

RESOLUTION NO. _____

RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA APPROVING A CONDITIONAL COMMITMENT OF DISASTER RECOVERY – MULTIFAMILY HOUSING PROGRAM LOAN FUNDS IN THE AMOUNT OF \$10,300,000 TO THE CANNERY AT RAILROAD SQUARE, L.P. FOR CONSTRUCTION-RELATED COSTS FOR THE CANNERY AT RAILROAD SQUARE, 3 WEST THIRD STREET, SANTA ROSA, CALIFORNIA; APN 010-017-018 AND A PORTION OF 010-171-012; LOAN NO. 5930-3285-21

WHEREAS, the Housing Authority issued a Community Development Block Grant – Disaster Recovery/Disaster Recovery – Multifamily Housing Program Notice of Funding Availability (“NOFA”) on November 3, 2020, announcing up to \$38,353,107 in federal Community Development Block Grant – Disaster Recovery funding, and applications were due on December 3, 2020; and

WHEREAS, the Housing Authority received seventeen applications requesting \$148.9 million; and

WHEREAS, the Cannery at Railroad Square, L.P., submitted an application requesting \$10,300,000 for construction costs associated with 129 new affordable multifamily housing units, located at 3 West Third Street, Santa Rosa, California, APN 010-017-018 and a portion of 010-171-012, (the “Project”); and

WHEREAS, the Project has been approved through California Senate Bill 35 and will be applying for Tax Credits from the California Tax Credit Allocation Committee in February 2021;

WHEREAS, in January 2020 through Housing Authority Resolution 1681 and a subsequent allocation in December 2020, the Project was allocated a total of 128 Article XXXIV units, pursuant to locally approved Measure K of the California Constitution; and

WHEREAS, a Joint Ad-Hoc Review Committee comprised of two City Council Members and two Housing Authority Commissioners reviewed the applications on January 11 and January 14, 2021, to develop funding recommendations to the Housing Authority; and

WHEREAS, the Joint Ad Hoc Review Committee and staff recommend funding for the Cannery at Railroad Square because it is one of five projects which best meet the selection criteria evaluation factors described in the NOFA, including project readiness, status of entitlements, status of National Environmental Policy Act review, and percentage of total development cost from committed funding sources.

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

1. A commitment of loan funds in the amount of Ten Million Three Hundred Thousand and No/100 Dollars (\$10,300,000) to the Cannery at Railroad Square, LP for construction-related costs, subject to the conditions and terms including but not limited to the items listed below.
2. The Project is subject to completion of an Environmental Assessment pursuant to the National Environmental Policy Act.
3. HCD’s issuance of a Notice to Proceed and execution of loan documents with the Housing Authority of the City of Santa Rosa.

4. The loan term will be 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 through a Regulatory Agreement recorded against the property.
5. The approved Affordability Mix for the 129 units is: 33 units targeted to households with incomes up to 30% of Area Median Income (“AMI”), 37 units targeted to household incomes up to 50% AMI, 58 units targeted to household incomes up to 80% AMI and one non-restricted manager unit.
6. The loan shall be due and payable in full if construction has not commenced by July 2021, and is not completed by June 2023, unless these dates are extended, in writing, by the Executive Director.

BE IT FURTHER RESOLVED that the Housing Authority hereby approves subordination of the Housing Authority loan(s) 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 staff to submit the final application for the Project to the State of California Department of Housing and Community Development (HCD) in conformance with the Policies and Procedures of the Multifamily Housing Program – Disaster Recovery.

BE IT FURTHER RESOLVED that the upon approval from HCD, the Housing Authority hereby authorizes the Chief Financial Officer to pay all claims for the loan in an amount not to exceed \$10,300,000.00 to the Cannery at Railroad Square, L.P. from the following Key Number or as otherwise determined by the Executive Director:

Fund	Key	Source	Amount	Loan No.
2286	42134	CDBG-DR Loans	\$10,300,000	5930-3285-21

DULY AND REGULARLY ADOPTED by the Housing Authority of the City of Santa Rosa this 25th day of January 2021

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Chair

ATTEST:

Secretary