

CITY OF SANTA ROSA
HOUSING AUTHORITY

TO: HOUSING AUTHORITY COMMISSIONERS
FROM: NICOLE RATHBUN, PROGRAM SPECIALIST II
HOUSING AND COMMUNITY SERVICES

SUBJECT: EXTENSION OF THE REGULATORY AGREEMENT FOR QUAIL
RUN APARTMENTS

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Housing and Community Services Department that the Housing Authority, by resolution, modify the Regulatory Agreement approved by Resolution 1571 to extend the Term of Affordability by six (6) years to April 2075, and to increase the number of residential manager units from one (1) to two (2) for Quail Run Apartments at 1018 Bellevue Avenue.

EXECUTIVE SUMMARY

Santa Rosa Housing Partners, LP, a partnership that includes Eden Housing as the General Partner, was awarded a loan in the amount of \$350,000 by the Housing Authority for acquisition of Quail Run Apartments at 1018 Bellevue Avenue in 2014. Eden Housing, Inc., has secured an allocation of 4% tax credits and wishes to resyndicate the property. Eden Housing, on behalf of Santa Rosa Housing Partners, LP, has requested a modification to the Regulatory Agreement to extend the Term of Affordability by six (6) years, to April 2075, and to increase the number of residential manager units from one (1) to two (2).

BACKGROUND

In February of 2014, Eden Housing, Inc. was awarded a loan of \$350,000 of Community Development Block Grant (CDBG) funds from the Housing Authority for acquisition of the development and entered into a Regulatory Agreement with the Housing Authority. This Regulatory Agreement, approved by Housing Authority Resolution 1571, requires one hundred ninety-nine (199) of the two hundred (200) units to be rented to Low, Very-Low, and/or Extremely-Low-Income households. The term of affordability is fifty-five (55) years beginning in March 2014 and expiring in March 2069 and allows for one residential manager's unit.

PRIOR HOUSING AUTHORITY REVIEW

On February 24, 2014, Housing Authority, by Resolution No. 1571, approved a loan for acquisition of Quail Run Apartments at 1018 Bellevue Avenue (APNs 044-330-056 and 044-330-157).

ANALYSIS

To secure financing for the resyndication of Quail Run Apartments, Eden Housing, Inc. has requested modifications to the Regulatory Agreement executed on March 25, 2014 to extend the Term of Affordability for fifty-five (55) years from the anticipated close of financing (which is March 31, 2020), and to increase the number of resident managers units to two (2) units.

Term of Affordability

The current Regulatory Agreement Term of Affordability will expire on March 28, 2069. By approving an extension of six additional years from the anticipated close of financing in March 2020, the new Term of Affordability will expire in April of 2075. Approving this extension would ensure the affordability of the one hundred ninety-eight (198) income restricted units at Quail Run Apartments.

Residential Managers' Units

The current Regulatory Agreement allows one (1) residential manager's unit, out of the total two hundred (200) units at the property. Approving an increase to two (2) resident managers does not have a substantial impact on the overall number of affordable housing units provided at the property and will provide increased availability of residential management services to the one hundred ninety-eight (198) income restricted units.

Other

Additionally, Eden Housing has requested the removal of language from the Regulatory Agreement that anticipated a resyndication. Removal of this language would not result in any change in the income and affordability of the property.

FISCAL IMPACT

None

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in

the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

COUNCIL/BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Eden Housing, Inc. and Santa Rosa Housing Partners, LP were notified by email.

ATTACHMENTS

- Attachment 1 – Letter of Request from Eden Housing, Inc.
- Resolution

CONTACT

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