

RESOLUTION NO. _____

RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA APPROVING A COMMITMENT OF LOAN FUNDS IN THE AMOUNT OF \$2,585,610 TO BRJE HOUSING PARTNERS, LP FOR PREDEVELOPMENT AND CONSTRUCTION-RELATED COSTS FOR 3575 MENDOCINO AVENUE PHASE III, 3575 MENDOCINO AVENUE, SANTA ROSA, CALIFORNIA; APN 173-030-032

WHEREAS, the Housing Authority issued two Notices of Funding Availability (“NOFA”) on May 10, 2023, announcing approximately \$8,700,000 combined from federal, state, and local funds for acquisition, rehabilitation and new construction of affordable housing, and applications were due on June 9, 2023; and

WHEREAS, the Housing Authority received five applications requesting approximately \$13,000,000; and

WHEREAS, four of the five applications submitted were complete and reviewed by a Housing Authority Ad-Hoc Application Review Committee; and

WHEREAS, BRJE Housing Partners, LP submitted an application requesting \$3,850,000 for predevelopment and construction-related costs associated with 30 new affordable senior housing units, located at 3575 Mendocino Avenue, Santa Rosa, California, APN 173-030-032 (“Project”); and

WHEREAS, Chair Owen appointed Vice-Chair LaPenna and Commissioner Newton to the Ad-Hoc Committee which met with staff on July 7, 2023 to review the applications and make a funding recommendation to the Housing Authority; and

WHEREAS, following review and ranking of the funding requests, the Project received a score of 66%, and was ranked fourth among the applications received, resulting in a partial funding recommendation by the Ad-Hoc due to insufficient available funds for a full award; and

WHEREAS, the NOFA Ad Hoc Review Committee and staff recommend partial funding for the Project because it meets the selection criteria evaluation and scoring factors described in the NOFA; and

WHEREAS, the Project has been reviewed in compliance with the California Environmental Quality Act (“CEQA”) in that a Sustainable Communities Environmental Assessment (“SCEA”) was prepared and circulated for public review for a 30-day period, and the SCEA determined that there would be no significant and unavoidable environmental impacts of the Project, and compliance; and was in compliance with standard measures and project-specific mitigation measures, as approved by the Santa Rosa City Council on December 15, 2020 via Ordinance No. ORD-2020-019; and

WHEREAS, the Project completed an Environmental Assessment under the National Environmental Policy Act of 1969 (“NEPA”) in July 2021.

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

1. A commitment of loan funds in the amount of Two Million Five Hundred Eighty-Five Thousand Six Hundred Ten and No/100 Dollars (\$2,585,610.00) for predevelopment and construction-related costs to BRJE Housing Partners LP for the Project, subject to the conditions and terms including but not limited to the items listed below.
2. The commitment of the loan funds is subject to the General Loan Conditions adopted by the Housing Authority by Resolution No. 806 on January 23, 1995, including satisfaction of all loan underwriting conditions and the applicable funding guidelines.
3. The Low-Income Housing Production Subsidy Program Policy Maximum Cost Schedule and the Loan Schedule are waived, as costs have increased since the Policy was approved.
5. A loan term of 55 years at 3% simple interest per annum, deferred payments, residual cash receipts, secured by a Deed of Trust; and a 55-year term of affordability through a Regulatory Agreement recorded against the property.
6. Affordability mix that includes 6 units targeted to senior households with incomes up to 30% of Area Median Income (“AMI”), 17 units targeted to senior households with incomes up to 50% of AMI, and 7 units targeted to senior households with incomes up to 60% of AMI.
7. The proposed unit mix is anticipated to include 30 one-bedroom units.
8. The loan shall be due and payable in full if construction has not commenced by January 31, 2025, and is not completed by March 31, 2026, unless these dates are extended, in writing, by the Executive Director.

BE IT FURTHER RESOLVED that the Housing Authority hereby approves subordination of Housing Authority loan(s) to senior financing in a form approved by Housing Authority General Counsel, if required by other lenders.

BE IT FURTHER RESOLVED that the Housing Authority hereby approves an allocation of 30 Article XXXIV units pursuant to locally approved Measure K of the California Constitution.

BE IT FURTHER RESOLVED that the Housing Authority hereby authorizes the Executive Director to execute agreements and related loan documents for the Project consistent with this Resolution.

BE IT FURTHER RESOLVED that the Housing Authority hereby authorizes the Chief Financial Officer to pay all claims for the loan in an amount not to exceed Two Million Five Hundred Eighty-Five Thousand Six Hundred Ten and No/100 Dollars (\$2,585,610.00) to BRJE Housing Partners LP, from the following Key Number(s) or as otherwise determined by the Executive Director:

Source	Fund	Key	Loan No.	Amount
Operating Reserve Fund	2130	340708	9920-3715-23	\$230,000.00
Real Property Transfer Tax	2285	340902	9920-3725-23	\$1,778,298.00
Low/Mod Income Housing	2291	340405	9920-3735-23	\$12,576.00
Housing Impact	2296	340104	9920-3745-23	\$564,736.00
Total				\$2,585,610.00

IN HOUSING AUTHORITY DULY PASSED this 24th day of July, 2023.

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST: _____ APPROVED: _____
Secretary Chair

APPROVED AS TO FORM: _____
City Attorney