

RESOLUTION NO. \_\_\_\_\_

RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA  
APPROVING LOAN MODIFICATION/CONVERSION CRITERIA

WHEREAS, from time to time individual and developer/nonprofit borrowers may request conversion or modification of their Housing Authority loans to grants, an option that has not been available in the past; and

WHEREAS, some funding sources, like HOME Investment Partnerships (HOME) and Community Development Block Grant (CDBG) provide for grants to be made, but the Housing Authority does not currently provide for grants; and

WHEREAS, other funding sources, like the Housing and Community Development (HCD)-funded CalHome Program that the Housing Authority utilized to establish the Owner-Occupied Mobilehome Rehabilitation Loan Program, do not allow forgiveness of loans under any circumstances; and

WHEREAS, all Housing Authority loans are secured by collateral, but, in the event of the destruction of said collateral, the Promissory Note generally still requires repayment of the loan.

NOW, THEREFORE, BE IT RESOLVED that the Housing Authority of the City of Santa Rosa hereby establishes the following guidelines for considering requests for modification or conversion of individuals' loans to grants on a case-by-case basis:

1. The funding source allows grants to be made to borrowers;
2. The borrower submits a written request for loan conversion that demonstrates a compelling reason for the request;
3. The borrower still meets the income limit under which the loan was originally approved; and
4. The collateral has undergone major damage as defined by the Federal Emergency Management Agency (FEMA) or destruction due to fire, earthquake, landslide, mudslide, flooding, or other natural disaster.

BE IT FURTHER RESOLVED that the Housing Authority hereby authorizes the revision of the criteria for evaluation of loan modification or extension requests from developers and nonprofit borrowers as follows:

1. Review of financial statements and operating budget for subject property to determine borrower's capacity to debt-service the loan;
2. Analysis of all debt on the property to ascertain loan-to-value and the Housing Authority's lien priority;
3. Funding source regulations that allow funds to be used as grants;

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4. Major damage as defined by FEMA to or destruction of the collateral due to fire, earthquake, landslide, mudslide, flooding, or other natural disaster; and
5. Confirmation of compliance with regulatory terms.

DULY AND REGULARLY ADOPTED by the Housing Authority of the City of Santa Rosa this 26<sup>th</sup> day of March, 2018.

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED: \_\_\_\_\_  
Chair

ATTEST: \_\_\_\_\_  
Secretary