

City of Santa Rosa



Legislation Details

File #: 22-802HA **Version:** 1 **Name:** BENNETT VALLEY APARTMENTS –
MODIFICATION TO PRIOR FUNDING
COMMITMENT TO ALLOW \$2,000,000 OF
PREDEVELOPMENT LOAN FUNDS TO BE
SECURED BY A REPAYMENT GUARANTY UNTIL
PROPERTY IS PURCHASED BY DEVELOPER
AND TO ALIGN THE TERM OF THE NOTE WITH
THE TERM OF AFFORDA

Type: HA- Report **Status:** Agenda Ready

File created: 11/23/2021 **In control:** Housing Authority

On agenda: 1/24/2022 **Final action:** 1/24/2022

Title: REPORT - BENNETT VALLEY APARTMENTS - MODIFICATION TO PRIOR FUNDING
COMMITMENT TO ALLOW \$2,000,000 OF PREDEVELOPMENT LOAN FUNDS TO BE SECURED
BY A REPAYMENT GUARANTY UNTIL THE PROPERTY IS PURCHASED BY DEVELOPER AND
TO ALIGN THE TERM OF THE NOTE WITH THE TERM OF AFFORDABILITY

BACKGROUND: On May 10, 2021, the Housing Authority adopted Resolution No. 1717 conditionally committing loan funds in the amount of \$5,800,000 for construction-related costs for the Project. On June 21, 2021, the Housing Authority approved Resolution No. 1719 allowing the award to also be utilized for pre-development costs. The developer, Freebird Development Company, LLC, has requested \$2,000,000 for predevelopment-related costs to be secured by a repayment guaranty until the property is purchased from the City, at which time the full award of \$5,800,000 would be secured against the property by a deed of trust. The developer also requested the term of the note align with the term of affordability for the Project, which is 55 years from commencement of term.

RECOMMENDATION: It is recommended by the Housing and Community Services Department that the Housing Authority, by resolution, allow \$2,000,000 of the conditional commitment of loan funds for predevelopment-related costs to be secured by a repayment guaranty until the property is purchased by the developer, and to align the term of the note with the term of affordability.

Sponsors: Housing and Community Services

Indexes: Exempt Project

Code sections: 15378 - Not a Project

Attachments: 1. Staff Report, 2. Attachment 1, 3. Attachment 2, 4. Attachment 3, 5. Resolution, 6. Presentation

Date	Ver.	Action By	Action	Result
1/24/2022	1	Housing Authority	to waive reading of the text and adopt	Pass