

RESOLUTION NO. _____

RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA APPROVING A CONDITIONAL ASSIGNMENT TO APPLE VALLEY OLIVE GROVE, L.P., EXTENSION OF THE TERM OF ITS LOAN NOS. 9929-0842-00, 9029-0673-99, 9929-0732-01, 6029-0743-97, 9929-0742-00, 9929-2555-15, 9929-2515-14, 9029-0732-00, 9930-1675-06, 9929-0822-00, 6029-0723-97, 9029-0663-99, 9029-0683-99 AND, 9929-0782-00 TO PAULIN CREEK APARTMENTS INVESTORS, L.P FOR PAULIN CREEK APARTMENTS LOCATED AT VARIOUS ADDRESSES ON APPLE VALLEY LANE AND W. STEELE LANE, FROM JUNE 30, 2055 TO JUNE 30, 2082, AN EXTENSION OF THE REGULATORY AGREEMENT FROM JUNE 30, 2055 TO JUNE 30, 2082, FOREGIVENESS OF ACCURED INTEREST AND SUBORDINATION OF ITS LOANS TO A REFINANCED SENIOR MORTGAGE

WHEREAS, the Housing Authority has provided loans to Paulin Creek Apartments Investors, L.P., through Burbank Housing Development Corporation (BHDC) for the acquisition and rehabilitation of Paulin Creek Apartments (Project) located at 2459, 2501 W. Steele Lane, 2808, 2812, 2816, 2820, 2824, 2828, 2841, 2833, 2813, 2809 Apple Valley Lane, ADD (Assessor's Parcel Numbers 015-520-023, 015-520- 051, 015-520-024, 015-520-025, 015-520-026, 015-520-027, 015-520-055; 015-520-042, 015-520-044, 015-520-049, and 015-520-050; and

WHEREAS, the Project is a 48-unit multifamily rental development with 47 units affordable to very low- and low-income households; and

WHEREAS, the Housing Authority has provided the Project with fourteen loans in the outstanding principal amount of \$4,327,810.83 and accrued interest, as of July 31, 2024, in the amount of \$2,020,966.34 (Loans);

WHEREAS, the Loans have a due date of June 14, 2049 and are secured against the subject properties by a Deed of Trust; and

WHEREAS, the Project is governed by a 55-year Regulatory Agreement restricting the affordability of the Project through June 30, 2055 with the following unit mix: 17 units affordable to households at 50% of AMI and 30 units affordable to households at 60% AMI and 1 unrestricted managers' unit; and

WHEREAS, in addition to loans from the Housing Authority, the Project is Burbank Housing Development Corporation, of which the Housing Authority is in second lien position; and

WHEREAS, BHDC desires to consolidate the Project with four other project sites, 2862 & 2866 Apple Valley Lane, 2870 & 2874 Apple Valley Lane, Papago Court Apartments and Olive Grove Apartments in order to apply for and obtain tax credits for a "scattered-site" project identified as Apple Valley Scattered Sites that will fund rehabilitation at all five project sites; and

WHEREAS, forgiving the accrued interest on the loans will assist BHDC in leveraging approximately \$3,500,000.00 in additional funding for rehabilitation of Apple Valley Scattered Sites; and

WHEREAS, as identified in the proposal, the 47 units at Paulin Creek will have the following affordability mix: 18 units affordable to households at 50% of AMI, 29 unit affordable to households at 60% of AMI, , and one unrestricted manager's units; and

WHEREAS, conditional approval of the loan extension, forgiveness47 126 units of affordable housing and will allow BHDC to conduct necessary rehabilitation of Project improvements without additional financial commitment from the Housing Authority and extend the term of the Regulatory Agreement by 27 years, insuring additional affordability for Santa Rosa residents; and

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

1. Assignment of the Paulin Creek Apartments Investors, L.P., loan to Apple Valley Olive Grove L.P.;
2. Forgiveness of the accrued interest of the Paulin Creek Apartments Investors, L.P. as of the date of loan consolidation;
3. Extension of the term of its loans for Paulin Creek Apartments for 33 years, from June 14, 2049 to June 30, 2082; and
4. Extension of the term of the associated Regulatory Agreement, from June 30, 2055 to June 30, 2082; and
5. Subordination of the loan(s) to the new senior mortgage and any applicable CDLAC/CTCAC requirements.

BE IT FURTHER RESOLVED that the Housing Authority of the City of Santa Rosa hereby approves the conditional consolidation of the loans subject to the following conditions:

1. The forgiveness of accrued interest and consolidation of loans will only occur if the scattered-site project is awarded tax-exempt bonds and tax credits.
2. Upon loan consolidation the new interest rate will be set at the Applicable Federal Rate, but no lower than 3%, simple interest, residual cash receipts for term of the loan.
3. The rehabilitation of units at the Project must be in compliance with the Federal Fair Housing Act regarding accessibility of housing units;
4. The borrower will enter into a new Regulatory Agreement specific to 2862 and 2866

Apple Valley which may result in an increase to the annual compliance monitoring fees charged for the affordable units.

BE IT FURTHER RESOLVED that the Housing Authority hereby authorizes the Executive Director to execute any and all agreements necessary or convenient to effectuate the applicable loan modification and consolidation, regulatory agreement amendment, the subordination agreement, and any other related documents required by the senior lender consistent with this Resolution.

DULY AND REGULARLY ADOPTED by the Housing Authority of the City of Santa Rosa this _____ day of _____, 2024.

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED: _____
Chair

ATTEST: _____
Secretary