

RESOLUTION NO. \_\_\_\_\_

RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA APPROVING AN EXTENSION OF THE TERM OF ITS LOAN NO. 9014-0284-95 TO COMMUNITY SUPPORT NETWORK IN THE PRINCIPAL AMOUNT OF \$105,106 FROM APRIL 1, 2017, TO MAY 1, 2027, AND AN EXTENSION OF THE REGULATORY AGREEMENT FROM DECEMBER 16, 2024, TO MAY 1, 2027, FOR E STREET PROGRAM, LOCATED AT 201 SOUTH E STREET.

WHEREAS, on July 25, 1994, by Resolution No. 776, the Housing Authority approved a loan in the principal amount of \$105,106 in HOME funds to Community Support Network (CSN), a California nonprofit public benefit corporation, for the acquisition of 201 South E Street (the Property), a five-bedroom house in the Burbank Gardens neighborhood, for operation as a ten-bed, transitional housing facility serving mentally ill adults referred by the public mental health system; and

WHEREAS, on September 13, 1994, the Housing Authority and CSN entered into a contract for the use of HOME funds (the HOME Funds Contract) which provided for a Regulatory Agreement restricting use of the Property for housing residents at or below 80% of Area Median Income for a 30-year term which expires December 16, 2024; and

WHEREAS, due to the use of federal HOME funds, a National Environmental Protection Agency (NEPA) Statutory Worksheet was completed April 13, 1994, confirming Exempt status per Section 58.34(a)(10); and

WHEREAS, terms of the Housing Authority loan were three percent (3%) simple interest per annum beginning December 9, 1994, deferred for a 15-year term expiring in December 2009; and

WHEREAS, on October 26, 2009, the Housing Authority, by Resolution No. 1463, approved an extension of the term of the loan from December 9, 2009, to April 1, 2017; and

WHEREAS, the Property acquisition was also funded by a loan from Northern California Community Loan Fund (NCCLF) in the amount of \$147,000, which was paid down and later refinanced by NCCLF in April 2000, in the amount of \$84,015; and

WHEREAS, in April 2002, the NCCLF loan was paid off, along with some rehabilitation costs, with an Exchange Bank loan to CSN in the amount of \$105,000, due April 2017; and

WHEREAS, CSN's loan from Exchange Bank has been paid down and refinanced in the amount of \$64,400 fully amortized for payoff on May 1, 2027; and

WHEREAS, CSN's E Street Program provides a valuable service to Low-Income

Reso. No. \_\_\_\_\_

and Very Low-Income mentally ill adults in the community, and operates through an annual funding contract with Sonoma County Behavioral Health Division, and rental income only, as confirmed by financial statements for E Street Program and CSN; and

WHEREAS, CSN is not currently in a position to repay the Housing Authority loan and is requesting an extension of the loan term to coincide with the term of the Exchange Bank loan, as well as an extension of the Regulatory Agreement to assure affordability.

NOW, THEREFORE, BE IT RESOLVED that the Housing Authority of the City of Santa Rosa approves an extension of the term of its loan to Community Support Network in the principal amount of \$105,106 from April 1, 2017, to May 1, 2027, deferred at 3% simple interest per annum from December 9, 1994, and an extension of the associated Regulatory Agreement from December 16, 2024, to May 1, 2027, for E Street Program, located at 201 South E Street.

BE IT FURTHER RESOLVED that the Housing Authority authorizes the Executive Director to execute agreements and any other related documents to allow for the provision of the loan extension, including subordination to the senior loan, which documents shall be subject to approval to form by the Housing Authority's General Counsel.

DULY AND REGULARLY ADOPTED by the Housing Authority of the City of Santa Rosa this 11th day of July, 2017.

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED: \_\_\_\_\_  
Chair

ATTEST: \_\_\_\_\_  
Secretary