



# City of Santa Rosa

## Legislation Details

<b>File #:</b>	22-803HA	<b>Version:</b>	1	<b>Name:</b>	3575 MENDOCINO AVENUE PHASE II- FUNDING RECOMMENDATION
<b>Type:</b>	HA- Report	<b>Status:</b>			Agenda Ready
<b>File created:</b>	2/8/2022	<b>In control:</b>			Housing Authority
<b>On agenda:</b>	2/28/2022	<b>Final action:</b>			2/28/2022
<b>Title:</b>	REPORT - 3575 MENDOCINO AVENUE PHASE II- FUNDING RECOMMENDATION				

**BACKGROUND:** The Fall 2021 Notice of Funding Availability (NOFA) was published on October 1, 2021 and made available \$694,325 in Permanent Local Housing Allocation (PLHA) program funds and \$1,565,675 in HOME Investment Partnership (HOME) program funds. Of the applications received, there were no projects eligible to receive HOME funds. At the time that applications were due for the NOFA, the 3575 Mendocino Avenue Phase II project was anticipated to be fully funded and BRJE Phase 2 Housing Partners, LP (the Developer) did not submit an application for funding. In late January, the Developer became aware of and advised Housing Authority staff of a funding shortfall due to a lower-than-expected tax credit equity amount from investors and increased construction costs. The disaster tax credit award requires the project to begin construction by April 10, 2022, which does not allow the time for the project to apply for funding from a future NOFA and retain their \$20 Million disaster tax credit award. The Developer has requested that the Authority consider the request for HOME program loan funds in the amount of \$1,560,000 to address the recently identified funding shortfall to allow the project to proceed on time without jeopardizing the disaster tax credit award.

**RECOMMENDATION:** It is recommended by the Housing and Community Services Department that the Housing Authority, by resolution, approve a conditional commitment of loan funds to BRJE Phase 2 Housing Partners, LP in the amount of \$1,560,000 in HOME funds for construction related costs of 37 affordable housing units and 1 unrestricted managers unit for 3575 Mendocino Avenue Phase II located at 3575 Mendocino Avenue Santa Rosa, CA.

<b>Sponsors:</b>	Housing Authority
<b>Indexes:</b>	Sustainable Communities Environmental Assessment
<b>Code sections:</b>	15378 - Not a Project
<b>Attachments:</b>	1. Staff Report, 2. Attachment 1 - Fall 2021 NOFA, 3. Attachment 2 - Affordable Housing Loan Application, 4. Attachment 3 - BRJE Phase 2 Housing Partners Loan Request Letter, 5. Attachment 4 - 3575 Mendocino Phase II Project Summary, 6. Resolution, 7. Presentation

Date	Ver.	Action By	Action	Result
2/28/2022	1	Housing Authority	to waive reading of the text and adopt	Pass