



AFFORDABLE HOUSING LOAN APPLICATION

Loan Amount Requested: \$285,000 Date funds are needed: March 2019

Proposed Use of Funds: Predevelopment financing for Hearn Veterans Village located at 2149 West Hearn Avenue, Santa Rosa

Proposed Loan Terms: 55-year loan (to conform with VHHP loan term), 3% residual receipts, 55 year regulatory term

I. APPLICANT'S INFORMATION

- A. Name: Community Housing Sonoma County
- Address: 131-A Stony Circle, Suite 500, Santa Rosa, CA 95401
- Project Manager: Paula Cook / Craig Meltzner Phone: 707 578 2338
- E-mail: pcook@ch-sc.org FAX: 707 578 2339
- B. Type of Organization: Corporation, Partnership, etc. 501c3 CA public benefit corporation
- Tax exempt organization? Yes No ID#: 68-0336461
- Is this organization a CHDO? Yes No CHDO ID#: unknown
- DUNS#: 012544964
- C. Legal name of borrower(s) to be used on loan documents:
Community Housing Sonoma County
- D. Experience: Attach resume' of prior experience by listing projects, including location, number of units, level of affordability, type of units, completion date. Please include name and telephone number for use as references at other local jurisdictions.

II. PROPOSED PROJECT

- A. Site
- Name of Project: Hearn Veterans Village
- Location: 2149 West Hearn Avenue, Santa Rosa A. P. #: 134-011-012
- Current Land Use Designation: low density residential
- Proposed Land Use Designation: same
- Proposed Density (units/acre): 1 unit/20,000 sq ft # of Acres: approx. 1.54
- Water/Sewer Availability and Location: Currently on municipal sewer and well
- Offsite Constraints: No known offsite constraints.

Subject to Specific Area Plan? Yes No Annexation Needed? Yes No

Does your site acquisition include buildings currently being used for housing or business activities? Yes No

If yes, indicate type of use and number of occupants: We will relocate 14 veterans from the Veterans Village at the County site.

Relocation of occupants necessary? Yes No

Form of Site Control (Contract, Option): Grant Deed

Purchase Price: \$ _____ Appraised Value: \$ \$1,440,000

Development Constraints: No known constraints to development

Year of City's growth management allocation: NA

B. Environmental (Clearance may take a minimum of 3 months)

Reports/Studies Completed: Wetland Delineation Map, previous NEPA EA, previous Phase 1 ESA

Proximity to Flood Plain: Per FEMA map 06097C0736F, site isn't near floodplain.

Indicate presence of wetlands, vernal pools, endangered plant or animal species:

Wetlands, California Tiger Salamander designation, waters of the United States

Other known environmental constraints: None - New env. reports will be performed

C. Proposed Affordable Housing Project

| | |
|---|------------------------------|
| Total number of units to be built: | <u>10 new + 14 relocated</u> |
| Number of affordable rental units: | <u>23</u> |
| Number of affordable ownership units: | <u>0</u> |
| Number of units serving under 30% of median income: | <u>17</u> |
| Number of units serving 31% - 50% of median income: | <u>6</u> |
| Number of units serving 51% - 80% of median income: | <u>0</u> |
| Number of units serving over 80% of median income: | <u>1 non-restricted</u> |
| Number of units serving non-restricted income levels: | |

Note: All projects with sixteen or more units must include an on-site manager unit. Reference California Administrative Code Title 25, Section 42.

