

RESOLUTION NO. _____

RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA APPROVING A CONDITIONAL COMMITMENT OF DISASTER RECOVERY – MULTIFAMILY HOUSING PROGRAM LOAN FUNDS IN THE AMOUNT OF \$8,945,657 TO CARITAS HOMES PHASE I, L.P FOR CONSTRUCTION-RELATED COSTS FOR CARITAS HOMES, PHASE I, LOCATED AT MORGAN AND 7TH STREET, SANTA ROSA, CALIFORNIA; APNs 010-041-001, 010-041-015, and 010-041-016; LOAN NO. 5020-3275-21

WHEREAS, the Housing Authority issued a Community Development Block Grant – Disaster Recovery/Disaster Recovery – Multifamily Housing Program (DR-MHP) Notice of Funding Availability (“NOFA”) on November 3, 2020, announcing up to \$38,353,107 in federal Community Development Block Grant – Disaster Recovery funding with applications due on December 3, 2020; and

WHEREAS, the Housing Authority received seventeen applications requesting \$148.9 million; and

WHEREAS, Caritas Homes Phase I, L.P., submitted an application requesting \$8,945,657 for construction costs associated with 64 new affordable multifamily housing units, located at Morgan and 7th Streets, Santa Rosa, California, APNs 010-041-001, 010-041-015, and 010-041-016, (the “Project”); and

WHEREAS, the Project has received approvals for an Environmental Impact Report, General Plan Amendment, Minor Use Permit, and Tentative Parcel Map for the project were approved by City Council in March 2020 and approval from the Cultural Heritage Board in August 2020; and

WHEREAS, the Project received an award of Tax Credits from the California Tax Credit Allocation Committee, the State of California Department of Housing and Community Development’s (HCD) No Place Like Home funding, funds from the County of Sonoma, and a permanent loan; and

WHEREAS, in June 2020 through Housing Authority Resolution 1690 the project was allocated 128 Article XXXIV units, for Phases I and II of Caritas Homes, pursuant to locally approved Measure K of the California Constitution; and

WHEREAS, a Joint Ad-Hoc Review Committee comprised of two City Council Members and two Housing Authority Commissioners reviewed the applications on January 11 and January 14, 2021, to develop funding recommendations to the Housing Authority; and

WHEREAS, the Joint Ad Hoc Review Committee and staff recommend funding for Caritas Homes Phase I because it is one of five projects which best meet the selection criteria evaluation factors described in the NOFA, including project readiness, status of entitlements, status of National Environmental Policy Act review, and percentage of total development cost from committed funding sources.

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 Eight Million Nine Hundred Forty-Five Thousand Six Hundred Fifty-Seven and No/100 Dollars (\$8,945,657) to Caritas Homes Phase I, LP for construction-related costs, subject to the conditions and terms including but not limited to the items listed below.

2. The Project is subject to completion of an Environmental Assessment pursuant to the National Environmental Policy Act.
3. HCD's issuance of a Notice to Proceed and execution of loan documents with the Housing Authority of the City of Santa Rosa.
4. The term of the loan will be 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 Regulatory Agreements recorded against the property.
5. The approved Affordability Mix for the 64 units is: 30 units targeted to households with incomes up to 30% of Area Median Income ("AMI"), 21 units targeted to household incomes up to 50% AMI, 12 units targeted to household incomes up to 60% AMI and one non-restricted manager unit.
6. The loan shall be due and payable in full if construction has not commenced by August 2021, and is not completed by December 2022, unless these dates are extended, in writing, by the Executive Director.

BE IT FURTHER RESOLVED that the Housing Authority hereby approves subordination of the 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 staff to submit the final application for the Project to the State of California Department of Housing and Community Development (HCD) in conformance with the Policies and Procedures of the Disaster Recovery - Multifamily Housing Program.

BE IT FURTHER RESOLVED that the upon approval from HCD, the Housing Authority hereby authorizes the Chief Financial Officer to pay all claims for the loan in an amount not to exceed \$8,945,657.00 to Caritas Homes Phase I, L.P. from the following Key Number or as otherwise determined by the Executive Director:

Fund	Key	Source	Amount	Loan No.
2286	42134	CDBG-DR Loans	\$8,945,657	5020-3275-21

DULY AND REGULARLY ADOPTED by the Housing Authority of the City of Santa Rosa this 25th day of January 2021.

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Chair

ATTEST:

Secretary