



City of Santa Rosa

City Hall, Council Chamber
100 Santa Rosa Avenue
Santa Rosa, CA

Housing Authority Special Meeting Minutes - Final

Monday, December 16, 2019

1:30 PM

SPECIAL MEETING

1. CALL TO ORDER

Chair Burke called the meeting to order at 3:31 p.m.

2. ROLL CALL

Present 7 - Commissioner Stephen Burke, Commissioner Wayne Downey Ph. D, Commissioner Leora Johnson-Morgan, Commissioner Phil Olsen, Commissioner Diane Test, Commissioner Jeffrey Owen, and Commissioner Patrice LePera

3. PROCLAMATION

3.1 PROCLAMATION - PROCLAMATION OF APPRECIATION CARMELITA HOWARD

Chair Burke read the proclamation and presented it to Deputy Director Howard.

4. STATEMENTS OF ABSTENTION

Commissioner Owen stated that he will abstain from item 9.1 due to a conflict of interest.

5. PUBLIC COMMENTS (PUBLIC COMMENT WILL BE LIMITED TO THE ITEMS LISTED ON THE SPECIAL MEETING AGENDA.)

Janet Matthews spoke as an advocate for Alisa Simmons regarding Section 8 housing.

6. CHAIRMAN/ COMMISSIONER REPORTS

Chair Burke reported.

7. COMMITTEE REPORTS

Commissioner Downey reported.

Chair Burke reported.

8. EXECUTIVE DIRECTOR REPORTS/ COMMUNICATION ITEMS:

Executive Director Gouin reported.

- 8.1 FISCAL YEAR 2018/2019 HOUSING SUCCESSOR AGENCY REPORT
- Provided for information.
- 8.2 HOUSING AUTHORITY MONTHLY ACTIVITIES REPORT - Provided
for information.

9. CONSENT ITEMS

- 9.1 RESOLUTION - DUTTON FLATS - MODIFY PRIOR FUNDING
COMMITMENT TO ALLOW FUNDS TO BE USED FOR ACQUISITION,
PRE-DEVELOPMENT AND/OR CONSTRUCTION RELATED COSTS
AND TO EXTEND CONSTRUCTION DATES - 206, 208 AND 214
WEST THIRD STREET

RECOMMENDATION: It is recommended by the Housing and
Community Services Department that the Housing Authority, by
resolution, modify a prior funding commitment of funds in the amount of
\$3,100,000 to Dutton Flats, LP to 1) allow funds to be utilized for all
project costs including acquisition, predevelopment and/or
construction-related costs, and 2) extend the construction start and
completion dates by two months related to Dutton Flats, 41 multifamily
rental units, located at 206, 208 and 214 West Third Street.

**A motion was made by Commissioner Test, seconded by Commissioner
Johnson-Morgan, to waive reading of the text and adopt Resolution No.
1669, Entitled:**

**RSOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA
MODIFYING A PRIOR LOAN COMMITMENT IN THE AMOUNT OF \$3,100,000
TO DUTTON FLATS, LP FOR ALL PROJECT COSTS FOR DUTTON FLATS,
206, 208 AND 214 WEST THIRD STREET, APNS 125-061-026, 125-061-027
AND 125-061-028 – LOAN NO. 9030-3085-18**

The motion carried by the following vote:

Yes: 7 - Commissioner Burke, Commissioner Downey Ph. D, Commissioner
Johnson-Morgan, Commissioner Olsen, Commissioner Test,
Commissioner Owen and Commissioner LePera

10. REPORT ITEMS

10.1 REPORT - BURBANK HOUSING DEVELOPMENT CORPORATION REQUEST FOR EXTENSION OF HOUSING AUTHORITY LOAN TERMS AND APPLICABLE REGULATORY AGREEMENTS FOR CYPRESS RIDGE, GROSMAN APARTMENTS, JAY'S PLACE, PANAS PLACE, AND WEST OAKS AND SUBORDINATION OF THE HOUSING AUTHORITY'S LOANS TO REFINANCED SENIOR MORTGAGES

BACKGROUND: The Housing Authority has provided loans to Burbank Housing Development Corporation (BHDC) for five affordable housing properties in the total principal amount of \$6,330,966 representing a total of 295 units affordable to extremely low-, very low- and low-income households. Cypress Ridge, Grosman Apartments, and Jay's Place are being refinanced through Berkadia Group; Panas Place and West Oaks are being refinanced through California Housing Finance Agency (CalHFA). The first mortgages for all five properties are being refinanced to (1) make repairs to each property; (2) repay a portion of the unsecured loan approved by the Housing Authority via Resolution No. 1669 on November 5, 2019; (3) to lower the interest rates on four of the five loans, to support future housing development by BHDC; and (5) to provide support to BHDC's property portfolio. Not only will approval of the loan extensions provide much-needed repairs to each property, it will also secure affordability for 295 units for an additional 17 to 21 years through the extension of each regulatory agreement or, in the case of Grosman Apartments, through execution of a new regulatory agreement.

