



AFFORDABLE HOUSING LOAN APPLICATION

Loan Amount Requested: \$2,400,000 Date funds are needed: 4 January 2019
 Proposed Use of Funds: Acquisition finance for existing apartment complex, conversion to affordable
 Proposed Loan Terms: deferred payment, 3% simple interest

I. APPLICANT'S INFORMATION

- A.** Name: Burbank Housing Development Corporation
 Address: 790 Sonoma Avenue, Santa Rosa, CA 95404
 Project Manager: Mark Krug Phone: (707) 200-2339
 E-mail: mkrug@burbankhousing.org FAX: (707) 200-2339
- B.** Type of Organization: Corporation, Partnership, etc. 501(c)(3) non-profit corporation
 Tax exempt organization? ☒ Yes ☐ No ID#: 94-2837785
 Is this organization a CHDO? ☐ Yes ☒ No CHDO ID#: _____
 DUNS#: 103427225
- C.** Legal name of borrower(s) to be used on loan documents:
A single-asset mortgagor entity to be determined
- D.** Experience: Attach resume' of prior experience by listing projects, including location, number of units, level of affordability, type of units, completion date. Please include name and telephone number for use as references at other local jurisdictions.

II. PROPOSED PROJECT

- A. Site**
 Name of Project: Parkwood Apartments
 Location: 6899 Montecito Boulevard, Santa Rosa, CA 95409 A. P. #: 183-060-049
 Current Land Use Designation: R-1-6
 Proposed Land Use Designation: no change
 Proposed Density (units/acre): existing - 12.5 units/acre # of Acres: 4.47
 Water/Sewer Availability and Location: existing apartment complex with City services
 Offsite Constraints: none

Subject to Specific Area Plan? ☐ Yes ☒ No Annexation Needed? ☐ Yes ☒ No

Does your site acquisition include buildings currently being used for housing or business activities? ☒ Yes ☐ No

If yes, indicate type of use and number of occupants: existing tenants remain, there are 12 vacancies

Relocation of occupants necessary? ☐ Yes ☒ No

Form of Site Control (Contract, Option): purchase and sales agreement

Purchase Price: \$ 15,000,000 Appraised Value: \$ 15,000,000

Development Constraints: none, existing apartment complex

Year of City's growth management allocation: n/a

B. Environmental (Clearance may take a minimum of 3 months)

Reports/Studies Completed: Phase 1 completed, NEPA underway. Map of Statutory natural hazards report completed June 2018

Proximity to Flood Plain: Not in a Special Flood Hazard Area (FEMA-designated flood zone)

Indicate presence of wetlands, vernal pools, endangered plant or animal species:

None

Other known environmental constraints: None

C. Proposed Affordable Housing Project

Total number of units to be built: 56

Number of affordable rental units: 52

Number of affordable ownership units:

Number of units serving under 30% of median income:

Number of units serving 31% - 50% of median income: 27

Number of units serving 51% - 80% of median income: 23

Number of units serving over 80% of median income: 2

Number of units serving non-restricted income levels:

Note: All projects with sixteen or more units must include an on-site manager unit. Reference California Administrative Code Title 25, Section 42.

D. Itemization of Proposed Units

Bedroom Size	Sq. Ft. Size of Unit	# of Units	Targeted Income Level	Proposed Rent Amount	Comments
2 bed	800	27	<50% AMI	\$ 1,036.00	includes 12 vacancies, assumes 8 PBV's
2 bed	800	12	50% - 60% AMI	\$ 1,257.00	
2 bed	800	11	60%-80% AMI	\$ 1,699.00	
2 bed	800	4	120% AMI	\$ 1,699.00	
2 bed	800	2	mgrs/office	\$	two units conjoined for mgr unit and office combo
				\$	
				\$	
				\$	
				\$	
				\$	

E. Monthly Allowance for Tenant-paid Utilities:
 (Utility Allowance Chart available from staff)

	Indicate Gas Or Electric	Check if Paid By Tenant	Check if Paid By Owner
Space Heating	gas	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Stove	electric	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Water Heater	gas	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Trash		<input type="checkbox"/>	<input type="checkbox"/>
Water/Sewer		<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other		<input type="checkbox"/>	<input checked="" type="checkbox"/>

Bedroom Size 2 _____

Total Utility Allowance by Unit Size 69 _____

Attach Utility Allowance Chart with applicable allowances circled.

F. **Project Management Company:** Burbank Housing Development Corporation

Attach Project Management Company information and list of its references.

III. PROJECT COST

Land Cost		\$ <u>15,000,000</u>
Land Cost Per Acre	\$ <u>3,355,705</u>	
Predevelopment Costs		\$ _____
Soft Costs		\$ <u>900,000</u>
Hard Costs		\$ _____
Total Project Cost		\$ <u>15,900,000</u>
Cost Per Unit Built	\$ <u>283,929</u>	

IV. TOTAL PROJECT FINANCING

Amount of this loan request:		\$ <u>2,400,000</u>
Additional Housing Authority funding contemplated?	If yes, amount:	\$ <u>will seek 8 PBV's</u>
Amount of other permanent financing:		\$ <u>13,500,000</u>
Amount of cash or loans currently in project:		\$ <u>due diligence costs</u>
Amount of owner's equity in project:		\$ <u>0</u>
Amount of Deferred Developer Fee		\$ <u>n/a</u>
TOTAL		\$ <u>15,900,000</u>

