

CITY OF SANTA ROSA
HOUSING AUTHORITY

TO: HOUSING AUTHORITY COMMISSIONERS
FROM: FRANK KASIMOV, PROGRAM SPECIALIST II
HOUSING AND COMMUNITY SERVICES
SUBJECT: CROSSINGS ON ASTON TIME EXTENSION OF FUNDING APPROVAL
AND CONSTRUCTION DATES AND MODIFICATION OF CHARGE
KEYS – 706-708 ASTON AVENUE (MASTER FILE ADDRESS)
AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Housing and Community Services Department that the Housing Authority, by resolution, approve (1) a time extension for a previous funding commitment to August 1, 2017, or the date upon which an allocation is made, whichever is later, should the current schedule be changed, (2) extensions of construction dates to align with the anticipated bond issuance date and duration of construction; and (3) modification to the internal charge keys for Crossings on Aston.

EXECUTIVE SUMMARY

A time extension of the Housing Authority's funding approval is reasonable to allow the Project Sponsor to proceed with the bond allocation process without the risk of an adverse impact for future bond applications and still meet the intent of the Housing Authority's time limit for the Project Sponsor to obtain its remaining gap financing. In addition, a time extension of construction commencement and completion dates will align with the anticipated bond issuance date and duration of construction. A minor funding source modification is needed to separate funds previously associated with one charge key to two keys for internal tracking purposes.

BACKGROUND

Crossings on Aston is a 27-Unit Affordable Housing Development Located on 14 Parcels (the "Project"), located at 706-708 Aston Avenue (Master File Address) (APN'S 038-172-028 through 038-172-041) (the "Property"); Loan Nos. 9914-2565-15, 9914-2575-15, 9914-2585-15, 9914-2595-15, and 9914-2605-15.

The Housing Authority has supported the Project with a loan of Community Development Block Grant ("CDBG") funds for acquisition, a Further Advance, a Second Further Advance and six project based vouchers to UHC 00596 Santa Rosa, LP (the "Project Sponsor").

PRIOR HOUSING AUTHORITY REVIEW

1. On December 17, 2012, the Housing Authority adopted Resolution No. 1550 approving a CDBG loan in the amount of \$1,559,000 for acquisition of the Property, including infrastructure improvements. The Property was in foreclosure.
2. On August 24, 2015, the Housing Authority adopted Resolution No. 1602 approving a Further Advance in the amount of \$795,744 of Home Investment Partnerships Program (“HOME”) funds. (On June 30, 2016, this funding was exchanged by the Executive Director for funds from Low Mod Southwest and Real Estate Transfer Tax funding sources.) The original loan and the further advance totaled \$2,354,744.
3. On December 14, 2015, the Housing Authority adopted Resolution No. 1607 allocating six Project-Based Vouchers (“PBVs”) for Urban Housing Community’s Crossings on Aston under a Fifteen (15) Year Project-Based Housing Assistance Payments (HAP) Contract.
4. On June 13, 2016, the Housing Authority adopted Resolution No. 1612, approving a Second Further Advance in the amount of \$3,131,941. The original loan, Further Advance and Second Further Advance totaled \$5,486,685.

ANALYSIS

The Project Sponsor requested an extension of time to obtain its gap financing to August 1, 2017, or the date upon which an allocation is made, whichever is later, should the current schedule be changed (see attached letter dated February 7, 2017).

A time extension is reasonable to allow the Project Sponsor to proceed with the bond allocation process without the risk of an adverse impact for future bond applications and still meet the intent of the Housing Authority’s time limit for the Project Sponsor to obtain its remaining gap financing.

It is important for any project sponsor to receive a bond allocation from the California Debt Limit Allocation Committee (“CDLAC”) after it learns that it had received a tax credit allocation from the California Tax Credit Allocation Committee (“CTCAC”). In a situation where a project sponsor receives a bond allocation first and subsequently does not receive a tax credit allocation, the project sponsor loses points from bond allocation applications for a period of two years, pursuant to CDLAC Regulations Section 5230(o).

This year, CTCAC announces the awards for 2017 first round competitive tax credits allocations on June 7, 2017; and the first CDLAC bond allocation following the CTCAC awards is July 19, 2017, which is subsequent to the Housing Authority’s deadline of June 13, 2017, set forth in Resolution No. 1612.

In addition to the time extension of the funding approval, a time extension is also required for construction start date and completion dates to align with the anticipated bond issuance date and duration of construction. Construction will commence by September 30, 2017, and be completed by July 31, 2018, unless extended by the Executive Director.

Finally, a minor funding source modification is needed to separate funds previously associated with one internal charge key to two keys for City tracking purposes.

FISCAL IMPACT

None.

ENVIRONMENTAL IMPACT

An Environmental Assessment was completed pursuant to the National Environmental Policy Act (NEPA) for the CDBG loan; an Environmental Review for Activity/Project that is Exempt or Categorically Excluded Not Subject to Section 58.5 Pursuant to 24 CFR Part 58.34(a) and 58.35(b) has been filed with HUD for the HOME loan funds, and a similar document was prepared for the six PBVs.

A Mitigated Negative Declaration was approved by Planning Commission Resolution No. 10787 on July 14, 2005, and City Council Resolution No. 26389 on September 13, 2005, pursuant to the California Environmental Quality Act (CEQA). Pursuant to CEQA Guidelines Section 15162, no additional or subsequent environmental review is required because no substantial changes to the project or circumstances have occurred or no new information of substantial importance that reveals any significant effects not previously identified; nor are there mitigation measures which are considerably different from those analyzed in the adopted Negative Declaration that would substantially reduce one or more significant effects on the environment.

COUNCIL/BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

E-mail.

ATTACHMENTS

- Attachment 1 – UHC Extension Request Letter dated 2/7/2017
- Resolution

CONTACT

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