

RESOLUTION NO. _____

RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA APPROVING A CONDITIONAL COMMITMENT OF LOAN FUNDS IN THE AMOUNT OF \$750,000.00 TO DANCO COMMUNITIES FOR PREDEVELOPMENT AND CONSTRUCTION-RELATED COSTS FOR PONDEROSA VILLAGE, 250 ROSELAND AVENUE, SANTA ROSA, CALIFORNIA; APN 125-043-002

WHEREAS, the Housing Authority issued a Notice of Funding Availability (“NOFA”) on July 9, 2024, announcing approximately \$3,100,000 combined from federal, state, and local funds for acquisition, rehabilitation and new construction of affordable housing, and applications were due on August 9, 2024; and

WHEREAS, the Housing Authority received five applications requesting approximately \$4,580,000; and

WHEREAS, the five applications submitted were reviewed by a Housing Authority Ad-Hoc NOFA Application Review Committee (“Ad-Hoc”); and

WHEREAS, Danco Communities submitted an application requesting \$750,000.00 for predevelopment and construction-related costs associated with 49 new affordable housing units, located at 250 Roseland Avenue, Santa Rosa, California, APN 125-043-002 (“Project”); and

WHEREAS, Chair Newton appointed Commissioners Conte and Smith to the Ad-Hoc which met with staff on October 3, 2024 to review the applications and make a funding recommendation to the Housing Authority; and

WHEREAS, following review and ranking of the funding requests, the Project received a score of 67%, and was ranked fourth among the applications received, resulting in a full funding recommendation by the Ad-Hoc; and

WHEREAS, the Project the project was approved by the streamlined, ministerial approval process provided by Senate Bill 35 (SB 35), it has been determined that the project is exempt from environmental review pursuant to the to the California Environmental Policy Act (“CEQA”) Government Code Section 65913.4; and

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

1. A commitment of loan funds in the amount of Seven Hundred and Fifty Thousand and No/100 Dollars (\$750,000.00) for predevelopment and construction-related costs to Danco Communities for the Project, subject to the conditions and terms including but not limited to the items listed below.
2. The commitment of the loan funds is 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 Low-Income Housing Production Subsidy Program Policy Maximum Cost Schedule and the Loan Schedule are waived, as costs have increased since the Policy was approved.
5. A loan term of 55 years at 3% simple interest per annum, with payments from residual cash receipts, secured by a Deed of Trust; and a 55-year term of affordability through a Regulatory Agreement recorded against the property.
6. Affordability mix that includes 13 units targeted to households with incomes up to 30% of Area Median Income (“AMI”), 13 units targeted to households with incomes up to 40% of AMI, and 23 units targeted to households with incomes up to 50% of AMI and one unrestricted manager’s unit.
7. The proposed unit mix is anticipated to include 13 one-bedroom units, 24 two-bedroom units, and 12 three-bedroom units.
8. The loan shall be due and payable in full if construction has not commenced by November 30, 2025, and is not completed by June 30, 2027, unless these dates are extended, in writing, by the Executive Director.

BE IT FURTHER RESOLVED that the Housing Authority hereby approves subordination of Housing Authority loan(s) to senior financing in a form approved by Housing Authority General Counsel, if required by other lenders.

BE IT FURTHER RESOLVED that the Housing Authority hereby approves an allocation of 49 units subject to Article XXXIV of the California Constitution pursuant to locally approved Measure K.

BE IT FURTHER RESOLVED that the Housing Authority hereby authorizes the Executive Director to execute agreements and related loan documents for the Project consistent with this Resolution.