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A. Financing Sources: *(Include all other financing—interim and permanent)*

EXISTING AND/OR COMMITTED FINANCING

	1	2	3	4	5	6
Lender's Name & Address	LEE & J Inc.					
Contact Person & Phone #	John Garrett, agent, (415) 625-2131					
Name of Program	seller carry-back loan					
Loan Amount	\$300,000					
Annual Payment	residual receipts					
Terms of Loan	3 years, 3%					
Date Applied	July 2018					
Current Status of Application	Approved					
Conditions	this is contingency financing					

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INTERIM/CONSTRUCTION FINANCING

	1	2	3	4	5	6
Lender's Name & Address	t.b.d.	t.b.d.	SRHA			
Contact Person & Phone #	John Garrett, agent, (415) 625-2131	Jeff Kearns (949) 236-5878	Frank Kasimov			
Name of Program	seller carry-back loan	Bridge finance	Santa Rosa Trust			
Loan Amount	\$300,000	\$13,500,000	\$2,400,000			
Annual Payment	residual receipts	t.b.d.	deferred			
Terms of Loan	3 yrs, 3%	3 years	30 years, 3% deferred			
Date Applied	July 2018	July 23, 2018	August 2018			
Current Status of Application	Approved	pending	pending			
Conditions	contingency funding					

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PERMANENT FINANCING

	1	2	3	4	5	6
Lender's Name & Address	SRHA	t.b.d.	t.b.d.			
Contact Person & Phone #	Frank Kasimov	t.b.d.	t.b.d.			
Purpose	Perm. finance	tax credit equity	commercial mortgage			
Name of Program	SR Trust	Low Income Housing Tax Credits	tax-exempt bond loan			
Loan Amount	\$2,400,000	equity = \$8,993,566	\$4,506,434			
Annual Payment	deferred	n/a/	\$315,580			
Terms of Loan	30 years, 3%, deferred	n/a	30 year amort., 5.75%			
Date Applied	August 2018	2019	2019			
Current Status of Application	pending	future	future			
Conditions			award of 8 PBV's			

B. Administrative Costs

What are the administrative costs for this project and how will they be funded? Burbank is under contract to purchase the property for \$15,000,000. The development budget includes \$900,000 for a lender-required interest reserve of \$585,000, loan fees of \$270,000 and various transaction costs/due diligence reports totaling \$45,000. No staff costs or overhead are included.

C. Development and Operations Proformas (Attach Project Proformas)

V. ATTACHMENTS

Please attach the following documents to the Loan Application: (If we have current, accurate copies on file you do not need to resubmit, only update).

- ☒ A. Project description and purpose narrative.
- ☒ B. List of references for other projects (see #I-D. page 1).
- ☒ C. List of board members and/or names of company officers, including addresses, phone numbers, employer, occupation.
- ☒ D. Copy of applicant's Articles of Incorporation, Bylaws or Partnership Agreement.
- ☒ E. Federal tax exempt determination letter, if applicable.
- ☒ F. Most recent audit report and current financial statement (within the last quarter). Reports should include balance sheets, revenue and expense statement, and statement of changes in fund balances.
- ☒ G. Resolution from Applicant's governing body authorizing the borrowing of funds from the Housing Authority of the City of Santa Rosa and authorizing execution of loan documents.
- ☒ H. Resolution from Applicant's governing body authorizing formation of limited partnership, if applicable.
- ☒ I. Project Proforma – projected for the proposed loan term.
- ☒ J. Utility Allowance Chart with applicable allowances circled.
- ☒ K. Evidence of land control (i.e., option, sale/purchase contract or escrow instructions).
- ☒ L. Evidence of land value. Provide appraisal or statement of value from other financing sources, if available.
- ☒ M. Area map of proposed site and site photos.
- ☒ N. Preliminary Title Report (within past six months).

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- ☒ O. Environmental reports/studies.
- ☒ P. Funding commitment letters.
- ☒ Q. Project timetable.
- ☒ R. Agreements for rent subsidies, if applicable.
- ☒ S. Management company information and list of references.
- ☒ T. Budget for Housing Authority loan funds.
- ☐ U. Anticipated exit strategy at end of tax credit period, if applicable.

CERTIFICATIONS

Applicant hereby certifies:

1. Truth of Application

That the information submitted in this Loan Application and any supporting materials is true, accurate, and complete to the best of its knowledge.

2. Material Changes to Project

That the Applicant acknowledges that any material changes to the project not disclosed to and approved by the Housing Authority may result in termination of funding for the project. Material changes include but are not limited to: changes in the project's design, amenities, and number and size of units; changes to the development budget; changes to the proposed sales prices, rents or operating expenses; changes to the sources, amounts or terms of financing; changes to the ownership entity or key staff and consultants identified in this Loan Application; or changes to other Loan Application items.

3. Applications are Public Records

That the Applicant acknowledges that the information submitted as part of this loan application, except material considered confidential, may be made available to the public.

4. No Conflict of Interest

That the Applicant confirms that the Applicant nor any of its employees or other persons or entities affiliated with the Applicant have any financial relationship or position with the City of Santa Rosa, the Housing Authority of the City of Santa Rosa, or any of their respective officers, agents, employees and volunteers that would present a conflict of interest issue.

APPLICANT REPRESENTATIVE(S)

Marianne Lim

Name

Director of Development

Title

Mark Krug

Name

Business Development Manager

Title