



August 7, 2025

Rebecca Lane
Program Specialist
Housing and Community Services
City of Santa Rosa
100 Santa Rosa Ave
Santa Rosa, CA 95404

RE: Request for Modification and Extension of Existing Santa Rosa Housing Authority Loans and Regulatory Agreements for Paulin Creek, Papago Court, Baby Apples, and Olive Grove

Dear Rebecca:

Burbank Housing is pursuing a much-needed rehabilitation project for its properties **Paulin Creek, Papago Court, Baby Apples, and Olive Grove** in Santa Rosa, which combined have **232 units** of affordable housing. The rehabilitation project will improve the physical and financial viability of those properties, particularly Paulin Creek and Papago Court, and preserve the affordability of these homes well into the future. **This letter serves as Burbank Housing's request for a modification and extension of the existing Santa Rosa Housing Authority (SRHA) loans and regulatory agreements on these properties.**

The rehabilitation project is planned to be financed using tax-exempt bonds allocated by the California Debt Limit Allocation Committee (CDLAC) and low-income housing tax credits allocated by the California Tax Credit Allocation Committee (CTCAC), for which a combined CDLAC/CTCAC application is due on September 9, 2025. Award notification is anticipated for November 19, 2025, with construction closing anticipated for May 1, 2026.

The primary goal of the project is to provide much needed capital improvements to Paulin Creek and Papago Court, which Burbank Housing acquired on behalf of and at the request of the City of Santa Rosa in the early 1990s. Paulin Creek and Papago Court were part of the neighborhood revitalization efforts of the City of Santa Rosa in which significant investments were made to revive the community in the Apple Valley neighborhood. Thirty years later, however, Paulin Creek and Papago Court are now in need of substantial rehabilitation. The properties need new building envelopes, roofs, foundation repairs, heating system replacement, hot water heating system replacement, and interior improvements including kitchen and bathroom replacement.

The inclusion of Olive Grove in the scatter site project is to provide cross-subsidization to Papago Court, Paulin Creek, and Baby Apples. Olive Grove was constructed in 2007 and is in generally good condition, and its low capital needs and relatively high appraised value allows for a larger scope of work to be performed at the other properties. In all, the properties will get \$24 million of capital improvements through this project.

A critical component of the feasibility of the project is for the existing SRHA loans on the properties with a total unpaid principal balance of \$13,868,472 and the projected accrued interest on those loans of approximately \$6,449,642 to be combined into a single loan in the amount of approximately \$20,318,113 and extended to a new 57-year term from the anticipated closing date of May 1, 2025. We request that those loans have an interest rate of the higher of 3% or the Applicable Federal Rate ("AFR") as of the time of the loan closing (currently AFR is at 3.64% which is higher than the current interest rates of the existing SHRA loans).

The opportunity to get the low-income housing tax credits and the associate investment in these properties may not exist next year. The opportunity presents itself this year due to the federal change of the 50% test to 25%, resulting in a significant increase in the number of projects that will receive awards, paired with an anticipated surplus in tax-exempt bonds awarded from the surplus bond waitlist. Other developers are not as readily prepared to take advantage of this opportunity as Burbank for the Apples and Olive project due to the application that was prepared in 2024. Next year, many more developers may apply for bonds and tax credits for rehab/resyndication projects, making those bonds more competitive again next year. As such, this may be the best opportunity to get Papago Court and Paulin Creek rehabbed in the near future.



Through the rehabilitation and repositioning, long-term affordability will be ensured through the existing SRHA regulatory agreements being extended to a new 57-year term (or replaced with a new regulatory agreement for all of the properties). Additionally, the modified and extended loans and regulatory agreements will be assigned to a new tax credit partnership in which Burbank Housing would be the General Partner.

A list of the existing SRHA loans, attached as Exhibit A, includes the loan numbers, property names, property addresses, unpaid principal balances, accrued interest, and total loan balances including accrued interest to be combined into the new loan. . **For the purpose of the CDLAC/CTCAC application, we kindly request an updated commitment letter from SRHA, similar to the commitment SRHA provided in 2024** (a copy of which is attached hereto as Exhibit B), but without the loan forgiveness.

We greatly appreciate your consideration of this request and your partnership in ensuring the long-term affordability and viability of these important affordable housing properties. Please do not hesitate to contact me at jlin@burbankhousing.org or (707) 303-0590 with any questions.