RECOMMENDATION: To provide sufficient financial resources so that Burbank Housing Development Corporation (BHDC) can perform needed repairs to the properties listed herein through the refinance of the first mortgages for each property, it is recommended by the Housing & Community Services Department that the Housing Authority (Authority), by five (5) separate resolutions, approve the following:

- a. Extend the due date of the Authority's loan, in the principal amount of \$1,995,650 (Authority Loan Nos. 9014-0595-92 and 9914-0875-00) for Cypress Ridge, a 122-unit affordable multifamily rental project located at 1815 Meda Avenue (APN 044-031-048), and the term of affordability,

from October 27, 2030 to October 27, 2049 (19 years), and approve subordination of the Housing Authority's loan to a refinanced first mortgage;

b. Extend the due date of the Authority's loan in the principal amount of \$75,215 (Loan No. 9025-0525-89) for Grosman Apartments, a 13-unit special needs affordable multifamily rental project located at 1289 Martha Way (APN 014-552-029), from January 10, 2032 to January 10, 2049 (17 years), and approve subordination of the Authority's loan to a refinanced first mortgage. In exchange for approval of the loan extension, BHDC will execute a new regulatory agreement securing affordability of the property through 2049;

c. Extend the due date of the Authority's loan in the principal amount of \$619,010 (Loan Nos. 9933-0805-00 and 9933-0815-00) for Jay's Place, a 41-unit affordable multifamily rental project located at 2805 Park Meadow Drive (APN 357-70-041), and the term of affordability, from December 12, 2030 to December 12, 2049 (19 years), and approve subordination of the Housing Authority's loan to a refinanced first mortgage;

d. Extend the due date of the Authority's loan in the principal amount of \$2,291,091 (Loan Nos. 9931-0355-97, 9931-0365-96, 9931-0335-94, 9931-0375-96, and 9931-0345-97) for Panas Place, a 66-unit affordable multifamily rental project located at 2450 Stony Point Road (APN 125-521-005), and the term of affordability from May 1, 2039 to May 1, 2060 (21 years), and approve subordination of the Authority's loan to a refinanced first mortgage; and

e. Extend the due date of the Authority's loan in the principal amount of \$1,350,000 (Loan Nos. 9031-0465-97 and 9031-0475-97) for West Oaks, a 53-unit affordable multifamily rental project located at 2594 Guerneville Road (APN 341-10-084), and the term of affordability from October 31, 2039 to October 31, 2060 (21 years), and approve subordination of the Authority's loan to a refinanced first mortgage.

Nancy Manchester, Program Specialist II presented the item and answered Commissioners' questions.

Larry Florin, CEO and President of Burbank Housing commented on the item and answered Commissioners' questions.

A motion was made by Commissioner Owen, seconded by Commissioner Test, to waive reading of the text and adopt Resolution no. 1671 entitled:

RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA APPROVING EXTENSION OF THE TERM OF ITS LOAN NOS. 9014-0595-92 AND 9914-0875-00 TO BURBANK HOUSING DEVELOPMENT CORPORATION FOR CYPRESS RIDGE APARTMENTS, FROM OCTOBER 27, 2030 TO OCTOBER 27, 2049, AN EXTENSION OF THE REGULATORY AGREEMENT FROM OCTOBER 27, 2030 TO OCTOBER 27, 2049, AND SUBORDINATION OF ITS LOANS TO A REFINANCED SENIOR MORTGAGE.

The motion carried by the following vote:

Yes: 6 - Commissioner Burke, Commissioner Downey Ph. D, Commissioner Johnson-Morgan, Commissioner Olsen, Commissioner Test and Commissioner Owen

No: 1 - Commissioner LePera

A motion was made by Commissioner Owen, seconded by Commissioner Test, to waive reading of the text and adopt Resolution no. 1672 entitled:

RESOLUTION OF THE HOUSING AUTHORITY OF CITY OF SANTA ROSA APPROVING EXTENSION OF THE TERM OF ITS LOAN NO. 9025-0525-89 TO BURBANK HOUSING DEVELOPMENT CORPORATION FOR GROSMAN APARTMENTS, FROM JANUARY 10, 2032 TO JANUARY 10, 2049, EXECUTION OF A REGULATORY AGREEMENT FOR A TERM TO EXPIRE JANUARY 10, 2049, AND SUBORDINATION OF ITS LOANS TO A REFINANCED SENIOR MORTGAGE.

