



MODIFICATION TO HOUSING AUTHORITY RESOLUTION
NUMBERS 1694,1704,1707,1731,1743, FOR BURBANK
AVENUE APARTMENTS TO CHANGE THE BORROWER ENTITY
FROM WATERSTONE RESIDENTIAL, LLC AND WSA BURBANK
HOUSING PARTNERS I, LP TO BHDC BURBANK AVE, LLC BY AND
THROUGH BURBANK HOUSING DEVELOPMENT CORPORATION
AND ALLOW PREDEVELOPMENT AS AN ELIGIBLE USE FOR THE
LOCAL AND STATE FUNDS

Housing Authority Meeting
September 25, 2023

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Housing and Community Services

Burbank Avenue Apartments

- Developer: Partnership between BHDC Burbank Ave, LLC a subsidiary of Burbank Housing Development Corporation (BHDC), a California nonprofit corporation and Waterstone Residential, LLC (Waterstone).
- Project: New Construction 64-unit multifamily affordable development with a 25% set aside targeted to households at-risk of homelessness; 20 one-bedroom, 25 two-bedroom, and 18 three-bedroom units.

Burbank Avenue Apartments

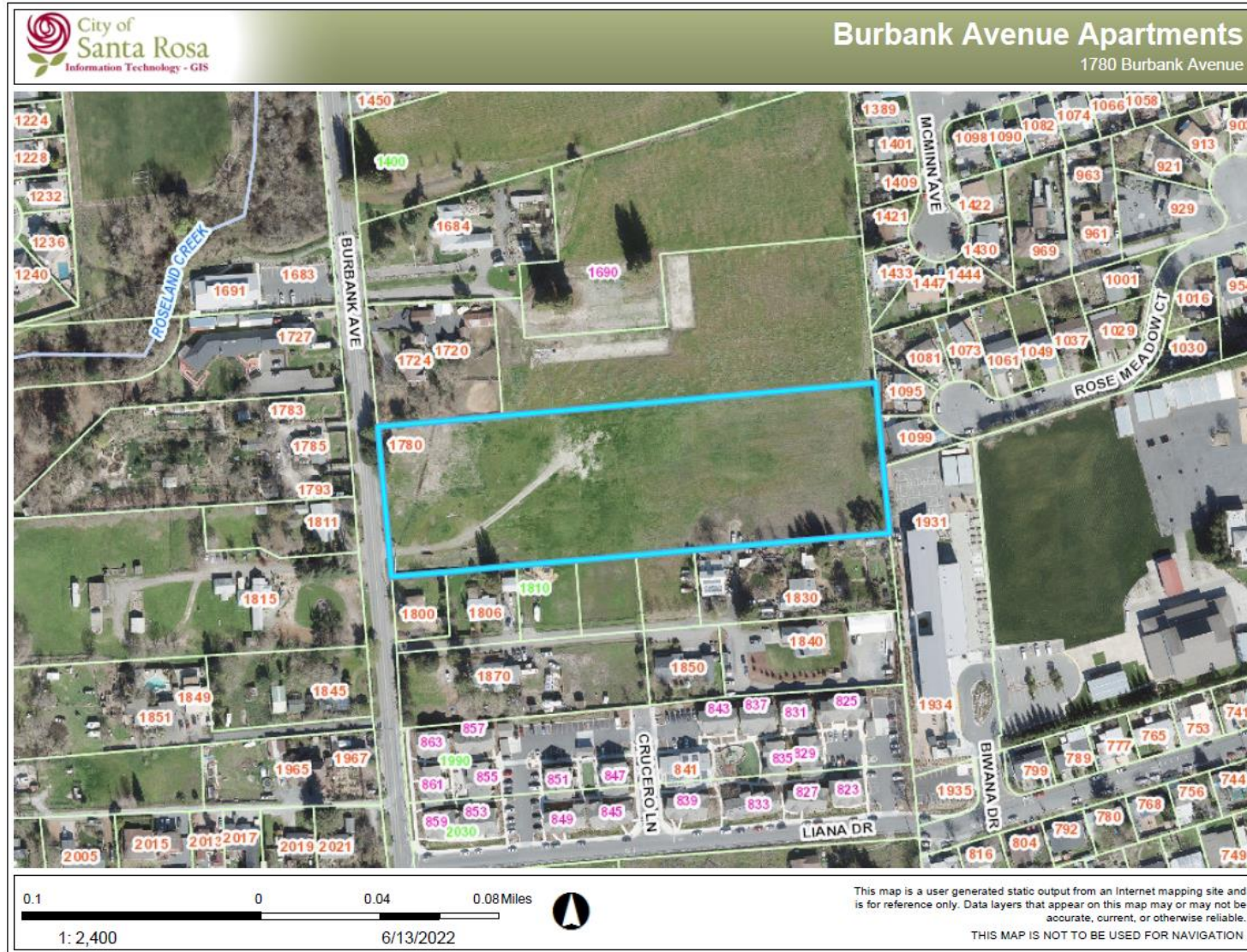
Affordability Mix:

