



AFFORDABLE HOUSING LOAN APPLICATION

Loan Amount Requested: 200,000 Date funds are needed: 2/25/2019
 Proposed Use of Funds: Construction
 Proposed Loan Terms: 3% for 55 year term, residual receipts payments

I. APPLICANT'S INFORMATION

- A.** Name: Danco Communities
 Address: 5251 Ericson Way, Arcata, CA 95521
 Project Manager: Chris Dart Phone: 707-825-1531
 E-mail: cdart@danco-group.com FAX: 707-822-9596
- B.** Type of Organization: Corporation, Partnership, etc. Corporation
 Tax exempt organization? Yes No ID#: 06-1763634
 Is this organization a CHDO? Yes No CHDO ID#: NA
 DUNS#: 619070282
- C.** Legal name of borrower(s) to be used on loan documents:
Danco Communities (single asset-ownership LP to be created after funding award to which funds shall be assigned)
- 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: Boyd Rd Apartments
 Location: 811 Boyd Rd, Santa Rosa, CA A. P. #: 037-101-003-000
 Current Land Use Designation: Medium Density Residential
 Proposed Land Use Designation: MDR with Density Bonus Ordinance Update
 Proposed Density (units/acre): 24 # of Acres: 1.91
 Water/Sewer Availability and Location: At site
 Offsite Constraints: None

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: N/A

Relocation of occupants necessary? Yes No

Form of Site Control (Contract, Option): Purchase contract

Purchase Price: \$ 1,450,000 Appraised Value: \$ N/A appraisal after funding secured

Development Constraints: None

Year of City's growth management allocation: 2019

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

Reports/Studies Completed: None. There has been an initial search done by Ph I consultant that came up clear. See email.

Proximity to Flood Plain: 1100 feet from the 100-year flood zone

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

None.

Other known environmental constraints: None.

C. Proposed Affordable Housing Project

Total number of units to be built: 46

Number of affordable rental units: 45

Number of affordable ownership units: 0

Number of units serving under 30% of median income: 8

Number of units serving 31% - 50% of median income: 37

Number of units serving 51% - 80% of median income: 0

Number of units serving over 80% of median income: 0

Number of units serving non-restricted income levels: 1 manager's unit

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
				\$	See attached
				\$	Not enough rows
				\$	
				\$	
				\$	
				\$	
				\$	
				\$	
				\$	
				\$	
				\$	

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 checked="" type="checkbox"/>	<input type="checkbox"/>
Stove	Electric _____	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Water Heater	Electric _____	<input checked="" type="checkbox"/>	<input 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	1 _____	2 _____	3 _____	_____	_____
Total Utility Allowance by Unit Size	5 _____	8 _____	10 _____	_____	_____

Attach Utility Allowance Chart with applicable allowances circled.

ITEMIZATION OF PROPOSED UNITS

1st Year Proforma Rents

Unit Type	AMI Rent	# of Units	TCAC Rent Each Unit	Gross Rent	UA Each	Net Rent	Annual Net Rent	PBV Rents Requested (less Uas)	RA Contract Rent Tot	Total Annual Rent Differential	2019	
											Market Rents	Fair Rents
One Bedroom	9%	4		\$ 2,577		\$2,557	30,684	\$ 3,424	\$ 4,760	37,429		
	30%	3	552	\$1,656	5	\$1,641	19,692	\$ 1,587	\$ 4,760	\$ 37,429	\$ 1,447	\$ 1,592
	50%	1	921	\$921	5	\$916	10,992	\$ -	\$ -	\$ -	\$ -	\$ -
	65%	30		\$ 30,056		\$29,824	357,888	\$ 2,068	\$ 6,203	50,857		
Two Bedroom	30%	3	663	\$1,989	8	\$1,965	23,580	\$ 2,068	\$ 6,203	50,857	\$ 1,887	\$ 2,076
	40%	2	884	\$1,768	8	\$1,752	21,024	\$ -	\$ -	\$ -	\$ -	\$ -
	40%	1	884	\$884	8	\$876	10,512	\$ -	\$ -	\$ -	\$ 1,887	\$ 2,076
	50%	23	1105	\$25,415	8	\$25,231	302,772	\$ -	\$ -	\$ -	\$ -	\$ -
	Managers	1	2210					\$ -	\$ -	\$ -		
3 Bedroom	26%	12		\$ 13,527		\$13,407	160,884	\$ 5,982	\$ 14,954	124,908		
	30%	2	766	\$1,532	10	\$1,512	18,144	\$ 2,991	\$ 5,982	\$ 53,635	\$ 2,728	\$ 3,001
	40%	3	1021	\$3,063	10	\$3,033	36,396	\$ 2,991	\$ 8,972	\$ 71,273	\$ 2,728	\$ 3,001
	50%	7	1276	\$8,932	10	\$8,862	106,344	\$ -	\$ -	\$ -	\$ -	\$ -
Community Room/Common												
Totals		46					549,456		25,917	213,194		

F. Project Management Company: Danco Property Management

Attach Project Management Company information and list of its references.

