



January 20, 2020

Megan Basinger, HCS Manager
City of Santa Rosa,
90 Santa Rosa Avenue
Santa Rosa, CA 95404

22645 Grand Street
Hayward, CA 94541

510.582.1460 Phone
510.582.6523 Fax

Re: Quail Run, Resyndication
Modifications to Housing Authority Regulatory Agreement

Ms. Basinger,

Eden Housing, Inc. (EHI) writes to request several modifications to the existing Regulatory Agreement dated March 23, 2014 for the Quail Run Apartments renovation and resyndication. As you know, we have been working with staff to prepare the existing financing to conform with a resyndication and renovation of the Quail Run Apartments.

Eden successfully secured a new allocation of 4% tax credits and a tax-exempt award from the State. We have selected Union bank as our financial partner (Union will be providing both debt and equity to the project) and are scheduled to complete the property's sale to a related partnership (controlled by Eden Housing, Inc.), close the new financing and initiate the renovation no later than March 31, 2020.

In order to support the new financing, we are asking for the following modifications to the City's regulatory agreement:

- The term of the agreement will be extended 55 years
- Increase the number of employee units to two (2) resulting in 198 regulated units (instead of the current 199)
- Delete section 6.D related to operating assistance 'overhang'

EHI also proposes that we pay off the City loan at time of resyndication.

Thank you for your consideration and please let us know if these requests are acceptable. Please contact me at 510-898-8430 or mike@mikerogersconsulting.com to discuss.

Sincerely

A handwritten signature in blue ink, appearing to read "Mike Rogers", written over a light blue horizontal line.

Michael Rogers for Eden Housing

