

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 \$600,926 TO BURBANK HOUSING DEVELOPMENT CORPORATION FOR REHABILITATION OF APPLE VALLEY APARTMENTS, LOCATED AT 2862, 2866, 2870 AND 2874 APPLE VALLEY LANE – LOAN NOS. 9929-2873-17 AND 9929-2883-17 – AND APPROVING AN EXTENSION OF THE DUE DATE OF EXISTING LOANS TO ALIGN WITH THE CDBG LOAN

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, Burbank Housing Development Corporation (“Burbank Housing”) submitted an application requesting \$744,321 of CDBG funds for rehabilitation of Apple Valley Apartments (“Apple Valley”) (the “Project”), eight low-income units in four duplex buildings, located at 2862 and 2866 Apple Valley Lane, APN 015-520-038, and at 2870 and 2874 Apple Valley Lane, APN 015-520-039; and

WHEREAS, staff and Burbank Housing 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

WHEREAS, from 1997-2004 the Housing Authority approved an original loan and two further advances for 2862 and 2866 Apple Valley Lane and a separate loan and two further advances for 2870 and 2874 Apple Valley Lane, for a total outstanding principal balance of \$167,179.93 to Burbank Housing for the properties; and

WHEREAS, the Apple Valley 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 Burbank Housing 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 Third Further Advance and Modification of Deed of Trust (the “Third Further Advance”) of CDBG funds to Burbank Housing for rehabilitation Apple Valley in the amount of \$375,937 for 2862-2866 Apple Valley Lane and the amount of \$224,989 for 2870-2874 Apple Valley Lane, for a total loan amount of \$600,926, subject to the following conditions and terms:

1. Completion of any required environmental documentation pursuant to NEPA.
2. Terms: The terms include three percent (3%) simple interest per annum, deferred for

thirty (30) years, secured by modification of the existing deeds of trust, and payments based on residual receipts. Interest shall commence with the recordation of the Third Further Advance. The term of affordability will align with the existing Housing Authority Regulatory Agreement through January 1, 2053.

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 maximum per unit loan amounts set forth in the Low-Income Housing Production Subsidy Program Policy are waived to accommodate the needed rehabilitation project.
5. 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 approves the extension of the due date of the existing loans for Apple Valley Apartments to align with the CDBG loan.

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 \$600,926 from the following Key Number(s) or as otherwise determined by the Executive Director:

Fund	Key	Source	Amount	Loan No.	Address
2280	340302	CDBG	\$375,937	9929-2873-17	2862-2866 Apple Valley Lane
2280	340302	CDBG	\$224,989	9929-2883-17	2870-2874 Apple Valley Lane
Total Loan Amount			\$600,926		

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