Sincerely,



Jocelyn Lin
Chief Real Estate Development Officer

EXHIBIT A

Property	Address	Loan Number	Unpaid Principal Balance (as of 7/29/2025)	Accrued Interest (projected as of 9/9/2025)	Total Loan Balance with Accrued Interest (projected as of 9/9/2025)
Papago	2830 Papago Court Santa Rosa, CA	9029-0505-97	\$ 1,007,234.00	\$ 703,317.82	\$ 1,710,551.82
		9929-0515-97	\$ 137,416.00	\$ 97,834.04	\$ 235,250.04
		6924-9633-00	\$ 18,856.00	\$ 11,801.51	\$ 30,657.51
		6029-0773-98	\$ 68,856.00	\$ 46,932.12	\$ 115,788.12
		8624-9633-98	\$ 127,152.00	\$ 85,085.13	\$ 212,237.13
		9929-2505-14	\$ 1,470,646.00	\$ 245,682.70	\$ 1,716,328.70
		6824-9633-98	\$ 30,000.00	\$ 20,074.82	\$ 50,074.82
		9930-1665-06	\$ 298,000.00	\$ 119,905.46	\$ 417,905.46
Paulin	2824 Apple Valley Lane Santa Rosa, CA	9929-2555-15	\$ 1,143,881.00	\$ 307,090.97	\$ 1,450,971.97
		9929-0842-00	\$ 93,334.00	\$ 67,468.16	\$ 160,802.16
		9929-0732-01	\$ 160,000.00	\$ 112,018.58	\$ 272,018.58
		9929-0742-00	\$ 537,999.96	\$ 395,956.15	\$ 933,956.11
		9029-0673-99	\$ 193,230.00	\$ 145,254.94	\$ 338,484.94
		6029-0743-97	\$ 72,003.29	\$ 52,048.86	\$ 124,052.15
		9929-2515-14	\$ 1,075,000.00	\$ 313,559.20	\$ 1,388,559.20
		9930-1675-06	\$ 50,000.00	\$ 24,928.33	\$ 74,928.33
		9029-0732-00	\$ 146,000.00	\$ 107,662.72	\$ 253,662.72
		9929-0822-00	\$ 46,666.00	\$ 33,733.35	\$ 80,399.35
		9029-0663-99	\$ 233,230.00	\$ 175,763.91	\$ 408,993.91
		6029-0723-97	\$ 144,006.58	\$ 104,097.73	\$ 248,104.31
		9929-0782-00	\$ 46,000.00	\$ 33,921.13	\$ 79,921.13
		9029-0683-99	\$ 386,460.00	\$ 291,525.05	\$ 677,985.05
Baby	2862 & 2866 Apple Valley Santa Rosa, CA	6029-9353-98	\$ 30,000.00	\$ 24,936.16	\$ 54,936.16
		9929-2873-17	\$ 372,160.00	\$ 79,163.02	\$ 451,323.02
		8029-9353-98	\$ 51,839.95	\$ 38,174.84	\$ 90,014.79
	2870 & 2874 Apple Valley Santa Rosa, CA	8029-9354-98	\$ 17,000.00	\$ 14,130.49	\$ 31,130.49
		6029-9354-98	\$ 30,000.00	\$ 24,936.16	\$ 54,936.16
		9929-2883-17	\$ 372,161.00	\$ 79,163.23	\$ 451,324.23
		6929-9354-00	\$ 38,339.98	\$ 26,953.59	\$ 65,293.57
Olive	1945 Zinfandel Avenue Santa Rosa, CA	9930-1065-02	\$ 625,000.00	\$ 322,653.03	\$ 947,653.03
		9930-1085-02	\$ 176,000.00	\$ 90,859.09	\$ 266,859.09
		9930-1075-02	\$ 2,394,088.00	\$ 1,146,798.77	\$ 3,540,886.77
		9930-1125-03	\$ 1,275,912.00	\$ 582,757.47	\$ 1,858,669.47
		9030-0955-01	\$ 1,000,000.00	\$ 523,453.05	\$ 1,523,453.05
Totals			\$ 13,868,471.76	\$ 6,449,641.61	\$ 20,318,113.37



August 26, 2024

California Tax Credit Allocation Committee
915 Capitol Mall, Suite 485
Sacramento, CA 95814

REHABILITATION OF PAULIN CREEK, PAPAGO COURT, BABY APPLES, OLIVE GROVE APARTMENTS

To Whom It May Concern:

This letter is to acknowledge that the Housing Authority of the City of Santa Rosa ("Lender") supports the rehabilitation of Paulin Creek, Papago Court, Baby Apples and Olive Grove Apartments in Santa Rosa, known as the Apple Valley *Scattered Sites (Project)*. In supporting the rehabilitation, the Lender will modify the Project's loans to assign them to a new, single tax credit partnership, to be controlled by Burbank Housing Development Corporation (BHDC), Burbank Housing Neighborhood Revitalization Corporation (BHNRC) and its affiliates. Please find a summary of the Lender's loans and modifications attached to this letter as Exhibit A.

