

RESOLUTION NO. _____

RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA APPROVING A MODIFICATION OF A PREVIOUSLY APPROVED CONDITIONAL FURTHER ADVANCE TO A CONDITIONAL COMMITMENT OF FUNDS FOR A NEW LOAN – HEARN VETERANS VILLAGE 2149 WEST HEARN AVENUE, LOAN NOS. 9933-3035-18 and 9933-3045-18

WHEREAS, on October 22, 2007, the Housing Authority adopted Resolution No. 1399 approving a loan to Community Housing Sonoma County (“CHSC”) and Vietnam Veterans of California in the amount of \$245,407 for the Phase 1 Project, acquisition of an existing, vacant residential care facility located at 2149 West Hearn Avenue for the development of a transitional housing facility for 12 homeless veterans; and

WHEREAS, on February 25, 2019, the Housing Authority adopted Resolution No. 1656, approving a conditional Further Advance in the amount of \$285,000 for predevelopment costs associated with the Phase 2 Project, 24 permanent supportive housing units (the “Further Advance”); and

WHEREAS, on June 18, 2019, CHSC requested that Phase 1 and Phase 2 loans be separated, and the Further Advance approved in February 2019 adds funds to the existing Phase 1 loan, thereby blending the financing of two phases; and

WHEREAS, modifying the loan commitment to a new loan with separate loan documents will achieve CHSC’s request to separate the projects; and

WHEREAS, following subdivision of the existing parcel, the Phase 1 Loan Documents will remain in effect for Phase 1, secured by the property, and the new loans will support the Phase 2 Project, secured by separate parcels; and

WHEREAS, this action is exempt from the California Environmental Quality Act (“CEQA”) because the activities to be undertaken with the proceeds of the Housing Authority loan are predevelopment activities, including environmental studies and initial site design that will enable the borrower to apply to the City of Santa Rosa for entitlements. The Housing Authority loan is not a commitment by the City of Santa Rosa to approve the project, and the loan is due and payable on its terms whether or not the City of Santa Rosa approves the project. As a result, the predevelopment activities are not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378. Similarly, pursuant to CEQA Guidelines Section 15061(b)(3), the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

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

1. Modify the type of loan approved by Resolution No. 1656 from a conditional Further Advance of loan funds to a new conditional commitment of funds with a new loan to Community Housing Sonoma County for predevelopment costs for 24 permanent support housing units at Hearn Veterans Village.

BE IT FURTHER RESOLVED that the Housing Authority approves and affirms the following provisions that were approved by Resolution No. 1656:

1. The loan amount is Two Hundred Eighty-Five Thousand and 00/100 Dollars (\$285,000.00).
2. The commitment of the loan funds is subject to verification of prior approvals pursuant to the

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National Environmental Policy Act and 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. 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.
4. Affordability mix that includes 17 units targeted to veterans with household incomes up to 30% of Area Median Income ("AMI"); six units targeted to household incomes up to 50% AMI; and one non-restricted manager unit.
5. Any portion of the loan for which payment has not been disbursed by the City shall be due and payable on June 30, 2020, unless this time is extended by the Executive Director. A request for a time extension must be made in writing at least 30 days prior to the due date.
6. An allocation of 23 Article XXXIV units.

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 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 Two Hundred Eight Five Thousand and 00/100 Dollars (\$285,000) from the following Key Number(s) or as otherwise determined by the Executive Director:

Fund	Key	Source	Amount	Loan No.
2293	340108	HOME-CHDO	\$184,038	9933-3035-18
2296	340104	In-lieu	\$100,962	9933-3045-18
Total Loan Amount			\$285,000	

DULY AND REGULARLY ADOPTED by the Housing Authority of the City of Santa Rosa this 26th day of August, 2019.

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED: _____

Chair

ATTEST: _____

Secretary