

City of Santa Rosa



Legislation Details

File #:	19-821HA	Version:	1	Name:	BHDC Extension of Loan Terms
Type:	HA- Report	Status:		Status:	Agenda Ready
File created:	11/25/2019	In control:		In control:	Housing Authority
On agenda:	12/16/2019	Final action:		Final action:	12/16/2019
Title:	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.

Sponsors: Housing Authority

Indexes: Not a Project

Code sections: 15378 - Not a Project

Attachments: 1. Staff Report, 2. Staff Report Revised - Uploaded 12-12-19, 3. Attachment 1 - Cypress Ridge Exec Summary, 4. Attachment 2 - Grosman Exec Summary, 5. Attachment 3 - Jays Place Exec Summary, 6. Attachment 4 - Panas Place Exec Summary, 7. Attachment 5 - West Oaks Exec Summary, 8. Attachment 6 - Gouin SR Letter, 9. Attachment 7 - Amorosa Exec Summary- Uploaded 12-12-19, 10. Resolution - Cypress Ridge, 11. Resolution - Grosman Apts, 12. Resolution - Jay's Place, 13. Resolution - Panas Place, 14. Resolution - West Oaks, 15. Presentation

Date	Ver.	Action By	Action	Result
12/16/2019	1	Housing Authority	to waive reading of the text and adopt	Pass
12/16/2019	1	Housing Authority	to waive reading of the text and adopt	Pass
12/16/2019	1	Housing Authority	to waive reading of the text and adopt	Pass
12/16/2019	1	Housing Authority	to waive reading of the text and adopt	Pass
12/16/2019	1	Housing Authority	to waive reading of the text and adopt	Pass