



City of Santa Rosa

Chamber Building, Large
Conference Room
637 1st Street, First Floor

HOUSING AUTHORITY SPECIAL MEETING NOTICE AND AGENDA NOVEMBER 5, 2019 SPECIAL MEETING

1:30 P.M. (Chamber Building, Large Conference Room)

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. STATEMENTS OF ABSTENTION**
- 4. PUBLIC COMMENTS (Public Comment will be limited to the item listed on the Special Meeting Agenda)**
- 5. REPORT ITEMS**

- 5.1** **REPORT - BURBANK HOUSING DEVELOPMENT CORPORATION
LOAN MODIFICATION REQUEST - LANTANA PLACE HOMES (2979
DUTTON MEADOW, FORMERLY 2975 DUTTON MEADOW) - APN
043-121-013**

BACKGROUND: Burbank Housing Development Corporation is requesting a loan modification to forgive the accrued interest, convert the interest rate of the secured Loan to zero percent until the units are sold, and reduce the encumbrance on the Property by \$3,575,759 through a new, unsecured Promissory Note. The Housing Authority (Authority) has provided loans to Burbank Housing Development Corporation (BHDC) totaling \$7,078,073 for Lantana Place Homes, a 48-unit homeownership project located at 2979 Dutton Meadow (Project). Since 2007, Lantana Place has evolved from a 100-unit multifamily rental complex to the current 48-unit homeownership project. The Project was recast as homeownership in 2017 to address: (a) the financing gaps for rental housing associated with the suspension of the state's Multifamily Housing Program and the dissolution of statewide redevelopment programs, (b) the U.S. Department of Housing & Urban Development (HUD)'s inquiry into the delayed status of the Project; and

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(c) rising construction costs. Since the Project was recast as ownership housing, the construction costs have continued to increase, causing a short-term over-encumbrance with the addition of the anticipated construction loan to be secured by the Property.

RECOMMENDATION: It is recommended by the Housing & Community Services Department that the Housing Authority, by resolution, approve Burbank Housing Development's (BHDC) request to modify Housing Authority Loan Nos. 9032-1825-07, 9932-1835-07, 9932-2075-10, 9932-2781-17, 9932-2791-17, 9932-2801-17, and 9932-2801-17 (Loan), in the total principal amount of \$7,078,703 for Lantana Place Homes (Project) as follows: (a) Forgive all interest accrued on the Loan in an approximate amount of \$992,500 (final amount to be determined as of the date of Loan Modification); (b) Modify the existing Promissory Note and Deed of Trust to reduce the total amount to \$3,502,944 at 0% interest until the units are sold; (c) Enter into a new unsecured Promissory Note in the amount of \$3,575,759; (d) Upon sale of the individual units, convert the \$3,502,944 into down payment assistance for each home purchaser at 3% simple interest, deferred payment, for a term of 30 years; and (e) Adopt alternative criteria pursuant to California Health and Safety Code Section 50052.5(c) allowing alternative income-to-housing cost ratios of up to 40% for the Project.

Attachments: [Staff Report](#)
 [Attachment 1 - BHDC Request](#)
 [Attachment 2 - Lantana Financials](#)
 [Resolution](#)
 [Presentation](#)

6. ADJOURNMENT

The City of Santa Rosa does not discriminate on the basis of disability in the admissions or access to, or treatment of or employment in, its programs or activities. Disability-related aids or services, including printed information in alternate formats, to enable persons with disabilities to participate in public meetings and programs are available by contacting the Housing Authority Recording Secretary at (707) 543-3300 one week prior to the meeting/program.

This information can also be accessed via the internet at: <http://www.srcity.org>

NOTE: Any writings or documents provided to a majority of the Housing Authority regarding any item on this agenda will be made available for public inspection in the Department of Housing and Community Services located 90 Santa Rosa Avenue during normal business hours.

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