remaining nine applications and selected four applications for further analysis and consideration of the remaining NOFA funds; and

WHEREAS, the Housing Authority adopted Resolution No. 1399 on October 22, 2007, approving a loan in the amount of \$245,407 for Hearn Veterans Village to assist Community Housing Sonoma County and Vietnam Veterans of California with the acquisition of the existing, vacant residential care facility for the development of a transitional housing facility for homeless veterans; and

WHEREAS, a second phase to include development of new permanent supportive housing on the vacant portion of the site was contingent upon annexation of the project site into city limits. The site was annexed in 2017 as part of the Roseland Annexation Area; and

On September 26, 2011, the Housing Authority adopted Resolution No. 1525 approving a change to the ownership structure from VVC to CHSC and approving the subordination of the Housing Authority's \$245,407 loan to the loan from the California Department of Housing and Community Development; and

WHEREAS, the request funds will be used for predevelopment costs associated with the development for 24 new units of permanent supportive housing at the site, 23 of which will be for veterans who are homeless or at risk of becoming homeless; and

WHEREAS, the purpose of the funds will be for preparation of environmental studies, preliminary architectural and engineering studies, applications for planning entitlements, relocation plan, appraisal, fees, project management, and organizational costs; and

WHEREAS, this action is exempt from the California Environmental Quality Act ("CEQA") because the activities to be undertaken with the proceeds of the Housing Authority loan are predevelopment activities, including environmental studies and initial site design that will enable the borrower to apply to the City of Santa Rosa for entitlements. The Housing Authority loan is not a commitment by the City of Santa Rosa to approve the project, and the loan is due and payable on its terms whether or not the City of Santa Rosa approves the project. As a result, the predevelopment activities are not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378. Similarly, pursuant to CEQA Guidelines Section 15061(b)(3), the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

NOW, THEREFORE, BE IT RESOLVED that the Housing Authority of the City of Santa Rosa hereby approves the following:

1. A conditional Further Advance of loan funds in the amount of \$285,000 to Community Housing Sonoma County for predevelopment costs as set forth herein for 24 permanent support housing units at Hearn Veterans Village.
2. The commitment of the loan funds is subject verification of prior approvals pursuant to the National Environmental Policy Act and to the General Loan Conditions adopted by the Housing Authority by Resolution No. 806 on January 23, 1995, including satisfaction of all loan underwriting conditions and the applicable funding guidelines.
3. A loan term of 55 years at 3% simple interest per annum, deferred payments, residual cash receipts, secured by a Deed of Trust; and a 55-year term of affordability.
4. Affordability mix that includes 17 units targeted to veterans with household incomes up to 30% of Area Median Income ("AMI"); six units targeted to household incomes up to 50% AMI; and one non-restricted manager unit.
5. Any portion of the Further Advance for which payment has not been disbursed by the City shall be due and payable on June 30, 2020, if not unless this time is extended by the Executive Director. A request for a time extension must be made in writing at least 30 days prior to the due date.
6. An allocation of 23 Article XXXIV units.

BE IT FURTHER RESOLVED that the Housing Authority hereby approves subordination of Housing Authority loans to senior financing in a form approved by Housing Authority General Counsel, if required by other lenders.

BE IT FURTHER RESOLVED that the Housing Authority hereby authorizes the Executive Director to execute agreements and related loan documents for the Project consistent with this Resolution.

BE IT FURTHER RESOLVED that the Housing Authority hereby authorizes the Chief Financial Officer to pay all claims for the loan in an amount not to exceed Two Hundred Eight Five Thousand and 00/100 Dollars (\$285,000) from the following Key Number(s) or as otherwise determined by the Executive Director:

Fund	Key	Source	Amount	Loan No.
2293	340108	HOME-CHDO	\$184,038	9933-3035-18
2296	340104	In-lieu	\$100,962	9933-3045-18
Total Loan Amount			\$285,000	

DULY AND REGULARLY ADOPTED by the Housing Authority of the City of Santa Rosa this 25th day of February 2019.

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED: _____

Chair

ATTEST: _____

Secretary