



Housing Authority of the County of Stanislaus

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Date: February 26, 2018

To: Board of Commissioners

From: Barbara S. Kauss, Executive Director

Subject: Action Item 1 - Authorizing the use of Neighborhood Stabilization Funds for Development of an Affordable Housing Residential Community.

Prepared By: Jim Kruse, Deputy Director

Resolution No. 17-18-16

Recommendation

Staff recommends approval and authorization for the Executive Director to execute a loan agreement of \$3,000,000.00 in Neighborhood Stabilization Funds received from the County of Stanislaus for the Oak Leaf Meadows multi-family affordable housing residential development.

Background

The Board of Commissioners adopted a Strategic Plan for Responsible Expansion in February of 2016. Part of the plan included the development of an affordable multifamily housing complex in the City of Oakdale California named Oak Leaf Meadows This development conforms to the Housing Authority's Mission to provide decent, safe and affordable rental housing and providing opportunities for upgrading affordable housing stock, improving infrastructure and stabilizing and creating desirable neighborhoods.

The Housing Authority has been supportive of Oak Leaf Meadows which is being co-developed by the Housing Authority's Ancillary Nonprofit Great Valley Housing Development Corporation (GVHDC) and Visionary Home Builders, Inc. (VHB). The Housing Authority has contributed \$100,000 to the Oakleaf Meadows and provided GVHDC with \$65,000 to enter into a development services contract with VHB. The \$100,000 contribution was redirected from a previously authorized loan to GVHDC for a proposed development on 717-18-20 18th St. Modesto California by resolution 16-17-10 on March 6, 2017.

The development team has been working diligently on preparing a tax credit application for the February 28, 2018 application deadline. The tax credit application regulations are subject to frequent changes and as such require diligence and flexibility on the part of the applicant organizations. One of the changes that has occurred is the scoring mechanism for funds contributed to the development and the points associated with such contributions. The County of Stanislaus has previously committed a sum of \$3,000,000.00 in Neighborhood Stabilization Program (NSP 1) funds to Oak Leaf Meadows. Originally the NSP 1 funds were to be provide through a grant but the new tax credit scoring indicate that the scoring would be more

beneficial to be provided through a loan. The County of Stanislaus has prepared the documentation for the \$3,000,000.00 NSP 1 funding to be provided to the Housing Authority through its existing NSP 1 agreement. The Housing Authority is requesting that the board of commissioners Authorize entering into a conditional loan agreement with the development partnership between Visionary Home Builders of California and Great Valley Housing Development Corporation, the Housing Authority of Stanislaus's affiliated non-profit public benefit corporation for the designated County NSP 1 funds of \$3,000,000.00. Loan documents would be prepared through the Housing Authority's General Counsel's Office.

Attachments

None

RESOLUTION NO. 17-18-16

**RESOLUTION AUTHORIZING USE OF NEIGHBORHOOD STABILIZATION FUNDS
FOR DEVELOPMENT OF AN AFFORDABLE HOUSING RESIDENTIAL PROJECT**

WHEREAS, On January 16, 2018, the City of Oakdale approved for development an affordable housing and multi-family residential project – Oak Leaf Meadows Project.

WHEREAS, The Housing Authority has provided a \$100,000 loan to the Oak Leaf Meadows project and \$65,000 to Great Valley Housing Development Corporation for development at the Oak Leaf Meadows Project; and

WHEREAS, Oak Leaf Meadows is a proposed multi-family affordable rental housing partnership Community between Visionary Home Builders of California and Great Valley Housing Development Corporation, the Housing Authority of Stanislaus's affiliated non-profit public benefit corporation. The development site is located at 1135 E. J Street in Oakdale, California which is owned by the Housing Authority of the County of Stanislaus;

WHEREAS, funding for development of Oakleaf Meadows is being pursued with the State of California by way of an application for tax credits from the low-income housing tax credit incentive program. If the application is granted, the tax credits will be syndicated to investors to raise funds for the project. Additionally, the County of Stanislaus has committed for the Housing Authority the sum of three million dollars from the Neighborhood Stabilization Program ("NSP funds");

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Housing Authority of the County of Stanislaus, that;

1. The NSP funds received by the Housing Authority of Stanislaus from the County of Stanislaus are hereby conditionally committed to and shall be utilized as funding for the Oakleaf Meadows Community;
2. This commitment is contingent upon and shall have no force and effect in the event the application for tax credits is not granted by the tax credit incentive program;
3. The Executive Director is authorized to execute the Loan Agreements and all of its related documents; and
4. That the Executive Director is hereby authorized and directed to take any and all actions and to execute any and all certificates, agreements and other documents which may be required in connection with the Authority's provision of financing for his project; and
5. This resolution shall take effect immediately

DULY AND REGULARLY ADOPTED by the Board of Commissioners of the Housing Authority of the County of Stanislaus this 26th day of February, 2018.

On Motion of Commissioner _____, seconded by Commissioner
_____ and on the roll call vote

AYES

NAYS

ABSTAIN

ABSENT

Approved: _____
Chairman

Attest: _____
Secretary