

RESOLUTION NO. _____

RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA
APPROVING A CONDITIONAL COMMITMENT OF COMMUNITY DEVELOPMENT BLOCK
GRANT FUNDS IN THE TOTAL AMOUNT OF \$560,236 TO CHELSEA GARDENS
ASSOCIATES, L.P. FOR REHABILITATION OF CHELSEA GARDENS I & II, 1220 MCMINN
AVENUE AND 919 DELPORT AVENUE – LOAN NO. 9031-2895-17

WHEREAS, a Notice of Funding Availability (“NOFA”) was issued on August 1, 2017, for U.S. Department of Housing and Urban Development (“HUD”) Community Development Block Grant (“CDBG”) Program funds in the amount of \$1,161,162 for all eligible affordable housing activities; and

WHEREAS, Chelsea Gardens Associates, L.P. submitted an application requesting \$787,652 of CDBG funds for rehabilitation of Chelsea Gardens (the “Project”), 120 very low-income units in 16 buildings, located at 1220 McMin Avenue, APN 125-261-045, and 919 Delport Avenue, APN 125-261-050; and

WHEREAS, staff and BRIDGE Housing Corporation (“BRIDGE”) staff revised the scope of work and budget to allow two projects to receive CDBG funding, thereby improving more properties in Santa Rosa’s affordable housing stock, the surrounding neighborhoods and residents’ quality of life, and providing the Housing Authority with a 55-year term of Affordability for Chelsea Gardens; and

WHEREAS, BRIDGE purchased Chelsea Gardens in 1999 as an acquisition-rehabilitation development, and the property is currently owned by Chelsea Gardens Associates L.P., a limited partnership consisting of controlling General Partner Northpoint Housing Inc. (a non-profit affiliate of BRIDGE) and Limited Partner Union Bank; and

WHEREAS, the Housing Authority does not have funds invested in Chelsea Gardens; and

WHEREAS, the Chelsea Gardens rehabilitation project meets CDBG eligibility requirements as an Eligible Activity (24 CFR 570.202 (a)(1)) – Rehabilitation of Privately Owned Residential Buildings) and a National Objective (24 CFR 570.208 (a)(3)) – Activities benefiting low- and moderate-income persons – housing activities; and

WHEREAS, environmental review pursuant to National Environmental Policy Act (“NEPA”) shall be completed prior to the release of any CDBG funds to Chelsea Gardens Associates, L.P. for the Project; and

WHEREAS, the activity is exempt from review under the California Environmental Quality Act, (“CEQA”), Section 15301, Class 1 Existing Facilities, in that the activity involves the repair and rehabilitation of existing structures with no expansion of use.

NOW, THEREFORE, BE IT RESOLVED that the Housing Authority of the City of Santa Rosa hereby approves a commitment of CDBG funds in the amount of \$560,236 to Chelsea Gardens Associates, L.P. for rehabilitation Chelsea Gardens, subject to the following conditions and terms:

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1. Completion of any required environmental documentation pursuant to NEPA.
2. Terms: The terms include three percent (3%) simple interest deferred for fifty-five (55) years per annum, secured by a deed of trust, and payments based on residual receipts. Interest shall commence with the recordation of the deed of trust. The term of affordability will be 55 years.
3. The loan 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.
4. The loan shall be due and payable in full if construction has not commenced by February 1, 2018, and is not completed by March 30, 2018, unless these times are extended by the Executive Director.

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.

BE IT FURTHER RESOLVED that the Housing Authority hereby authorizes the Chief Financial Officer to pay all claims for the loan in an amount not to exceed \$560,236 from the following Key Number(s) or as otherwise determined by the Executive Director:

Fund	Key	Source	Amount	Loan No.
2280	340302	CDBG	\$560,236	9031-2895-17
Total Loan Amount			\$560,236	

DULY AND REGULARLY ADOPTED by the Housing Authority of the City of Santa Rosa this 18th day of December, 2017.

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED: _____
Chair

ATTEST: _____
Secretary