

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. 6029-9353-98, 9929-2873-17, AND 8029-9353-98 LOCATED AT 2862 AND 2866 APPLE VALLEY LANE, FROM AUGUST 9, 2048 TO JUNE 30, 2083, AN EXTENSION OF THE REGULATORY AGREEMENT FROM OCTOBER 19, 2061 TO JUNE 30, 2083, AND SUBORDINATION OF ITS LOANS TO A REFINANCED SENIOR MORTGAGE

WHEREAS, the Housing Authority has provided loans to Burbank Housing Development Corporation (BHDC) for the acquisition and rehabilitation of Apple Valley Apartments (Project) located at 2862 and 2866 Apple Valley Lane, Assessor's Parcel Number 015-520-038; and

WHEREAS, the Project is a 4-unit multifamily rental development with three units affordable to low-income households; and

WHEREAS, the Housing Authority has provided the Project with three loans in the outstanding principal amount of \$453,999.95 and accrued interest, as of July 31, 2025, in the amount of \$140,781.42 (Loans); and

WHEREAS, the Loans have a due date of August 9, 2048, and are secured against the subject property by a Deed of Trust; and

WHEREAS, the Project is governed by a 55-year Regulatory Agreement restricting the affordability of the Project through January 1, 2053 with the following unit mix: 3 units affordable to households at 60% AMI and 1 unrestricted manager's unit; and

WHEREAS, the Project is owned by BHDC and in addition to the Housing Authority loans, the Project is also encumbered by a first mortgage from Midland Mortgage, Inc. that is in first lien position; and

WHEREAS, BHDC desires to consolidate the Project with four other sites, 2870 and 2874 Apple Valley Lane, Paulin Creek Apartments, 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, of the 4 units at 2862 and 2866 Apple Valley Lane, 4 will be affordable to households at 60% of AMI; and

WHEREAS, conditional approval of the loan extension and extension of the term of the Regulatory Agreement will maintain three units of affordable housing, add one unit of affordable housing, and will allow BHDC to conduct necessary rehabilitation of the Project and extend the term of the Regulatory Agreement by 21 years, ensuring 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 loans to 2862 and 2866 Apple Valley Lane to Apple Valley Olive Grove L.P.;
2. Extension of the term of its loans for 2862 and 2866 Apple Valley Lane for 34 years, from August 9, 2048 to June 30, 2083; and
3. Extension of the term of the associated Regulatory Agreement, from January 1, 2053 to June 30, 2083; and
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 the 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 the applicable loan modification, 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 25th day of August, 2025.

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST: _____ APPROVED: _____
Secretary Chair

APPROVED AS TO FORM: _____
Authority General Counsel