

# Attachment 1

## RESOLUTION NO. 1717

RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA APPROVING A CONDITIONAL COMMITMENT OF LOAN FUNDS IN THE AMOUNT OF \$5,800,000 TO FREEBIRD DEVELOPMENT COMPANY, LLC FOR CONSTRUCTION-RELATED COSTS FOR THE BENNETT VALLEY APARTMENTS, 702 BENNETT VALLEY ROAD, SANTA ROSA, CALIFORNIA; APN's 038-151-004, 038-151-011, 09-333-009, and 009-333-014; LOAN NOS. 9014-3335-21, 994-3345-21, 9914-3355-21, 9914-3355-21, 9914-3365-21, 9914-3375-21, and 9914-3385-21

WHEREAS, the Housing Authority issued a Focused Notice of Funding Availability ("NOFA") on March 29, 2021, announcing approximately \$8,900,000 of federal and local funds for affordable housing, and applications were due on April 16, 2021; and

WHEREAS, the Housing Authority received seven applications requesting over \$23,000,000; and

WHEREAS, Freebird Development Company, LLC submitted an application requesting \$5,800,000 for construction costs associated with 62 new affordable multifamily housing units, located at 702 Bennett Valley Road, 716 Bennett Valley Road, 921 Rutledge Avenue and 927 Rutledge Avenue, Santa Rosa, California, APN's 038-151-004, 038-151-011, 09-333-009, and 009-333-014; and

WHEREAS, the Housing Authority chair appointed commissioners Olsen and Test to a NOFA Ad Hoc Review Committee; the Committee and staff reviewed the applications on April 29, 2021, to make a funding recommendation to the Housing Authority; and

WHEREAS, the project was approved by the streamlined, ministerial approval process provided by Senate Bill 35 (SB-35), it has been determined that the project is exempt from environmental review pursuant to the California Environmental Policy Act ("CEQA") Government Code Section 65913.4; and

WHEREAS, the NOFA Ad Hoc Review Committee and staff recommend funding for Bennett Valley Apartments because it best meets the selection criteria evaluation and scoring 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 Five Million Eight Hundred Thousand and No/100 Dollars (\$5,800,000.00) to Freebird Development Company, LLC for Project construction-related costs, subject to the conditions and terms including but not limited to the items listed below.
2. 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.

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.
4. 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.
5. Affordability mix that includes 32 units targeted to households with incomes up to 30% of Area Median Income (“AMI”), 29 units targeted to household incomes up to 50% AMI, and one non-restricted manager unit.
6. The loan shall be due and payable in full if construction has not commenced by January 1, 2023, and is not completed by June 30, 2024, unless these dates are extended, in writing, by the Executive Director.

BE IT FURTHER RESOLVED that the Housing Authority hereby approves an allocation of 61 Article XXXIV units pursuant to locally approved Measure K of the California Constitution.

BE IT FURTHER RESOLVED that the Housing Authority 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, including Subordination Agreements, 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 Five Million Eight Hundred Thousand and No/100 Dollars (\$5,800,000.00) to Freebird Development Company, LLC, from the following Key Number(s) or as otherwise determined by the Executive Director:

Source	Fund	Key	Loan No.	Amount
Operating Reserves	2130	340708	9014-3335-21	\$78,000
Housing Grant Fund	2282	340110	9914-3345-21	\$300,000
Real Property Transfer Tax	2284	340902	9914-3355-21	\$420,000
Low/Mod Income Housing	2285	340607	9914-3365-21	\$7,000
Mortgage Revenue Bonds	2294	340007	9914-3375-21	\$355,000
Housing Impact	2296	340104	9914-3385-21	\$4,640,000
<b>Total</b>				<b>\$5,800,000</b>

IN HOUSING AUTHORITY DULY PASSED this 10th day of May, 2021.

AYES: (4) Commissioner Olsen, Commissioner Downey, Vice Chair Test, Chair Owen

NOES:

ABSENT:

ABSTAIN: (1) Commissioner Burke

ATTEST: Megan Basinger

Secretary

Jeffrey A Owen

APPROVED: Jeffrey A Owen (May 11, 2021 11:30 PDT)

Chair

APPROVED AS TO FORM: Jeff Berk (May 12, 2021 09:16 PDT)

City Attorney












# Resolution Bennett Valley Apartments

Final Audit Report

2021-05-12

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