

RESOLUTION NO. _____

RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA APPROVING A LOAN MODIFICATON REQUEST FROM CATHOLIC CHARITIES FOR “THE BLOCK” LOAN NO. 9020-2525-15 AND AUTHORIZE THE RELEASE OF THE LOAN AND REGULATORY AGREEMENT FROM PARCELS TO BE DEVELOPED WITH CARITAS HOMES PHASE I AND II

WHEREAS, in 2015 the Housing Authority assisted Catholic Charities with purchasing eleven (11) parcels known as “The Block” located at (437 A Street -APN 010-041-005, 439 A Street - APN 010-041-004, 465 A Street - APN 010-041-020, 501 A Street - APN 010-031-002, 507 A Street - APN 010-031-003, 516 Morgan Street - APN 010-041-013 and 010-041-018, 520 Morgan Street - APN 010-041-014, 600 Morgan Street - APN 010-041-015, 608 Morgan Street - APN 010-041-016, and 612 Morgan Street - APN 010-041-001) totaling 2.24 acres, on “A” Street and Morgan Street; and

WHEREAS, the Housing Authority loan includes the following requirements: 1) compliance through a Regulatory Agreement for fifty-five (55) years to June 30, 2070; 2) use the six (6) existing residences on The Block for households at or below 80% of Area Median Income; 3) operate an emergency shelter for limited clientele; and 4) recordation of a Mitigation Declaration on the site to document air quality issues associated with the existing residences; and ;

WHEREAS, Catholic Charities acquired 506 Morgan Street (APN 010-041-011) in 2018 and 512 Morgan Street (APN 010-041-017) in 2019, which made Catholic Charities the owner of all parcels except the City owned parcels on the southern boundary of the Block; and

WHEREAS, through a series of actions, the “remnant parcels” which are a portion of three parcels (APNs 010-041-010, 010-041-008, and 010-041-019) located on the southern end of The Block were conveyed back to the City if Santa Rosa and the City completed the sale and transfer of a portion of those parcels to Catholic Charites in 2020 to incorporate the land into the Caritas Village project; and

WHEREAS, in March 2020, Catholic Charites received approval from the City Council for the development of Caritas Village. Caritas Village is a comprehensive revitalization of “The Block” through the development of three separate phases that provide the following: 1) Caritas Center – a comprehensive homeless support services facility with family units, respite beds, day center and associated services; 2) Caritas Homes Phase 1 – a 64-unit multifamily rental complex affordable to households at or below 60% of area median income; and 3) Caritas Homes Phase 2 – a 64-unit affordable rental complex; and

WHEREAS, in June 2020 the Housing Authority awarded thirty (30) Project Based Vouchers to Caritas Homes Phase I;

WHEREAS, in January 2021, the Housing Authority approved a loan in the amount of Eight Million Nine Hundred Forty-Five Thousand Six Hundred Fifty-Seven (\$8,945,657.00) in Community Development Block Grant Disaster Recovery funds and awarded thirty (30) Project Based Housing Choice Vouchers to Caritas Homes Phase I; the Regulatory Agreement associated with the the loan will provide fifty-five year of affordability restrictions for the site, and

WHEREAS, as a result of the Caritas Village project proceeding, Catholic Charities is requesting that the Housing Authority amend the existing loan and Regulatory Agreement as follows: 1) release the parcels that will be developed with Caritas Homes Phases I and II from the existing loan and Regulatory Agreement for "The Block"; 2) revise the purpose of the loan and Regulatory Agreement to reflect that is applies solely to Caritas Center, a homeless services shelter and facility; and 3) revise the terms of the loan to remove the requirement of "surplus cash payment" as the loan will be secured against an emergency shelter which does not generate surplus cash; 4) add a provision to the loan that it is forgivable at the end of the term; 5) eliminate reference to the six (6) affordable housing units as they will be demolished as part of the redevelopment of the site; 6) modify the income requirements of the Regulatory Agreement to remove the six (6) affordable housing units and reflect the shelter clientele; and 7) remove the Mitigation Declaration that is recorded against the Block as it is associated with the six (6) housing units.

WHEREAS, the City Council approved an Environmental Impact Report (EIR) in compliance with the California Environmental Quality Act (CEQA) for Caritas Village in March 2020. An Environmental Assessment in compliance with the National Environmental Policy Act (NEPA) Environmental Assessment was completed on October 1, 2021 and

WHEREAS, the Housing Authority has reviewed the request of Catholic Chairites and is approving the following changes: 1) terminate and release the Deed of Trust and Regulatory Agreement on APNs 010-041-001, 010-041-015, 010-014-016, 010-041-041 and a portion of 010-041-020 Tract B (Caritas Homes Phase I) and a portion of APN 010-041-020 Tract C (Caritas Homes Phase II); 2) require Catholic Charities to enter into an Affordability Agreement for Caritias Homes Phase II to preserve the future affordability; 3) modify the existing Regulatory Agreement to eliminate the six (6) rental units; 4) release the Mitigation Declaration recorded against the Block; 5) approve modification to the terms of the loan to reflect the elimination of the surplus cash provision for Caritas Center on APNs 010-041-004, 010-041-005, 010-041-011. 010-041-013, 010-041-017, 010-041-018, 010-041-014 and portions of 010-041-010, 010-041-008, and 010-41-019 (Tract A); and 6) approve an extension of the loan term for "The Block" from a thirty (30) year term to a fifty-five (55) year term with an expiration date of June 30, 2070.

NOW, THEREFORE, BE IT RESOLVED that the Housing Authority of the City of Santa Rosa hereby approves the following: 1) partial termination and release of the Deed of Trust and Regulatory Agreement from APNs 010-041-001, 010-041-015, 010-

014-016, 010-041-041 and a portion of 010-041-020 Tract B (Caritas Homes Phase I) and a portion of APN 010-041-020 Tract C (Caritas Homes Phase II); 2) require Catholic Charities to enter into an Affordability Agreement for Caritas Homes Phase II to preserve the future affordability; 3) modify the existing Regulatory Agreement recorded against the Caritas Center parcels to eliminate the six (6) rental units; 4) release the Mitigation Declaration recorded against the Block; 5) approve modification to the terms of the loan to reflect the elimination of the surplus cash provision for Caritas Center on APNs 010-041-004, 010-041-005, 010-041-011, 010-041-013, 010-041-017, 010-041-018, 010-041-014 and portions of 010-041-010, 010-041-008, and 010-41-019 (Tract A); and 6) approve an extension of the loan term for "The Block" from a thirty (30) year term to a fifty-five (55) year term with an expiration date of June 30, 2070.

BE IT FURTHER RESOLVED that the Housing Authority hereby authorizes the Executive Director to execute agreements and related loan documents, including subordination agreements, for the Project consistent with this Resolution.

DULY AND REGULARLY ADOPTED by the Housing Authority of the City of Santa Rosa this 25TH day of October, 2021.

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED: _____
Chair

ATTEST: _____
Secretary

APPROVED AS TO FORM: _____
City Attorney