



BURBANK HOUSING DEVELOPMENT CORPORATION

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December 4, 2017

Mr. Frank Kasimov, Housing Program Specialist
City of Santa Rosa, Housing and Community Services Dept.
90 Santa Rosa Avenue
Santa Rosa, CA 95404

RE: Apple Valley Apartments
2862/2866 and 2870/2874 Apple Valley Lane, Santa Rosa, 95403
CDBG FY 2017-18 Funding

Dear Frank:

Burbank Housing is pleased to learn we are being considered for funding of our Apple Valley Apartments rehabilitation with the above referenced funds. This includes four duplex buildings, with eight total units. As discussed, Burbank has reduced our original application funding request amount in order to facilitate partial funding of our project. The reduction was achieved by reducing the scope of work for the four buildings to be rehabilitated.

Our revised budget, totaling \$600,926, includes rehab work on all four buildings plus soft costs including contingency, project oversight, labor monitoring, permits, loan fees, etc.

The scope of work includes replacement of roofs and gutters on all four buildings. In order to reduce the overall budget, the window and siding replacement scope of work, including wall insulation, exterior painting and some concrete work has been limited to three of the four buildings. 2874 Apple Valley Lane will only have the roof and gutters replaced. It is anticipated that window and siding replacement work on 2874 AVL will be done at a later date once a funding source is identified.

Existing Santa Rosa Housing Authority (SRHA) loans are on each parcel with a maturity dates in 2034. We request, if awarded, that the loans be made to the properties as follows:

| | | 2870 AVL | 2862 AVL |
|--|----------------|-----------------------|-----------------------|
| Roofing - all 4 buildings | 121,723 | 60,861.50 50% | 60,861.50 50% |
| Window & Siding Replacement: 3 buildings | 372,242 | 124,080.75 33% | 248,161.50 67% |
| | 493,965 | 184,942.25 37% | 309,023.00 63% |
| 10% Hard Cost Contingency | 49,397 | 18,494.23 37% | 30,902.30 63% |
| Architect | 5,000 | 1,872.02 | 3,127.98 |
| Labor Monitor | 7,500 | 2,808.03 | 4,691.97 |
| Environmental Consultant & Assessment | 5,000 | 1,872.02 | 3,127.98 |
| Permits | 4,000 | 1,497.61 | 2,502.39 |
| BHDC PM | 3,500 | 1,310.41 | 2,189.59 |
| BHDC CM | 10,000 | 3,744.03 | 6,255.97 |
| Legal | 2,500 | 936.01 | 1,563.99 |
| City Appl. Fee | 1,688 | 631.99 | 1,056.01 |
| City Loan doc fee | 6,376 | 2,387.20 | 3,988.80 |
| Title & Escrow | 2,000 | 748.81 | 1,251.19 |
| Soft Cost Contingency | 10,000 | 3,744.03 | 6,255.97 |
| rev: 11.15.2017 | 600,926 | 224,989 | 375,937 |



| | | |
|-----------------------------|------------------|---|
| 2862-2866 Apple Valley Lane | \$375,937 | Roof & window/siding replacement on both duplexes |
| 2870-2874 Apple Valley Lane | <u>\$224,989</u> | Roof replacement on both duplexes, window/siding |
| | \$600,926 | replacement on 2870 AVL only. |

The new CDBG loans will be for 30 years at 3% simple interest. If awarded, we also request that the existing City loans maturing in 2034 be extended so that all of the SRHA loan maturity dates align with the new loans, maturing in 2047.

Please let me know if you have any questions or need additional information.

Sincerely,



Marianne Lim
Director of Housing Development