D. Itemization of Proposed Units

| Bedroom Size | Sq. Ft. Size of Unit | # of Units | Targeted Income Level | Proposed Rent Amount | Comments |
|--------------|----------------------|------------|-----------------------|----------------------|-------------------|
| 0 | 288 | 16 | 0-30% | \$ | VASH-assisted |
| 0 | 288 | 6 | 50% | \$ | VASH-assisted |
| 0 | 288 | 1 | 30% | \$ | non-VASH assisted |
| 0 | 288 | 1 | unrestricted | \$ | manager's unit |
| | | | | \$ | |
| | | | | \$ | |
| | | | | \$ | |
| | | | | \$ | |
| | | | | \$ | |
| | | | | \$ | |

E. Monthly Allowance for Tenant-paid Utilities:

(Utility Allowance Chart available from staff)

| | Indicate Gas Or Electric | Check if Paid By Tenant | Check if Paid By Owner |
|--------------------------------------|-----------------------------|----------------------------|-------------------------------------|
| Space Heating | Electric _____ | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Stove | Electric _____ | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Water Heater | Electric _____ | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Trash | _____ | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Water/Sewer | _____ | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Other | _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| Bedroom Size | 300 sq ft | _____ | _____ |
| Total Utility Allowance by Unit Size | _____ | ZN | _____ |

Attach Utility Allowance Chart with applicable allowances circled.

F. Project Management Company: Eugene Burger Management Corporation

Attach Project Management Company information and list of its references.

III. **PROJECT COST**

| | | |
|---------------------------|-------------------|---------------------|
| Land Cost | | \$ <u>0</u> |
| Land Cost Per Acre | \$ <u>n/a</u> | |
| Predevelopment Costs | | \$ <u>285,000</u> |
| Soft Costs | | \$ <u>2,179,380</u> |
| Hard Costs | | \$ <u>3,514,794</u> |
| Total Project Cost | | \$ <u>5,979,174</u> |
| Cost Per Unit Built | \$ <u>250,688</u> | |

IV. **TOTAL PROJECT FINANCING**

| | | |
|--|-----------------|---------------------|
| Amount of this loan request: | | \$ <u>285,000</u> |
| Additional Housing Authority funding contemplated? | If yes, amount: | \$ <u>2,289,514</u> |
| Amount of other permanent financing: | | \$ <u>3,404,660</u> |
| Amount of cash or loans currently in project: | | \$ <u>0</u> |
| Amount of owner's equity in project: | | \$ <u>0</u> |
| Amount of Deferred Developer Fee | | \$ <u>0</u> |
| TOTAL | | \$ <u>5,979,174</u> |

A. Financing Sources: *(Include all other financing--interim and permanent)*

| | 1 | 2 | 3 | 4 | 5 | 6 |
|-------------------------------|---|---|---|---|---|---|
| Lender's Name & Address | | | | | | |
| Contact Person & Phone # | | | | | | |
| Name of Program | | | | | | |
| Loan Amount | | | | | | |
| Annual Payment | | | | | | |
| Terms of Loan | | | | | | |
| Date Applied | | | | | | |
| Current Status of Application | | | | | | |
| Conditions | | | | | | |

INTERIM/CONSTRUCTION FINANCING

| | 1 | 2 | 3 | 4 | 5 | 6 |
|-------------------------------|---|-------------------|---------------------------------------|-------------------|------------------------|---|
| Lender's Name & Address | | | | | | |
| Contact Person & Phone # | Megan Basinger 543.3550 | | | | Chuck Mottern 565-7554 | |
| Name of Program | HASR | AHP | HASR | Priv const loan | SCCDC HEAP | |
| Loan Amount | 285,000 | 287,500 | 2,289,514 | 4,620,535 | 1,000,000 | |
| Annual Payment | none | none | none | interest only | none | |
| Terms of Loan | Rollover to perm | Rollover to perm | Rollover to perm | 10 months | rollover to perm | |
| Date Applied | August 2018 & 2019 | not yet applied | not yet applied | not yet applied | 2/2019 | |
| Current Status of Application | Aug 2018 under review; 2019 not yet submitted | not yet submitted | not yet submitted | not yet submitted | Submitted | |
| Conditions | | | There can also be other apps to SCCDC | | | |