The motion carried by the following vote:

Yes: 6 - Commissioner Burke, Commissioner Downey Ph. D, Commissioner Johnson-Morgan, Commissioner Olsen, Commissioner Test and Commissioner Owen

No: 1 - Commissioner LePera

A motion was made by Commissioner Owen, seconded by Commissioner Test, to waive reading of the text and adopt Resolution no. 1673 entitled:

RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA APPROVING EXTENSION OF THE TERM OF ITS LOAN NOS. 9933-0805-00 AND 9933-0815-00 TO BURBANK HOUSING DEVELOPMENT

CORPORATION FOR JAY'S PLACE, FROM DECEMBER 12, 2030 TO DECEMBER 12, 2049, AN EXTENSION OF THE REGULATORY AGREEMENT FROM DECEMBER 12, 2030 TO DECEMBER 12, 2049, AND SUBORDINATIONS OF ITS LOANS TO A REFINANCED SENIOR MORTGAGE.

The motion carried with the following vote:

Yes: 6 - Commissioner Burke, Commissioner Downey Ph. D, Commissioner Johnson-Morgan, Commissioner Olsen, Commissioner Test and Commissioner Owen

No: 1 - Commissioner LePera

A motion was made by Commissioner Owen, seconded by Commissioner Test, to waive reading of the text and adopt Resolution no. 1674 entitled:

RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA APPROVING EXTENSION OF THE TERM OF ITS LOAN NOS. 9931-0355-97, 9931-0365-96, 9931-0335-94, 9931-0375-96, AND 931-0345-97 TO BURBANK HOUSING DEVELOPMENT CORPORATION FOR PANAS PLACE, FROM MAY 1, 2039 TO MAY 1, 2060, AN EXTENSION OF THE REGULATORY AGREEMENT FROM MAY 1, 2039 TO MAY 1, 2060, AND SUBORDINATION OF ITS LOANS TO A REFINANCED SENIOR MORTGAGE.

The motion carried by the following vote:

Yes: 6 - Commissioner Burke, Commissioner Downey Ph. D, Commissioner Johnson-Morgan, Commissioner Olsen, Commissioner Test and Commissioner Owen

No: 1 - Commissioner LePera

A motion was made by Commissioner Owen, seconded by Commissioner Test, to waive reading of the text and adopt Resolution no. 1675 entitled:

RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA APPROVING EXTENSION OF THE TERM OF ITS LOAN NOS. 9031-0465-97 AND 9031-0475-97 TO BURBANK HOUSING DEVELOPMENT CORPORATION FOR WEST OAKS, FROM OCTOBER 31, 2039 TO OCTOBER 31, 2060, AN EXTENSION OF THE REGULATORY AGREEMENT FROM OCTOBER 31, 2039 TO OCTOBER 31, 2060, AND SUBORDINATION OF ITS LOANS TO A REFINANCED SENIOR MORTGAGE.

The motion carried with the following vote:

Yes: 6 - Commissioner Burke, Commissioner Downey Ph. D, Commissioner Johnson-Morgan, Commissioner Olsen, Commissioner Test and Commissioner Owen

No: 1 - Commissioner LePera

10.2 REPORT - 2019-2020 HOUSING AUTHORITY LOAN AND PROJECT BASED VOUCHER NOTICE OF FUNDING AVAILABILITY FUNDING RECOMMENDATIONS

BACKGROUND: The Housing Authority issued the 2019-2020 Notice of Funding Availability (“NOFA”) announcing the availability of \$2,479,000 of local and federal funds and 75 Project Based Vouchers (“PBVs”) for affordable housing. In response to the NOFA, issued August 6, 2019, the Housing Authority received 11 project applications and one application from a CHDO for operational funds. The requests total \$13,077,050, more than five times the available funding. In addition, there are requests for 128 PBVs, 53 more than available.

A NOFA Ad Hoc Committee and staff recommend funding two rehabilitation projects and operational funds for the CHDO. These projects did not request PBVs. Five projects are not recommended for funding at this time but are being further reviewed for consideration at the January 2020 Housing Authority meeting. The recommendations are based upon the selection criteria set forth in the NOFA, and the restrictions, eligibility, procedures and rules of the federal funding sources. Four projects are not receiving further review due to funding eligibility constraints or not meeting significant funding criteria set forth in the NOFA.

