

RESOLUTION NO. _____

RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA MODIFYING TERMS OF A PREVIOUS COMMITMENT OF LOAN FUNDS TO HABITAT FOR HUMANITY OF SONOMA COUNTY IN THE AMOUNT OF \$180,000 FOR HARRIS VILLAGE (FORMERLY COMSTOCK PLACE), AN AFFORDABLE HOME OWNERSHIP DEVELOPMENT, LOCATED AT 2863 WEST STEELE LANE, (APN 015-533-046); LOAN NO. 9029-2611-15

WHEREAS, the Housing Authority adopted Resolution No. 1611 on June 13, 2016, approving a commitment of loan funds in the amount of \$180,000 to Habitat for Humanity of Sonoma County (“Habitat”) for Harris Village (formerly Comstock Place), located at 2863 West Steele Lane (APN 015-533-046) (the “Property”); and

WHEREAS, at that time, Harris Village included three new ownership houses for low-income households (up to 80% of Area Median Income (“AMI”)); and Habitat planned to sell the existing house on the Property at market rate to help finance the development; and

WHEREAS, Habitat has since modified the project to rehabilitate the existing home for a low-income Habitat family, rather than sell it on the market; and

WHEREAS, as a result, Harris Village now includes three new homes and one rehabilitated home for low-income households (up to 80% of AMI) (the “Project”); and

WHEREAS, in addition to these Project changes, the City Council conditionally committed Affordable Housing Incentive Fund Pilot Program (“AHIFPP”) funds for Harris Village on May 23, 2017; and some of the terms of the Council’s funding commitment differ from the terms of the Housing Authority’s funding commitment; and

WHEREAS, the Project is exempt from the California Environmental Quality Act (CEQA), qualifying for a Class 32 categorical exemption under CEQA Guidelines Section 15332 in that it is consistent with the General Plan land use designation and applicable zoning regulations; the project occurs within the City limits and on a parcel smaller than five acres; the project site has no value in terms of habitat that hasn’t already been mitigated, for endangered, rare, or threatened species; the proposed changes would not result in any significant environmental impacts; and each parcel can be adequately served by utilities and public services.

NOW, THEREFORE, BE IT RESOLVED that the Housing Authority of the City of Santa Rosa hereby modifies the terms set forth in Resolution No. 1611 to align with project changes and with the terms of the Council’s AHIFPP funding commitment, as set forth below:

1. Funds shall be loaned to Habitat to assist with pre-development and development costs for the Project at zero percent (0%) interest for a term not to exceed 18 months with payment due upon the initial sale of the homes.
2. Upon the initial sale of each home by Habitat, the Housing Authority funds shall be loaned directly to homebuyers, as needed for their purchase of the homes, at three percent (3%) interest per annum for a term of 30 years with deferred payments, and payment (principal and interest) due upon sale or transfer.
3. Upon subsequent sales of homes, the Housing Authority funds may, at the discretion of the Executive Director, be loaned directly to subsequent homebuyers, as needed for their purchase of the home, at three percent (3%) interest per annum for a term of up to 30 years with deferred payments, and payment (principal and interest) due upon sale or transfer.
4. Habitat shall commence construction of the Project no later than October 31, 2017, unless that date is extended by the Executive Director.
5. The loan to Habitat shall be due and payable in full if construction is not completed by July 30, 2018, unless that date is extended by the Executive Director.
6. As required by the Housing Authority, Habitat and homebuyers shall execute (and record, as applicable) a loan agreement, promissory note secured by a deed of trust, regulatory agreement, and/or other agreements and notices in forms approved by the Housing Authority General Counsel.
7. The units shall be restricted by recorded resale restrictions, option agreements and notice(s) of affordability restriction. Resale restrictions between the homeowner and the Housing Authority and between the homeowner and Habitat (or designated third party) shall require the affordable units to be owner occupied, restrict income eligibility of future owners, and secure the affordability of the units for a term of 30 years (in the case of the Housing Authority's agreement) and 59 years (in the case of Habitat's agreement). Option agreements between the homeowner and the Housing Authority and between the homeowner and Habitat shall provide Housing Authority and Habitat (or designated third party) an option to purchase the home and/or identify another income-eligible buyer upon resale for a term of 30 years (in the case of the Housing Authority's agreement) and 59 years (in the case of Habitat's agreement).

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 reverses the three Article XXXIV affordable units allocated by Resolution No. 1611, as such allocations apply only to affordable rental units.

BE IT FURTHER RESOLVED that the Housing Authority hereby authorizes the Executive Director or his designee to execute agreements with Habitat and homebuyers related to the Project, consistent with this Resolution, including but not limited to loan agreements, a regulatory agreement, resale restriction agreements, option agreements, notices of affordability restriction, reconveyances and releases, subordination agreements, assignment and assumption agreements and/or other agreements and notices in forms approved by the Housing Authority General Counsel.

DULY AND REGULARLY ADOPTED by the Housing Authority of the City of Santa Rosa this 12th day of June, 2017.

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED: _____
Chair

ATTEST: _____
Secretary