

RESOLUTION NO. _____

RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA APPROVING A COMMITMENT OF LOAN FUNDS IN THE AMOUNT OF \$1,300,000 TO BURBANK HOUSING DEVELOPMENT CORPORATION FOR ACQUISITION, PREDEVELOPMENT AND CONSTRUCTION-RELATED COSTS FOR CARITAS HOMES PHASE II, 360 SEVENTH STREET, SANTA ROSA, CALIFORNIA; APN 010-040-020

WHEREAS, the Housing Authority issued two Notices of Funding Availability (“NOFA”) on May 10, 2023, announcing approximately \$8,700,000 combined from federal, state, and local funds for acquisition, rehabilitation and new construction of affordable housing, and applications were due on June 9, 2023; and

WHEREAS, the Housing Authority received five applications requesting approximately \$13,000,000; and

WHEREAS, four of the five applications submitted were complete and reviewed by a Housing Authority Ad-Hoc Application Review Committee; and

WHEREAS, Burbank Housing Development Corporation submitted an application requesting \$1,300,000 for acquisition, predevelopment and construction-related costs associated with 63 new affordable multifamily housing units, located at 360 Seventh Street, Santa Rosa, California, APN 010-040-020 (“Project”); and

WHEREAS, Chair Owen appointed Vice-Chair LaPenna and Commissioner Newton to the Ad-Hoc Committee which met with staff on July 7, 2023 to review the applications and make a funding recommendation to the Housing Authority; and

WHEREAS, following review and ranking of the funding requests, the Project received a score of 70%, and was ranked third among the applications received; and

WHEREAS, the NOFA Ad Hoc Review Committee and staff recommend funding for the Project because it meets the selection criteria evaluation and scoring factors described in the NOFA; and

WHEREAS, the greater Caritas Village development that contains the Project completed the required California Environmental Policy Act (“CEQA”) Environmental Impact Report which was approved by the Santa Rosa City Council on March 3, 2020; and

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 One Million Three Hundred Thousand and No/100 Dollars (\$1,300,000.00) for acquisition, predevelopment and construction-related costs to the Borrower, which shall be the applicant, Burbank Housing Development Corporation, owner of the Project, which may be held by a limited

partnership of which Borrower shall be one of the general partners for tax credit purposes, or such other entity as may be approved by the Executive Director, subject to the conditions and terms including but not limited to the items listed below.

2. The commitment of the loan funds is subject 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. The Low-Income Housing Production Subsidy Program Policy Maximum Cost Schedule and the Loan Schedule are waived, as costs have increased since the Policy was approved.
5. 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 through a Regulatory Agreement recorded against the property.
6. Affordability mix that includes 30 units targeted to households with incomes up to 20% of Area Median Income (“AMI”), 33 units targeted to households with incomes up to 60% AMI, and one non-restricted manager unit, of which thirty units will be targeted to households experiencing or at-risk of homelessness.
7. The proposed unit mix is anticipated to include 29 studio, 27 one-bedroom, and 7 two-bedroom units.
8. The loan shall be due and payable in full if construction has not commenced by June 30, 2024, and is not completed by November 30, 2025, unless these dates are extended, in writing, by the Executive Director.
9. The loan shall be due and payable in full if a viable rental subsidy program has not been identified for the thirty units targeted for households experiencing or at-risk of homelessness by July 30, 2024. This condition is subject to one-year extension to July 30, 2025, upon approval in writing, by the Executive Director.

BE IT FURTHER RESOLVED that the Housing Authority hereby approves subordination of 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 approves an allocation of 63 Article XXXIV units pursuant to locally approved Measure K of the California Constitution.

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.

