

RESOLUTION NO. _____

RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA APPROVING A THIRD FURTHER ADVANCE IN THE AMOUNT OF \$1,300,000 TO BURBANK HOUSING DEVELOPMENT CORPORATION FOR PREDEVELOPMENT AND CONSTRUCTION FOR LANTANA PLACE HOMES, 2979 DUTTON MEADOW LOAN NO. 9932-2801-17, AND CONVERSION OF THE LOAN FUNDS TO SILENT SECOND MORTGAGE ASSISTANCE LOANS

WHEREAS, the Housing Authority issued a Notice of Funding Availability (“NOFA”) on July 26, 2018, announcing approximately \$4.1 million of federal and local funds for affordable housing, and applications were due on August 31, 2018; and

WHEREAS, the Housing Authority received 11 applications requesting almost \$22 million; and

WHEREAS, Burbank Housing Development Corporation (“Burbank Housing”) submitted an application requesting \$1,300,000 for predevelopment, construction and conversion to mortgage assistance loans for Lantana Place Homes, to be developed as 48 ownership homes affordable to low- and moderate-income households, located at 2979 (formerly 2975) Dutton Meadow, Santa Rosa, California, 95407, APN 043-121-013 (the “Project”); and

WHEREAS, the Housing Authority chair appointed Commissioners Burke and Johnson-Morgan to a NOFA Ad Hoc Subcommittee to review the applications with staff and make funding recommendations to the Housing Authority; and

WHEREAS, the NOFA Ad Hoc Committee and staff met on September 20 and 27, 2018, and recommend that the Housing Authority approve a Third Further Advance in the amount of \$1,300,000 to Burbank Housing for predevelopment, construction and conversion to mortgage assistance loans for Lantana Place Homes because, among other reasons:

- This is an opportunity to move the Project from the Housing Authority’s development pipeline, where it has been since 2007, toward completion with a construction start date of June 2019.
- Lantana Place will provide homeownership opportunities for 48 low- and moderate-income households, including, potentially, existing tenants in Burbank Housing rental properties and graduates of the Section 8 Family Self-Sufficiency Program, resulting in households moving from the voucher program into homeownership.

WHEREAS, the Project is consistent with policies of the Santa Rosa General Plan; and

WHEREAS, environmental review pursuant to the National Environmental Policy Act ("NEPA"), was completed in 2008 for the multifamily project, and an Environmental Assessment with a Finding of No Significant Impact was prepared for the modified 48-unit homeownership project; and

WHEREAS, environmental review pursuant to the California Environmental Policy Act ("CEQA") will be completed prior to entitlement approvals; and

NOW, THEREFORE, BE IT RESOLVED that the Housing Authority of the City of Santa Rosa hereby approves the following:

1. A Third Further Advance in the amount of \$1,300,000 to Burbank Housing Development Corporation for pre-development and construction costs for Lantana Place, 48 single family ownership homes, and a conversion of the loan to homebuyer mortgage assistance loans, located at 2979 (formerly 2975) Dutton Meadow, Santa Rosa, California, 95407, APN 043-121-013;

2. The commitment of the loan funds 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;

3. The loan to Burbank Housing has a term of 30 years at 3% simple interest per annum, deferred payments, residual cash receipts, secured by a Deed of Trust;

4. Twenty-five units (minimum) shall be affordable to households earning up to 80% of Area Median Income ("AMI"), and 23 units (or fewer) shall be affordable to households earning up to 120% AMI;

5. The Low-Income Housing Production Subsidy Program Policy is waived including the Maximum Cost Schedule;

6. The loan shall be due and payable in full if construction has not commenced by June 30, 2019, and is not completed by October 15, 2020, unless these times are extended by the Executive Director; and

7. Each homeowner unit shall be restricted by a recorded agreement that addresses resale restrictions, option(s) to purchase, as needed, and owner occupancy requirements and a recorded notice of affordability restrictions for the term of affordability.

BE IT FURTHER RESOLVED that the Housing Authority hereby approves subordination of Housing Authority loans to senior financing in a form approved by Housing Authority General Counsel, if required by other lenders.

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 One Million Three Hundred Thousand and 00/100 dollars (\$1,300,000.00) from the following Key Number(s) or as otherwise determined by the Executive Director:

Fund	Key	Source	Amount	Loan No.
2296	340104	Housing Impact Fees	\$1,300,000.00	9932-2801-17
Total Loan Amount			\$1,300,000.00	

DULY AND REGULARLY ADOPTED by the Housing Authority of the City of Santa Rosa this 22nd day of October, 2018.

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED: _____
Chair

ATTEST: _____
Secretary