



City of Santa Rosa

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

Housing Authority Special Meeting Minutes - Final

Tuesday, November 5, 2019

1:30 PM

SPECIAL MEETING

2. ROLL CALL

Present 5 - Commissioner Stephen Burke, Commissioner Phil Olsen, Commissioner Diane Test, Commissioner Jeffrey Owen, and Commissioner Patrice LePera

Absent 2 - Commissioner Wayne Downey Ph. D, and Commissioner Leora Johnson-Morgan

3. STATEMENTS OF ABSTENTION

None

Commissioner Downey arrived at 1:43

Present 6 - Commissioner Stephen Burke, Commissioner Wayne Downey Ph. D, Commissioner Phil Olsen, Commissioner Diane Test, Commissioner Jeffrey Owen, and Commissioner Patrice LePera

Absent 1 - Commissioner Leora Johnson-Morgan

4. PUBLIC COMMENTS (Public Comment will be limited to the item listed on the Special Meeting Agenda)

Gregory Faron spoke in favor of the project and congratulated Burbank Housing, Staff, and the Housing Authority on achieving this collaborative goal.

5. REPORT ITEMS

- 5.1** REPORT - BURBANK HOUSING DEVELOPMENT CORPORATION
LOAN MODIFICATION REQUEST - LANTANA PLACE HOMES (2979
DUTTON MEADOW, FORMERLY 2975 DUTTON MEADOW) - APN
043-121-013

BACKGROUND: Burbank Housing Development Corporation is requesting a loan modification to forgive the accrued interest, convert the interest rate of the secured Loan to zero percent until the units are sold, and reduce the encumbrance on the Property by \$3,575,759

through a new, unsecured Promissory Note. The Housing Authority (Authority) has provided loans to Burbank Housing Development Corporation (BHDC) totaling \$7,078,073 for Lantana Place Homes, a 48-unit homeownership project located at 2979 Dutton Meadow (Project). Since 2007, Lantana Place has evolved from a 100-unit multifamily rental complex to the current 48-unit homeownership project. The Project was recast as homeownership in 2017 to address: (a) the financing gaps for rental housing associated with the suspension of the state's Multifamily Housing Program and the dissolution of statewide redevelopment programs, (b) the U.S. Department of Housing & Urban Development (HUD)'s inquiry into the delayed status of the Project; and (c) rising construction costs. Since the Project was recast as ownership housing, the construction costs have continued to increase, causing a short-term over-encumbrance with the addition of the anticipated construction loan to be secured by the Property.

RECOMMENDATION: It is recommended by the Housing & Community Services Department that the Housing Authority, by resolution, approve Burbank Housing Development's (BHDC) request to modify Housing Authority Loan Nos. 9032-1825-07, 9932-1835-07, 9932-2075-10, 9932-2781-17, 9932-2791-17, 9932-2801-17, and 9932-2801-17 (Loan), in the total principal amount of \$7,078,703 for Lantana Place Homes (Project) as follows: (a) Forgive all interest accrued on the Loan in an approximate amount of \$992,500 (final amount to be determined as of the date of Loan Modification); (b) Modify the existing Promissory Note and Deed of Trust to reduce the total amount to \$3,502,944 at 0% interest until the units are sold; (c) Enter into a new unsecured Promissory Note in the amount of \$3,575,759; (d) Upon sale of the individual units, convert the \$3,502,944 into down payment assistance for each home purchaser at 3% simple interest, deferred payment, for a term of 30 years; and (e) Adopt alternative criteria pursuant to California Health and Safety Code Section 50052.5(c) allowing alternative income-to-housing cost ratios of up to 40% for the Project.

Presenter: Nancy Manchester, Program Specialist II

Larry Florin, Burbank Housing, gave clarifying answers.

A motion was made by Commissioner Owen, seconded by Commissioner Olsen, to waive reading of the text and adopt Resolution No. 1669, entitled:

RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA APPROVING BURBANK HOUSING DEVELOPMENT'S LOAN MODIFICATION REQUEST FOR LANTANA PLACE HOMES LOCATED AT 2979 DUTTON MEADOW (APN 043-121-013); LOAN NOS. 9032-1825-07, 9932-1835-07, 9932-2075-10, 9932-2781-17, 9932-2791-17, 9932-2810-17, AND 9932-3015-18.

The motion carried by the following vote:

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

Absent: 1 - Commissioner Johnson-Morgan

6. ADJOURNMENT

Chair Burke adjourned the meeting at 2:41 p.m.

Approved on February 24, 2020:

S/ David Gouin, Executive Secretary