- 16 units @ 20% AMI
- 8 units @ 30% AMI
- 13 units @ 40% AMI
- 14 units @ 50% AMI
- 12 units @ 60% AMI
- 1 unrestricted manager's unit

Environmental:

- CEQA review complete
- NEPA Environmental Assessment underway – public comment period ends Oct 5

Burbank Avenue Apartments



Burbank Avenue Apartments



Prior Housing Authority Awards

Award Date	Resolution Number	Entity	Funding Sources	Amount
June 22, 2020	1694	Waterstone Residential, LLC	Section 8 Project Based Vouchers	12
January 25, 2021	1704	WSA Burbank Housing Partner I, LP	Disaster Recovery- Multifamily Housing Program (CDBG-DR)	\$5,000,000
January 25, 2021	1707	WSA Burbank Housing Partners I, LP	Section 8 Project Based Vouchers	4
December 13, 2021	1731	WSA Burbank Housing Partners I, LP	Permanent Local Housing Allocation Program (PLHA)	\$284,325
June 20, 2022	1743	WSA Burbank Housing Partners I, LP	Various Local Funds	\$4,400,000
July 24, 2023	1759	WSA Burbank Housing Partners I, LP	Home Investment Partnership (HOME), Community Development Block Grant (CDBG), PLHA and Local Funds	\$3,500,000
			TOTAL PBVs	16
			Total Loan Commitments	\$13,184,325

Proposed

- Funding awards were made to different borrower entities for the Project as the ownership structure evolved over time.
- BHDC and Waterstone have requested modifications to prior Housing Authority awards to change the entity to BHDC Burbank Avenue LLC by and through BHDC and allow predevelopment costs as an eligible use for PLHA and local funds.
- BHDC Burbank Ave, LLC is wholly owned by Burbank Housing Development Corporation, a California nonprofit corporation.

Proposed

- BHDC is an experienced non-profit developer that will be taking over the development activities and assuming the loan and contract obligations by and through its subsidiary entity BHDC Burbank Ave, LLC.
- By changing the borrower entity to BHDC, Waterstone Residential will be removed from the ownership structure, but will remain involved with the Project as a consultant, providing support through construction completion.
- Due to future tax obligations to the Project if Waterstone remains in the ownership structure, it is financially beneficial to the Project to be held by BHDC Burbank Ave. LLC by and through BHDC .

BENEFIT

- Aligning all Housing Authority awards under BHDC Burbank Ave, LLC by and through BHDC will 1) maintain administrative consistency in the funding agreements, and 2) reduce a future tax obligation to the Project.
- Approval would allow the Project to include predevelopment-related costs as eligible uses of these funds will allow the project to draw down the funds and begin construction more quickly.

RECOMMENDATION

It is recommended by the Housing and Community Services Department that the Housing Authority, by resolution, modify Housing Authority Resolutions 1694, 1704, 1707, 1731, 1743, and 1759 to change borrower entity for the prior commitments for Burbank Avenue Apartments from Waterstone Residential, LLC and WSA Burbank Housing Partners I, LP to BHDC Burbank Ave, LLC, by and through Burbank Housing Development Corporation and allow predevelopment-related costs as an eligible use of funds.