PERMANENT FINANCING

| | 1 | 2 | 3 | 4 | 5 | 6 |
|-------------------------------|---------------------------------|------------------------|---------------------------|--------------------------|------------------------|---|
| Lender's Name & Address | | | | | | |
| Contact Person & Phone # | Megan Basinger 543.3550 | | Megan Basinger 543.3550 | | Chuck Mottern 565-7554 | |
| Purpose | predev & perm financing | const & perm financing | predev & perm financing | const & perm financing | dev/constr/perm | |
| Name of Program | HASR | AHP | HASR | VHHP | HEAP | |
| Loan Amount | 285,000 | 287,500 | 2,289,514 | 2,117,160 | 1,000,000 | |
| Annual Payment | residual receipts | none | residual receipts | 0.42% of principal | residual receipts | |
| Terms of Loan | 55yr; 3%; resid. receipts | 15yr; 0%; forgivable | 55yr; 3%; resid. receipts | 55yr; 3%; resid receipts | 55 yr. RR | |
| Date Applied | July 2018 | not yet applied | not yet applied | not yet applied | 02/19 | |
| Current Status of Application | under review (this application) | to be submitted 2019 | to be submitted 2019 | to be submitted 2019 | Under review | |
| Conditions | | | | | | |

B. Administrative Costs

What are the administrative costs for this project and how will they be funded? _____

CHSC will share project management services with Craig Meltzner & Associates and will bill accordingly. The developer fee charged by CHSC

is approximately 7.2% of the total project cost to be funded by project loans.

C. Development and Operations Proformas (Attach Project Proformas)

V. ATTACHMENTS

Please attach the following documents to the Loan Application: (If we have current, accurate copies on file you do not need to resubmit, only update).

- A. Project description and purpose narrative.
- B. List of references for other projects (see #I-D. page 1).
- C. List of board members and/or names of company officers, including addresses, phone numbers, employer, occupation.
- D. Copy of applicant's Articles of Incorporation, Bylaws or Partnership Agreement.
- E. Federal tax exempt determination letter, if applicable.
- F. Most recent audit report and current financial statement (within the last quarter). Reports should include balance sheets, revenue and expense statement, and statement of changes in fund balances.
- G. Resolution from Applicant's governing body authorizing the borrowing of funds from the Housing Authority of the City of Santa Rosa and authorizing execution of loan documents.
- H. Resolution from Applicant's governing body authorizing formation of limited partnership, if applicable.
- I. Project Proforma – projected for the proposed loan term.
- J. Utility Allowance Chart with applicable allowances circled.
- K. Evidence of land control (i.e., option, sale/purchase contract or escrow instructions).
- L. Evidence of land value. Provide appraisal or statement of value from other financing sources, if available.
- M. Area map of proposed site and site photos.
- N. Preliminary Title Report (within past six months).

- O. Environmental reports/studies.
- P. Funding commitment letters.
- Q. Project timetable.
- R. Agreements for rent subsidies, if applicable.
- S. Management company information and list of references.
- T. Budget for Housing Authority loan funds.
- U. Anticipated exit strategy at end of tax credit period, if applicable.

CERTIFICATIONS

Applicant hereby certifies:

1. Truth of Application

That the information submitted in this Loan Application and any supporting materials is true, accurate, and complete to the best of its knowledge.

2. Material Changes to Project

That the Applicant acknowledges that any material changes to the project not disclosed to and approved by the Housing Authority may result in termination of funding for the project. Material changes include but are not limited to: changes in the project's design, amenities, and number and size of units; changes to the development budget; changes to the proposed sales prices, rents or operating expenses; changes to the sources, amounts or terms of financing; changes to the ownership entity or key staff and consultants identified in this Loan Application; or changes to other Loan Application items.

3. Applications are Public Records

That the Applicant acknowledges that the information submitted as part of this loan application, except material considered confidential, may be made available to the public.

4. No Conflict of Interest

That the Applicant confirms that the Applicant nor any of its employees or other persons or entities affiliated with the Applicant have any financial relationship or position with the City of Santa Rosa, the Housing Authority of the City of Santa Rosa, or any of their respective officers, agents, employees and volunteers that would present a conflict of interest issue.

APPLICANT REPRESENTATIVE(S)

Paula Cook

Name

Executive Director

Title

Name

Title

Signature

Revised 02/13/19

Date

Signature

Date