



May 27, 2021

Nicole Rathbun
Housing and Community Services
City of Santa Rosa
90 Santa Rosa Avenue
Santa Rosa, CA 95404

RE: Resolution No. 1717 – Conditional Commitment of Loan Funds – Bennett Valley Apartments

Dear Ms. Rathbun,

We appreciate the Housing Authority of the City of Santa Rosa's commitment to Bennett Valley Apartments (the "Project"). Per Resolution No. 1717, the Project was awarded \$5,800,000 for "construction-related costs". Per our recent discussions, we are requesting the ability to use up to \$2,000,000 of the commitment for predevelopment costs including, but not limited to, architecture/engineering and other professional consultants.

It has been difficult to secure low-cost predevelopment financing for the Project given the unsecured nature of such a loan (since we do not currently own the site, we cannot provide the land as collateral). By accessing the Housing Authority funding for predevelopment costs, we would save the Project over \$100,000 in interest costs and, more importantly, we would be able to expedite the design development and construction document phases to better position ourselves for new funding opportunities as they arise.

We appreciate your consideration of this request and our continued partnership.

Sincerely,

Robin Zimpler

Robin Zimpler
Manager

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