

131-A STONY CIRCLE N° 500, SANTA ROSA, CA 95401 tel 707 578 2338 fax 707 578 2339 www.ch-sc.org

WE BELIEVE **HOME** IS FOR EVERYONE

June 18, 2019

CHSC BOARD MEMBERS

Mr. Frank Kasimov

City o

Housing & Community Services City of Santa Rosa

Angelina Hovan CHAIR 90 Santa Rosa Avenue Santa Rosa, CA 95404

Keith Christopherson VICE CHAIR

Re: Hearn Veterans Village, 2149 West Hearn Avenue, Santa Rosa, CA

New HASR Funds as New Loan, not Further Advance

Lesley Haylock SECRETARY

Dear Frank,

Stephen Harper ASSISTANT SECRETARY I am writing to request that the FY 2018-19 funds in the amount of \$285,000 awarded by the Housing Authority of the City of Santa Rosa be provided to Community Housing Sonoma County as a new and separate loan rather than as a further advance added to the existing 2008 loan of \$245,407.

Andrea Mendoza TREASURER

The property currently is home to Hearn House, the 15-bed transitional housing facility funded in part with the \$245,407 loan. Vietnam Veterans of California (VVC) leases the property from CHSC and operates the transitional housing program.

Karin Jones Ross Liscum

Community Housing Sonoma County will be developing the vacant portion of the land into permanent supportive housing (PSH) for 23 homeless veterans (with one manager unit) under the state's Veterans Housing and Homeless Prevention (VHHP) program. Before that development can occur, the property must be subdivided such that the transitional housing facility and the proposed PSH development are located on separate parcels.

The \$285,000 City funding will be used for predevelopment costs for the PSH development. The \$285,000 loan and its related documentation, i.e., loan agreement, promissory note, deed of trust, and regulatory agreement, should be specific to the PSH and should not overlap with the financial or regulatory requirements of the transitional housing. While the security for the City's \$285,000 loan will encumber the full property until the subdivision occurs, once the new parcels are created, the loan and its related documentation should be conveyed from the entire parcel to the newly-created PSH parcels. This will be facilitated by the \$285,000 loan documentation being distinct and separate from the existing City loan for the transitional housing development, which will remain as-is. Further, City loan documentation which is specific to the PSH will be much easier for future lenders to understand and consider in connection with their funding applications/underwriting.

Please let me know if you have further questions, 707 578 2338, pcook@ch-sc.org.

Sincerely,

Paula Cook Executive Director

C: Barbara L. Towner, Craig S. Meltzner & Associates