III. PROJECT COST

Land Cost		\$ <u>1,450,000</u>
Land Cost Per Acre	\$ <u>759,160</u>	
Predevelopment Costs		\$ <u>0</u>
Soft Costs		\$ <u>6,090,762</u>
Hard Costs		\$ <u>14,159,765</u>
Total Project Cost		\$ <u>21,700,526</u>
Cost Per Unit Built	\$ <u>471,751</u>	

IV. TOTAL PROJECT FINANCING

Amount of this loan request:		\$ <u>200,000</u>
Additional Housing Authority funding contemplated?	If yes, amount:	\$ <u>4,649,760 (RA 20 yrs)</u>
Amount of other permanent financing:		\$ <u>8,097,211</u>
Amount of cash or loans currently in project:		\$ <u>0</u>
Amount of owner's equity in project:		\$ <u>12,472,755</u>
Amount of Deferred Developer Fee		\$ <u>930,560</u>
TOTAL		\$ <u>21,700,526</u>

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

EXISTING AND/OR COMMITTED FINANCING						
	1	2	3	4	5	6
Lender's Name & Address	Pacific Western Bank 130 S. State Colleve Blvd Brea, CA 92821	Raymond James 880 Canillon Pkwy St Petersburg, FL	Danco Communities 5251 Ericson Way Arcata, CA 95521	Sonoma County 1440 Guerneville Rd Santa Rosa, CA		
Contact Person & Phone #	Dan Bronfman, (310) 779-7729	Kevin Kilbane, (216) 509-1342	Chris Dart, (707) 496-2651	Angela Morgan, (707) 565-7551		
Name of Program	Permanent Loan	Equity	Developer Note	Soft Loan		
Loan Amount	6,597,211	12,472,755	930,560	\$1,500,000		
Annual Payment	438,187	NA	Prior to Residual Receipts	Residual Receipts		
Terms of Loan	5.75%, 35 year am	NA	0%, 15 years	3%, 30 years		
Date Applied	8/2018	8/2018	8/2018	8/2018		
Current Status of Application	Committed	Committed	Committed	Committed		
Conditions	Tax Credits	Tax Credits	Tax Credits	Tax Credits		

INTERIM/CONSTRUCTION FINANCING

	1	2	3	4	5	6
Lender's Name & Address	Pacific Western Bank 130 S. State College Blvd Brea, CA 92821					
Contact Person & Phone #	Dan Bronfman, (310) 779-7729					
Name of Program	Construction Loan					
Loan Amount	19,264,170					
Annual Payment	NA - 30 mo-loan					
Terms of Loan	4.75%/30 mo					
Date Applied	8/2018					
Current Status of Application	Committed					
Conditions	Tax Credits					

PERMANENT FINANCING

	1	2	3	4	5	6
Lender's Name & Address	Pacific Western Bank 130 S. State Colleve Blvd Brea, CA	Raymond James 880 Carillon Pkwy St Petersburg, FL	Danco Communities 5251 Ericson Way Arcata, CA 95521	City of Santa Rosa 90 Santa Rosa Ave Santa Rosa, CA 95404	County of Sonoma 1440 Guerneville Rd Santa Rosa, CA 95403	
Contact Person & Phone #	Dan Bronfman, (310) 779-7729	Kevin Kilbane, (216) 509-1342	Chris Dart, (707) 496-2651	Frank Kasimov, (707) 543-3465	Angela Morgan, (707) 565-7551	
Purpose	Permanent Financing	Permanent Financing	Permanent Financing	Permanent Financing	Perm Financing	
Name of Program	Permanent Loan	Equity	Deferred Fee	City of Santa Rosa	SC Housing Authority	
Loan Amount	6,597,211	12,472,755	930,560	200,000	1,500,000	
Annual Payment	605,071	N/A	Prior to Residual Receipts	Residual Receipts	None	
Terms of Loan	5.75%, 35 year am	N/A	0%, 15 years	3%, 55 years	30 years, 3%	
Date Applied	8/2018	8/2018	8/2018	8/2018	9/2018	
Current Status of Application	Committed	Committed	Committed	Not Committed	Committed	
Conditions	Tax Credits	Tax Credits	Tax Credits	Tax Credits	Tax Credits	

B. Administrative Costs

What are the administrative costs for this project and how will they be funded? All administrative costs
such as developer salaries associated with this project will be paid out of the developer fee line item.

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)

Chris Dart

Name

Vice President & Secretary

Title

McKenzie Dibble

Name

Asset Manager/Development Project Administrator

Title

City of Santa Rosa, Department of Housing and Community Services
AFFORDABLE HOUSING LOAN APPLICATION



Signature

2/13/19

Date



Signature

2/13/19

Date