



BURBANK HOUSING DEVELOPMENT CORPORATION
REQUEST FOR EXTENSION OF HOUSING AUTHORITY
LOAN TERMS AND APPLICABLE REGULATORY
AGREEMENTS FOR CYPRESS RIDGE, GROSMAN
APARTMENTS, JAY'S PLACE, PANAS PLACE, AND WEST
OAKS AND SUBORDINATION OF THE HOUSING
AUTHORITY'S LOANS TO REFINANCED SENIOR
MORTGAGES

Housing Authority Meeting
December 16, 2019

Nancy Manchester
Program Specialist II, Housing & Community Services

CURRENT

- Burbank Housing Development Corporation (BHDC) requests loan/regulatory extensions and Authority loan subordinations to provide financial resources for needed repairs for affordable rental properties with Authority loans, provide support for future housing development by BHDC and BHDC's property portfolio

CURRENT

- Housing Authority Loans for 6 Properties Owned/Managed by BHDC:

• Amorosa I	\$ 9,510,600
• Cypress Ridge	\$ 1,995,650
• Grosman Apartments	\$ 75,215
• Jay's Place	\$ 619,010
• Panas Place	\$ 2,291,091
• West Oaks	\$ 1,350,000
Total	\$15,840,966

CURRENT

- Cypress Ridge Term & Regulatory Agreement Through October 27, 2030
- Grosman Apartments Term Through January 10, 2032 (no Regulatory Agreement)
- Jay's Place Term & Regulatory Agreement Through December 12, 2030
- Panas Place Term & Regulatory Agreement Through May 1, 2039
- West Oaks Term & Regulatory Agreement Through October 31, 2039

PROPOSED

- Cypress Ridge Term & Regulatory Agreement: 19 Year Extension to October 27, 2049
- Grosman Apartments Term: 17 Year Extension to January 10, 2049; New Regulatory Agreement
- Jay's Place Term & Regulatory Agreement: 19 Year Extension to December 12, 2049
- Panas Place Term & Regulatory Agreement: 21 Year Extension to May 1, 2060
- West Oaks Term & Regulatory Agreement: 21 Year Extension to October 31, 2060
- **AND**

PROPOSED

- Subordination of Loans to Refinanced First Mortgages
- Subordination of Amorosa I in ED Approval Authority

ADDITIONAL INFORMATION

- New 1st mortgages reduce interest rates on 5 of 6 loans
 - Old interest rates 4.74% – 7.63%
 - New interest rates 5.00% - 5.47%
- Debt coverage service ratio 1.15 – 1.25
- HA loan position stays in 3rd place

BENEFIT

- Provides resources for needed Property repairs
- May provide repayment of portion of unsecured Lantana Place loan
- Extends term of affordability for 392 units
- Supports BHDC future housing development & property portfolio

RECOMMENDATION

- To provide sufficient financial resources so that Burbank Housing Development Corporation (BHDC) can perform needed repairs to the properties listed herein through the refinance of the first mortgages for each property, it is recommended by the Housing & Community Services Department that the Housing Authority (Authority), by five (5) separate resolutions, approve the following:

RECOMMENDATION

A. Extend the due date of the Authority's loan, in the principal amount of \$1,995,650 for Cypress Ridge, a 122-unit affordable multifamily rental project located at 1815 Meda Avenue (APN 044-031-048), and the term of affordability, from October 27, 2030 to October 27, 2049, and approve subordination of the Housing Authority's loan to a refinanced first mortgage;

RECOMMENDATION

B. Extend the due date of the Authority's loan in the principal amount of \$75,215 for Grosman Apartments, a 13-unit special needs affordable multifamily rental project located as 1289 Martha Way (APN 014-552-029), from January 10, 2032 to January 10, 2049, and approve subordination of the Authority's loan to a refinanced first mortgage. In exchange for approval of the loan extension, BHDC will execute a new regulatory agreement securing affordability of the property through 2049;

RECOMMENDATION

C. Extend the due date of the Authority's loan in the principal amount of \$619,010 for Jay's Place, a 41-unit affordable multifamily rental project located at 2805 Park Meadow Drive (APN 357-70-041) and the term of affordability, from December 12, 2030 to December 12, 2049 and approve subordination of the Authority's loan to a refinanced first mortgage;

RECOMMENDATION

D. Extend the due date of the Authority's loan in the principal amount of \$2,291,031 for Panas Place, a 66-unit affordable multifamily rental project located at 2450 Stony Point Road (APN 125-521-005), and the term of affordability from May 1, 2039 to May 1, 2060, and approve subordination of the Authority's loan to a refinanced first mortgage; and

RECOMMENDATION

E. Extend the due date of the Authority's loan in the principal amount of \$1,350,000 for West Oaks, a 53-unit affordable multifamily rental project located at 2594 Guerneville Road (APN 341-10-084), and the term of affordability from October 31, 2039 to October 31, 2060, and approve subordination of the Authority's loan to a refinanced first mortgage.

- Questions?