New Committed Loan Amounts and Terms

Type	Source	Principal Amount	Accrued Interest	Total Loan Amount	Interest Rate	New Loan Term
Loan	Housing Authority of the City of Santa Rosa	\$13,868,472	\$0	\$13,868,472	AFR at the time of construction closing	57 Years

BHDC and BHNRC have site control of the Project and will participate in the future ownership structure through BHDC which will serve as the General Partner. A new tax credit partnership will be created, Apple Valley Olive Grove, L.P.

The Lender supports this Project and will modify existing regulatory agreement and loans to align with the new tax credit financing. Modification includes extending the term of the existing loans and affordability restrictions for a 57-year term, forgiving the accrued interest before the tax-exempt bond closing date, and restating the unpaid principal balance at an interest rate of the Applicable Federal Rate (AFR) as of the date of the closing of the new financing. The Lender will also subordinate its loan(s) to the senior mortgage and senior residual receipts financing.

Finally, the Lender's regulatory agreements and loans will be assumed by the new ownership entity upon the acquisition and prior to the commencement of the rehabilitation of this project.

If you have any questions or require additional information, please contact Rebecca Lane, Program Specialist at 707-543-3305 or rlane@srcity.org.

Sincerely,

A handwritten signature in blue ink, appearing to read "Megan Basinger".

Megan Basinger
Executive Director, Housing Authority of the City of Santa Rosa

Exhibit A

Housing and Community Services
90 Santa Rosa Avenue • Santa Rosa, CA 95404
Phone: (707) 543-3300 • Fax: (707) 543-3353
www.srcity.org

Exhibit A
Summary of Loans from the Housing Authority of the City of Santa Rosa

Property	Address	Loan Number	Principal Balance as of 7/31/24 to be extended	Accrued Interest as of 7/31/24 to be forgiven
Papago Court	2832 Papago Court Santa Rosa, CA	9029-0505-97	\$1,007,234.00	\$669,789.35
		9929-0515-97	\$137,416.00	\$93,259.78
		6924-9633-00	\$18,856.00	\$11,173.84
		6029-0773-98	\$68,856.00	\$44,640.06
		8624-9633-98	\$127,152.00	\$80,852.54
		9929-2505-14	\$1,470,646.00	\$196,728.32
		6824-9633-98	\$30,000.00	\$19,076.19
		9930-1665-06	\$298,000.00	\$109,985.73
Paulin Creek	2824 Apple Valley Lane Santa Rosa, CA	9929-2555-15	\$1,143,881.00	\$269,013.84
		9929-0842-00	\$93,334.00	\$64,361.29
		9929-0732-01	\$160,000.00	\$106,692.55
		9929-0742-00	\$537,999.96	\$378,047.38
		9029-0673-99	\$193,230.00	\$138,822.76
		6029-0743-97	\$72,003.29	\$49,652.04
		9929-2515-14	\$1,075,000.00	\$277,774.95
		9930-1675-06	\$50,000.00	\$23,263.95
		9029-0732-00	\$146,000.00	\$102,802.72
		9929-0822-00	\$46,666.00	\$32,179.95
		9029-0663-99	\$233,230.00	\$168,000.23
		6029-0723-97	\$144,006.58	\$99,304.09
		9929-0782-00	\$46,000.00	\$32,389.90
		9029-0683-99	\$386,460.00	\$278,660.70
Baby Apples	2862 & 2866 Apple Valley	6029-9353-98	\$30,000.00	\$23,937.53
		9929-2873-17	\$372,160.00	\$66,774.68
		8029-9353-98	\$51,839.95	\$36,449.21
	2870 & 2874 Apple Valley	8029-9354-98	\$17,000.00	\$13,564.60
		6029-9354-98	\$30,000.00	\$23,937.53
		9929-2883-17	\$372,161.00	\$66,774.86
		6929-9354-00	\$38,339.98	\$25,677.34
Olive Grove	1945 Zinfandel Avenue Santa Rosa, CA	9930-1065-02	\$625,000.00	\$301,848.24
		9930-1085-02	\$176,000.00	\$85,000.46
		9930-1075-02	\$2,394,088.00	\$1,067,105.16
		9930-1125-03	\$1,275,912.00	\$540,285.33
		9030-0955-01	\$1,000,000.00	\$490,165.38
Totals			\$13,868,471.76	\$5,987,992.48