RESOLUTION NO. 1666

RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA APPROVING A CONDITIONAL COMMITMENT OF LOAN FUNDS IN THE AMOUNT OF $3,100,000 TO DUTTON FLATS, LP FOR CONSTRUCTION-RELATED COSTS FOR DUTTON FLATS, 206, 208 AND 214 WEST THIRD STREET, APN'S 125-061-026, 125-061-027 and 125-061-028 LOAN NO. 9030-3085-18

WHEREAS, the Housing Authority issued a Focused Notice of Funding Availability ("NOFA") on April 1, 2019, announcing approximately $3,700,000 of local funds for affordable housing, and applications were due on April 26, 2019; and

WHEREAS, the available funds are targeted to projects with a competitive 9% Tax Credit application in the July 2019 funding round or a competitive MHP application in the June 2019 funding round; and

WHEREAS, the Housing Authority received six applications requesting $14,500,000; and

WHEREAS, Dutton Flats, LP submitted an application requesting $3,100,000 for constructions costs associated with 41 new affordable multifamily housing units, located at 206, 208 and 214 West Third Street, Santa Rosa, California, 95401, APN's 125-061-026, 125-061-027 and 125-061-028, (the "Project"); and

WHEREAS, the Housing Authority chair appointed commissioners Johnson-Morgan and Test to a NOFA Ad Hoc Committee; the Committee and staff reviewed the applications on May 9 and 28, 2019, to make funding recommendations to the Housing Authority; and

WHEREAS, The Planning and Economic Development Department has determined that the project is exempt from environmental review pursuant to the to the California Environmental Policy Act ("CEQA") Class 32, Section 15332 – In-fill Development Projects; and this funding commitment is conditional upon completion of the environmental review pursuant to CEQA and all required approvals by the City of Santa Rosa; and

WHEREAS, the NOFA Ad Hoc Committee and staff recommend funding for Dutton Flats because it best meets the selection criteria evaluation factors described in the NOFA.

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

1. A conditional commitment of loan funds in the amount of Three Million One Hundred Thousand and No/100 Dollars ($3,100,000.00) to Dutton Flats, LP for Project construction-related costs.

2. The conditional 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 Low-Income Housing Production Subsidy Program Policy Maximum Cost Schedule and the Loan Schedule are waived, as costs have increased since the Policy was approved.

4. A loan term of 55 years years at 3% simple interest per annum, deferred payments, residual cash receipts, secured by a Deed of Trust; and a 55-year term of affordability through a Regulatory Agreement.

5. Affordability mix that includes 9 units targeted to households with incomes up to 30% of Area Median Income ("AMI"), 17 units targeted to household incomes up to 50% AMI, 14 units targeted to household incomes up to 60% AMI and one non-restricted manager unit.

6. Unit sizes that include 11 1-bedroom units, 15 2-bedroom units and 15 3-bedroom units (including the resident manager unit).

7. The loan shall be due and payable in full if construction has not commenced by January 31, 2020, and is not completed by March 31, 2021, unless these times are extended by the Executive Director.

8. An allocation of 40 Article XXXIV units.

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 Three Million One Hundred Thousand and No/100 Dollars ($3,100,000.00) to Dutton Flats, LP 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	$3,100,000.00	9030-3085-18
Total Loan Amount			**$3,100,000.00**	

DULY AND REGULARLY ADOPTED by the Housing Authority of the City of Santa Rosa this 17th day of June, 2019.

AYES: (4) Test, Downey, Burke, and Johnson-Morgan

NOES: (0)

ABSENT: (1) Olsen

ABSTAIN: (1) Owen

Vacant: (1)

APPROVED: _____
Chair

ATTEST: _____
Secretary