

RESOLUTION NO. _____

RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA APPROVING A THIRD FURTHER ADVANCE REQUEST FROM BURBANK HOUSING DEVELOPMENT CORPORATION IN THE AMOUNT OF \$3,400,000.00 FOR COSTS ASSOCIATED WITH THE REFINANCING, PRE-DEVELOPMENT AND CONSTRUCTION OF LANTANA PLACE LOCATED AT 2975 DUTTON MEADOW (APN 043-121-006) - LOAN NOS. 9932-2871-17, 9932-2791-17, and 9932-2801-17 AND CONVERSION OF LOAN TO SILENT SECONDS

WHEREAS, in December 2008, the Housing Authority provided Burbank Housing Development Corporation (BHDC), a California nonprofit benefit corporation, a loan in the amount of \$1,878,703 for the acquisition and pre-development of Lantana Place, a multifamily rental complex (Project), located at 2975 Dutton Meadow; and

WHEREAS, in August 2010, the Housing Authority provided a further advance in the amount of \$500,000 to the Project, for a total loan of \$2,378,703; and

WHEREAS, the project has been stalled since 2010 due to the following circumstances: 1) the State Multifamily Housing Program was exhausted, eliminating \$6.3 million in anticipated funding; 2) elimination of Redevelopment and the recession of 2008 substantially decreased the Housing Authority production budget; and 3) as the economy recovered, construction costs rose, increasing the funding gap for the project; and

WHEREAS, as a result of the financial infeasibility of the multifamily rental project, BHDC revised the proposal to provide 48 homeownership units to households between 60% and 120% of Area Median Income; and

WHEREAS, on June 12, 2017, the Housing Authority, by motion, directed staff and BHDC to continue to proceed with the project as a homeownership development; and

WHEREAS, on June 13, 2017, BHDC received a \$13 million construction loan commitment for the homeownership development from First Community Bank; and

WHEREAS, the identified funding sources for the homeownership project leaves a funding gap of \$3,400,000; and

WHEREAS, the Housing Authority's Fiscal Year 2017/2018 production budget allows the financial resources to be applied to the Project in order to proceed with construction by May 2018; and

WHEREAS, the Project exceeds the Maximum Cost Schedule under the Low Income Housing Production (LIHP) Policy; and

WHEREAS, the Project was reviewed for compliance with the National Environmental Protection Act (NEPA) and a Finding of No Significant Impact on the Environment was published on March 4, 2008, and the project was reviewed for compliance with the California Environmental Quality Act (CEQA) in 2009 and a Mitigated Negative Declaration for Lantana Place, as a 96-unit rental development, was approved by the City Council on September 22, 2009; the project will be subject to additional review under CEQA as it is reviewed as a 48-unit homeownership development; and

WHEREAS, award of \$3,400,000.00 in funds will provide the additional funding needed to complete development of the Project.

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

1. A further advance of \$3,400,000.00 for a total of \$5,778,703.00 to Burbank Housing Development Corporation for the refinancing, pre-development and construction of Lantana Place located at 2975 Dutton Meadow (APN 043-121-013), a 48-unit homeownership housing development for low- and moderate-income households;
2. A commitment of the loan funds 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 loan to BHDC has a term of 30 years at 3% simple interest per annum, residual cash receipts secured by a Deed of Trust.
4. At completion of the project, the BHDC loan will convert to "silent seconds" to individual homebuyers for a term of 30 years from the date of recordation of the Deed of Trust on the individual lots, deferred payment, 3% simple interest per annum; and
5. Construction must commence by May 31, 2018 and be completed by May 31, 2020.

BE IT FURTHER RESOLVED that the Housing Authority hereby rescinds the allocation of 94 Article XXXIV affordable units by Resolution No. 1495, as such allocations apply only to affordable rental units.

BE IT FURTHER RESOLVED that the Housing Authority authorizes the Executive Director to sign any other related documents necessary and appropriate to allow for the provision of construction lending for the Project, which documents shall be subject to approval as to form by the Housing Authority's General Counsel.

BE IT FURTHER RESOLVED that the Housing Authority hereby authorizes the Executive Director or his designee to execute agreements with BHDC and homebuyers related to the Project, consistent with this Resolution, including but not limited to loan agreements, a regulatory agreement, resale restriction agreements, option agreements, notices of affordability restriction, reconveyances and releases, subordination agreements, assignment and assumption agreements and/or other agreements and notices in forms approved by the Housing Authority General Counsel.

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 \$3,400,000.00 from the following Key Number(s) or as otherwise determined by the Executive Director:

Fund	Key	Amount	Loan No.
2130	340708	\$261,530	9932-2781-17
2284	340902	\$1,250,000	9932-2791-17
2296	340104	\$1,888,470	9932-2801-17
Total Loan Amount		\$3,400,000	

DULY AND REGULARLY ADOPTED by the Housing Authority of the City of Santa Rosa this 11th day of July, 2017.

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED: _____
Chair

ATTEST: _____
Secretary