



**BURBANK HOUSING DEVELOPMENT CORPORATION AND
BURBANK HOUSING NEIGHBORHOOD REVITALIZATION
CORPORATION'S REQUEST FOR A CONDITIONAL
CONSOLIDATION, EXTENSION AND MODIFICATION OF
LOAN TERMS FOR 2862 AND 2866 APPLE VALLEY LANE,
2870 AND 2874 APPLE VALLEY LANE, PAPAGO COURT,
PAULIN CREEK, AND OLIVE GROVE APARTMENTS**

Housing Authority Meeting
August 25, 2025

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Housing & Community Services

Apple Valley Scattered Sites

- Burbank Housing is pursuing a tax credit and bond application to finance the rehabilitation of 5 project sites as a single “scattered-site” project – Apple Valley Scattered Sites
 - 2862 and 2866 Apple Valley Lane
 - 2870 and 2874 Apple Valley Lane
 - Paulin Creek Apartments
 - Papago Court Apartments
 - Olive Grove Apartments

Apple Valley Scattered Sites

- Apple Valley Scattered Sites is applying for 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)
- The combined CDLAC/CTCAC application is due on September 9, 2025

CURRENT PROJECT INFORMATION

2862 & 2866 Apple Valley Lane (Baby Apples)

- Acquired and initially rehabilitated by Burbank Housing in 1997
- 4 units, 3 affordable to 60% of AMI
- Existing Loan
 - \$453,999.95 in unpaid principal
 - \$140,781.42 in accrued interest (7/31/25)
 - \$594,781.37

CURRENT PROJECT INFORMATION

2870 & 2874 Apple Valley Lane (Baby Apples)

- Acquired and initially rehabilitated by Burbank Housing in 1997
- 4 units, 3 affordable to 60% of AMI
- Existing Loan
 - \$453,500.98 in unpaid principal
 - \$142,679.36 in accrued interest (7/31/25)
 - \$601,180.34

CURRENT PROJECT INFORMATION

Papago Court Apartments

- Acquired and initially rehabilitated by Burbank in 1997
- Located at 2820 – 2838 Papago Court and 2852 and 2860 Apple Valley Lane
- 48 units, 47 affordable to 50% and 60% of AMI
- Existing Loan
 - \$3,158,160.00 in unpaid principal
 - \$1,320,250.60 in accrued interest (7/31/25)
 - \$4,478,410.60

CURRENT PROJECT INFORMATION

Paulin Creek Apartments

- Acquired and rehabilitated by Burbank Housing in 1997
- Located at various addresses on Apple Valley Lane and West Steele Lane
- 48 units, 47 affordable to 50% and 60% of AMI
- Existing Loan
 - \$4,327,810.83 in unpaid principal
 - \$2,150,800.67 in accrued interest (7/31/25)
 - \$6,478,611.50

CURRENT PROJECT INFORMATION

Olive Grove Apartments

- Constructed by Burbank Housing in 1997
- Located at 1905 -1985 Zinfandel Avenue
- 128 units, 126 affordable to 30%, 50%, and 60% of AMI
- Existing Loan
 - \$5,471,000.00 in unpaid principal
 - \$2,504,229.57 in accrued interest (7/31/24)
 - \$7,975,229.57

LOAN CONSOLIDATION REQUEST

- Combined loans:
 - \$13,868,471.76 - unpaid principal
 - \$ 6,259,741.62 - accrued interest as of 7/31/25
 - \$20,128,213.38 TOTAL
- Extending and modifying the loan terms will allow Burbank Housing to pursue tax credits and bonds for rehabilitation

PROPOSED REHABILITATION PROJECT

- Proposed rehabilitation hard costs of Apple Valley Scattered Sites are \$22.9M
- There is an anticipated surplus in tax-exempt bonds allocated by CDLAC
- The next application round in 2026 may not include the opportunity for rehabilitation funds and the competition for future funds is unknown

PROPOSED LOAN MODIFICATION

- Loan consolidation, extension and modification is conditioned upon Burbank Housing's successful application for rehabilitation funds through CDLAC/CTCAC for the new scattered-site project
- Loan modification will include a new regulatory agreement with a 57-year term
- Extends the affordability of all five sites through the June 30, 2083
- The consolidated loan of \$20,128,213.38 will begin accruing interest at the Applicable Federal Rate (AFR), which is currently 3.64% ,with a floor of 3%, equal to the current interest rate on the existing loans

RECOMMENDATION

It is recommended by the Housing and Community Services Department that the Housing Authority, by five resolutions, conditionally approve a consolidation, extension and modification to the loans for 2862 and 2866 Apple Valley Lane, 2870 and 2874 Apple Valley Lane, Papago Court, Paulin Creek and Olive Grove Apartments to: 1) consolidate the existing loans that are secured on the five project sites into a single loan; 2) change the interest rate from 3% to the Applicable Federal Rate as of the date of execution of the consolidated Loan Agreement with a floor of 3%; 3) extend the loan term(s) for 57 years; 4) extend the term of the Regulatory Agreements recorded against each project site to June 30, 2083; and 5) assign the loans and loan agreements to Apple Valley Olive Grove, L.P.