

CITY OF SANTA ROSA
HOUSING AUTHORITY

TO: HOUSING AUTHORITY COMMISSIONERS
FROM: REBECCA LANE, PROGRAM SPECIALIST
HOUSING AND COMMUNITY SERVICES
SUBJECT: ASSIGNMENT AND EXTENSION OF THE AGREEMENT TO ENTER A
HOUSING ASSISTANCE PAYMENTS CONTRACT FOR HERITAGE
PARK APARTMENTS

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Housing and Community Services Department that the Housing Authority, by resolution, 1) approve an assignment of the Agreement to Enter a Housing Assistance Payments Contract (AHAP) for ten (10) Project Based Vouchers for Heritage Park Apartments from Heritage Park, L.P. to Linc Windsor Park, L.P. and 2) extend the term of the AHAP through December 31, 2026.

EXECUTIVE SUMMARY

In response to the June 1, 2015, Request for Funding Proposals (RFP) for Project-Based Veterans Affairs Supportive Housing (VASH) Vouchers, the Housing Authority approved Resolution No. 1648 on March 26, 2018, committing ten (10) VASH Project-Based Vouchers (PBVs) for Heritage Park Apartments ("Project") and executed an Agreement to Enter into a Housing Assistance Payments (AHAP) Contract effective November 15, 2022 with Heritage Park, L.P. Since the AHAP was executed, the project encountered delays that necessitated restructuring its financing, including the creation of a new ownership entity. On December 5, 2024, the developer requested that the Housing Authority revise the prior award and AHAP to change the name of the entity from Heritage Park, L.P. to Linc Windsor L.P. and extend the AHAP through the new construction timeline. These changes are necessary for the Project to close on its construction financing by the end of Calendar Year 2024.

BACKGROUND

On June 1, 2015, the Housing Authority released an RFP announcing the availability of 100 VASH PBVs. Existing units, substantial rehabilitation and new construction projects were all eligible to apply under a rolling deadline. Heritage Park Apartments, a new construction project, applied for ten (10) VASH PBVs under the RFP.

Heritage Park Apartments is a thirty-three (33) unit affordable multifamily development to be located at 8685 Old Redwood Highway in Windsor, California. Under a Memorandum of

ASSIGNMENT AND EXTENSION OF THE AGREEMENT TO ENTER A HOUSING ASSISTANCE PAYMENTS CONTRACT FOR HERITAGE PARK APARTMENTS

PAGE 2 OF 3

Understanding with the Sonoma County Housing Authority, the City of Santa Rosa administers its allotment of VASH vouchers, including VASH PBVs, throughout Sonoma County.

The Project was awarded a conditional commitment of ten (10) VASH PBVs on March 26, 2018, in Resolution No. 1648 and the developer entered into a PBV AHAP Contract effective November 15, 2022, under the legal name Heritage Park, L.P.

Since the execution of the PBV AHAP Contract, the Project encountered delays including the collapse of Silicon Valley Bank, the Project's first tax credit investor. These circumstances necessitated financial restructuring including the establishment of a new owner entity, Linc Windsor Park, L.P. The project is anticipating closing on the revised construction financing by the end of 2024 and beginning a 15-month construction timeline in 2025.

The developer has requested that the Housing Authority change the name of the legal entity on the PBV AHAP Contract to reflect the new ownership entity. In addition, the developer has requested an extension of the AHAP through the revised construction timeline.

ANALYSIS

In response to the RFP released on June 1, 2015, ten (10) VASH PBVs were conditionally awarded to Heritage Park Apartments; on March 26, 2018, the Housing Authority adopted Resolution No. 1648 and the Housing Authority entered into a PBV AHAP with Heritage Park, L.P. effective November 15, 2022.

The Project encountered delays that necessitated restructuring the financing, including the establishment of a new ownership entity and a revised timeline with construction completion anticipated in calendar year 2026.

On December 5, 2024, the developer requested that the Housing Authority revise the name on the PBV AHAP from Heritage Park, L.P. to Linc Windsor Park, L.P. to reflect the new ownership entity and extend the AHAP to accommodate the new construction timeline.

Approval of this item will allow the Executive Director to execute an amendment of the AHAP identifying and assigning the new ownership entity, extend the AHAP contract, and execute agreements and related documents for the Project related to the AHAP, including the PBV Housing Assistance Payments Contract.

PRIOR HOUSING AUTHORITY REVIEW

On March 26, 2018, the Housing Authority adopted Resolution No. 1648 awarding ten (10) VASH PBVs to Heritage Park Apartments.

FISCAL IMPACT

Approval of this action does not have an impact on the Housing Authority's budget.

ASSIGNMENT AND EXTENSION OF THE AGREEMENT TO ENTER A HOUSING
ASSISTANCE PAYMENTS CONTRACT FOR HERITAGE PARK APARTMENTS

PAGE 3 OF 3

ENVIRONMENTAL IMPACT

All PBV projects complete an environmental review and must meet all other requirements outlined in the PBV regulations at 24 CFR 983, PIH Notice 2017-21 and related HUD guidance. The Town of Windsor, as the lead agency, prepared an Initial Study/Mitigated Negative Declaration for the Project, which was adopted by the Town of Windsor Planning Commission on July 28, 2020 in accordance with the California Environmental Quality Act (CEQA). None of the criteria in CEQA Guidelines Section 15162(a) have been triggered; therefore, no additional CEQA review is required. A National Environmental Policy Act (NEPA) review determined a Finding of No Significant Impact per 24 CFR 58.40(g)(1) and 40 CFR 1508.27.

COUNCIL/BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

The Developer was notified of the meeting.

ATTACHMENTS

- Attachment 1 – Housing Authority Resolution No. 1648
- Attachment 2 – Entity Name Changes Request letter dated December 5, 2024
- Attachment 3 – Initial Study/Mitigated Negative Declaration
- Resolution

CONTACT

Rebecca Lane, Program Specialist