RECOMMENDATION: It is recommended by a Housing Authority Ad Hoc Committee and the Housing and Community Services Department that the Housing Authority, by resolution, 1) approve a commitment of additional loan funds to Community Action Partnership of Sonoma County (“CAPSC”) for rehabilitation of 400 Earle Street in the amount of \$129,778 and extend the existing loan term to start a new 55-year term; 2) approve a commitment of additional loan funds to CAPSC for rehabilitation of 2602 Giffen Street in the amount of \$103,712 and extend the existing loan term to start a new 55-year term; and 3) approve a conditional grant of HOME Investment Partnerships Program funds to Community Housing Sonoma County for Community Housing

Development Organization (“CHDO”) operational funds in the amount of \$33,000.

Frank Kasimov, Program Specialist II presented the item and answered Commissioners' questions.

A motion was made by Commissioner Owen, seconded by Commissioner Downey Ph. D, to waive reading of the text and adopt Resolution no. 1676 entitled:

RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA APPROVING A CONDITIONAL GRANT OF HOME INVESTMENT PARTNERSHIP PROGRAM FUNDS IN THE AMOUNT OF \$33,000 TO COMMUNITY HOUSING SONOMA COUNTY FOR COMMUNITY HOUSING DEVELOPMENT ORGANIZATION OPERATIONAL ACTIVITIES.

The motion carried by the following vote:

Yes: 7 - Commissioner Burke, Commissioner Downey Ph. D, Commissioner Johnson-Morgan, Commissioner Olsen, Commissioner Test, Commissioner Owen and Commissioner LePera

A motion was made by Commissioner Owen, seconded by Commissioner Downey Ph. D, to waive reading of the text and adopt Resolution No. 1677 Entitled:

RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA APPROVING A FURTHER ADVANCE OF LOAN FUNDS IN THE AMOUNT OF \$129,778 TO COMMUNITY ACTION PARTNERSHIP OF SONOMA COUNTY FOR REHABILITATION OF 400 EARLE STREET – LAON NUMBER 9914-3104-19.

The motion carries with the following vote:

Yes: 7 - Commissioner Burke, Commissioner Downey Ph. D, Commissioner Johnson-Morgan, Commissioner Olsen, Commissioner Test, Commissioner Owen and Commissioner LePera

A motion was made by Commissioner Owen, seconded by Commissioner Downey, to waive reading of the text and adopt Resolution no. 1678 entitled:

RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA APPROVING A FURTHER ADVANCE OF LOAN FUNDS IN THE AMOUNT OF \$103,712 TO COMMUNITY ACTION PARTNERSHIP OF SONOMA COUNTY FOR REHABILITATION OF 2602 GIFFEN AVENUE –

LOAN NUMBER 9933-3113-19

The motion carried by the following vote:

10.3 REPORT - MODIFICATIONS TO CALHOME DISASTER ASSISTANCE LOAN PROGRAM GUIDELINES

BACKGROUND: In May 2019, the Housing Authority (Authority) applied for, and was later awarded, a grant for \$1.2 million in Round 1 CalHome Disaster Assistance funds from the California State Department of Housing & Community Development (HCD). HCD's Notice of Funding Availability (NOFA) for the funds set the income limit for eligible households at 80% of the Area Median Income (AMI) or less and the Authority's application limited the type of housing eligible for the program to single-family homes. Because of the limited number of households at or below 80% of AMI, in November 2019 HCD amended its NOFA for Round 1 funding to increase the income limit to households earning up to 120% of AMI. Staff recommends expanding the type of housing eligible for the program to include manufactured/mobilehomes located in mobilehome parks within the Santa Rosa City Limits. All other program criteria in the HCD-approved Program Guidelines shall remain unchanged.

RECOMMENDATION: It is recommended by the Housing & Community Services Department that the Housing Authority, by resolution, approve amendment of the Program Guidelines for the CalHome Disaster Assistance Loan Program (Loan Program) to (1) allow those earning up to 120% of the Area Median Income (AMI) to qualify for the Loan Program as now allowed by the California Department of Housing & Community Development (HCD); and (2) permit loan funds to be used as gap financing for replacement or rehabilitation of manufactured or mobilehomes located in mobilehome parks within the Santa Rosa City Limits.

Presented by Nancy Manchester, Program Specialist II

A motion was made by Commissioner Test, seconded by Commissioner Johnson-Morgan, to waive reading of the text and adopt Resolution no. 1679 entitled:

RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA APPROVING MODIFICATIONS TO THE CALHOME DISASTER

ASSISTANCE LOAN PROGRAM GUIDELINES.

The motion carried by the following vote:

Yes: 7 - Commissioner Burke, Commissioner Downey Ph. D, Commissioner Johnson-Morgan, Commissioner Olsen, Commissioner Test, Commissioner Owen and Commissioner LePera

11. ADJOURNMENT

Chair Burke adjourned the meeting at 2:56 p.m.

Approved on: February 24, 2020

S/

David Gouin, Executive Secretary