

RESOLUTION NO. \_\_\_\_\_

RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA APPROVING A CONDITIONAL ASSIGNMENT TO APPLE VALLEY OLIVE GROVE, L.P., EXTENSION OF THE TERM OF ITS LOAN NOS. 9929-0842-00, 9029-0673-99, 9929-0732-01, 6029-0743-97, 9929-0742-00, 9929-2555-15, 9929-2515-14, 9029-0732-00, 9930-1675-06, 9929-0822-00, 6029-0723-97, 9029-0663-99, 9029-0683-99 AND 9929-0782-00 TO PAULIN CREEK APARTMENTS INVESTORS, L.P FOR PAULIN CREEK APARTMENTS LOCATED AT VARIOUS ADDRESSES ON APPLE VALLEY LANE AND W. STEELE LANE, FROM JUNE 30, 2055 TO JUNE 30, 2083, AN EXTENSION OF THE REGULATORY AGREEMENT FROM JUNE 30, 2055 TO JUNE 30, 2083, AND SUBORDINATION OF ITS LOANS TO A REFINANCED SENIOR MORTGAGE

WHEREAS, the Housing Authority has provided loans to Paulin Creek Apartments Investors, L.P., through Burbank Housing Development Corporation (BHDC) for the acquisition and rehabilitation of Paulin Creek Apartments (Project) located at 2459, 2501 W. Steele Lane, 2808, 2812, 2816, 2820, 2824, 2828, 2841, 2833, 2813, 2809 Apple Valley Lane, Assessor's Parcel Numbers 015-520-023, 015-520-051, 015-520-024, 015-520-025, 015-520-026, 015-520-027, 015-520-055; 015-520-042, 015-520-044, 015-520-049, and 015-520-050; and

WHEREAS, the Project is a 48-unit multifamily rental development with 47 units affordable to very low- and low-income households; and

WHEREAS, the Housing Authority has provided the Project with fourteen loans in the outstanding principal amount of \$4,327,810.83 and accrued interest, as of July 31, 2025, in the amount of \$2,150,800.67 (Loans); and

WHEREAS, the Loans have a due date of June 14, 2049, and are secured against the subject properties by a Deed of Trust; and

WHEREAS, the Project is governed by a 55-year Regulatory Agreement restricting the affordability of the Project through June 30, 2055, with the following unit mix: 17 units affordable to households at 50% of AMI and 30 units affordable to households at 60% AMI and 1 unrestricted managers' unit; and

WHEREAS, in addition to loans from the Housing Authority, the Project is also encumbered by a loan from Citibank and a loan from Burbank Housing Development Corporation that are ahead of the Housing Authority; and

WHEREAS, BHDC desires to consolidate the Project with four other project sites, 2862 & 2866 Apple Valley Lane, 2870 & 2874 Apple Valley Lane, Papago Court Apartments and Olive Grove Apartments in order to apply for and obtain tax credits for a "scattered-site" project identified as Apple Valley Scattered Sites that will fund rehabilitation at all five project sites; and

WHEREAS, as identified in the proposal, the 47 units at Paulin Creek will have the following

affordability mix: 18 units affordable to households at 50% of AMI, 29 units affordable to households at 60% of AMI, and one unrestricted manager's unit; and

WHEREAS, conditional approval of the loan extension preserves 47 units of affordable housing and will allow BHDC to conduct necessary rehabilitation of the Project and extend the term of the Regulatory Agreement by 28 years, insuring additional affordability for Santa Rosa residents; and

NOW, THEREFORE, BE IT RESOLVED that the Housing Authority of the City of Santa Rosa hereby conditionally approves the following:

1. Assignment of the Paulin Creek Apartments Investors, L.P., loan to Apple Valley Olive Grove L.P.
2. Extension of the term of its loans for Paulin Creek Apartments for 34 years, from June 14, 2049, to June 30, 2083.
3. Extension of the term of the associated Regulatory Agreement, from June 30, 2055, to June 30, 2083.
4. Subordination of the loan(s) to the new senior mortgage and any applicable CDLAC/CTCAC requirements.

BE IT FURTHER RESOLVED that the Housing Authority of the City of Santa Rosa hereby approves the conditional consolidation of the loans subject to the following conditions:

1. The consolidation of loans will only occur if the scattered-site project is awarded tax-exempt bonds and tax credits.
2. As of the date of the executed loan consolidation documents, the new interest rate will be set at the Applicable Federal Rate, but at a rate no lower than 3%, simple interest, residual cash receipts for term of the loan.
3. The rehabilitation of units at the Project must be in compliance with the Federal Fair Housing Act regarding accessibility of housing units;
4. The borrower will enter into a new Regulatory Agreement which may result in an increase to the annual compliance monitoring fees charged for the affordable units.

BE IT FURTHER RESOLVED that the Housing Authority hereby authorizes the Executive Director to execute any and all agreements necessary or convenient to effectuate the applicable loan modification and consolidation, regulatory agreement amendment, the subordination agreement, and any other related documents required by the senior lender consistent with this Resolution.

IN HOUSING AUTHORITY DULY PASSED this 25<sup>th</sup> day of August, 2025.

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST: \_\_\_\_\_ APPROVED: \_\_\_\_\_  
Secretary Chair

APPROVED AS TO FORM: \_\_\_\_\_  
Authority General Counsel