

RESOLUTION NO. 1692

RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA APPROVING A CONDITIONAL COMMITMENT OF LOAN FUNDS IN THE AMOUNT OF \$4,200,000 TO DeTURK WINERY VILLAGE FOR ACQUISITION, PREDEVELOPMENT, AND CONSTRUCTION-RELATED COSTS FOR DETURK WINERY VILLAGE, 8 WEST 9th STREET and 808 DONAHUE STREET, SANTA ROSA, CALIFORNIA; APN's 010-091-001 and 010-091-007; LOAN NOS. 9030-3205-20, 9930-3215-20, 9930-3225-20, 9930-3235-20, 9930-3245-20, and 9930-3255-20

WHEREAS, the Housing Authority issued a Focused Notice of Funding Availability ("NOFA") on April 16, 2020, announcing approximately \$4,200,000 of federal and local funds for affordable housing, and applications were due on May 15, 2020; and

WHEREAS, the available funds are targeted to projects with a competitive 9% Tax Credit or Federal Consolidated Appropriations Act (FCAA) tax credit application in the July 2020 funding round or a competitive MHP application in the September 2020 funding round; and

WHEREAS, the Housing Authority received four applications requesting \$14,700,000; and

WHEREAS, MAC 2, L.P., Meta Housing Corporation and Foundation for Affordable Housing, Inc., submitted an application requesting \$4,200,000 for acquisition, predevelopment, and constructions costs associated with 136 new affordable multifamily housing units, located at 8 West 9th Street and 808 Donahue Street, Santa Rosa, California, APN's 010-091-001 and 010-091-007, (the "Project"); and

WHEREAS, the Housing Authority chair appointed commissioners Burke and Test to a NOFA Ad Hoc Committee; the Committee and staff reviewed the applications on June 15, 2020, to make a funding recommendation to the Housing Authority; and

WHEREAS, the project was approved in a series of actions by the Cultural Heritage Board, the Design Review Board and the City Council, it has been determined that the project is exempt from environmental review pursuant to the to the California Environmental Policy Act ("CEQA") Government Code Section 654457 in that the project would develop a residential land use that is undertaken to implement, and is consistent with, the Downtown Station Area Specific Plan; Class 32, Section 15332 – In-fill Development Projects; Section 15331 as maintenance, repair, stabilization, rehabilitation, restoration, preservation, conservation or reconstruction of historical structures; and

WHEREAS, the NOFA Ad Hoc Committee and staff recommend funding for DeTurk Winery Village because it best meets the selection criteria evaluation factors described in the NOFA.

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

1. A conditional commitment of loan funds in the amount of Four Million Two Hundred Thousand and No/100 Dollars (\$4,200,000.00) to MAC 2 L.P. and Foundation for Affordable Housing, Inc., for Project acquisition, predevelopment, and construction-related costs.
2. The conditional commitment of \$1,200,000 in Community Development Block Grant (CDBG) funds of the \$4,200,000 loan is subject to completion of an Environmental Assessment pursuant to the National Environmental Policy Act.
3. In the event the Project is not successful in the funding competitions, the funds will remain

committed for up to two additional funding rounds with State applications due through September 2021. If the State funding is not awarded following the additional applications rounds, the Housing Authority funds will be rescinded.

4. The conditional 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.
5. 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.
6. 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.
7. Affordability mix that includes 14 units targeted to households with incomes up to 30% of Area Median Income ("AMI"), 56 units targeted to household incomes up to 50% AMI, 64 units targeted to household incomes up to 60% AMI and two non-restricted manager units.
8. The loan shall be due and payable in full if construction has not commenced by April 1, 2021, and is not completed by December 30, 2022, unless these dates are extended, in writing, by the Executive Director.
9. An allocation of 134 Article XXXIV units pursuant to locally approved Measure K of the California Constitution.

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 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 Four Million Two Hundred Thousand and No/100 Dollars (\$4,200,000.00) to MAC 2 L.P. and Foundation for Affordable Housing, Inc. from the following Key Number(s) or as otherwise determined by the Executive Director:

Fund	Key	Source	Amount	Loan No.
2280	340302	Community Block Grant (CDBG)	\$1,200,000.00	9030-3205-20
2296	340104	In-Lieu	\$2,785,740.00	9930-3215-20
2282	390110	General Fund Match	\$115,649.00	9930-3225-20
2284	340902	Real Property Transfer Tax	\$71,934.00	9930-3235-20
2130	340708	Reserves	\$25,796.00	9930-3245-20
2281	340306	Rental Rehabilitation	\$881.00	9930-3255-20
Total Loan Amount			\$4,200,000.00	

DULY AND REGULARLY ADOPTED by the Housing Authority of the City of Santa Rosa this 22nd day of June 2020.

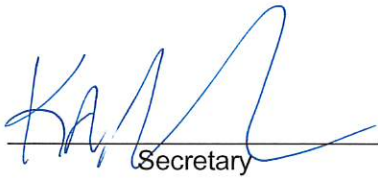
AYES: (5) Commissioner Burke, Commissioner Downey, Commissioner Olsen, Vice Chair Test, Chair Owen

NOES: ()

ABSENT: ()

ABSTAIN: ()

ATTEST:


Secretary

APPROVED:


Jeffrey A. Owen (Jun 29, 2020 13:09 PDT)
Chair