



Stanislaus Regional Housing Authority

ALPINE | AMADOR | CALAVERAS | INYO | MARIPOSA
MONO | STANISLAUS | TUOLUMNE COUNTIES

DATE: July 27, 2020
TO: Board of Commissioners
FROM: Barbara S. Kauss, Executive Director
SUBJECT: Action Item #10 **Consider Approving** the use of \$552,200 in Housing Authority General Funds, Bank Loan Financing or a combination of the two to complete the construction of nine (9) residential units and one community building at 416 E Coolidge Avenue, Modesto CA.

PREPARED BY: Jim Kruse, Deputy Director

RESOLUTION NO: 19-20-37

RECOMMENDATION:

Staffs recommends that the Board of Commissioners authorizes the use of up to \$552,200 in Housing Authority General Funds, Loan Financing, or a combination of the two to complete the construction of the Kestrel Ridge development located at 416 Coolidge Avenue, Modesto CA. The development consists of nine (9) one-bedroom residential units and one (1) community building and is designated for the use of behavioral health clients.

SUMMARY

March 9, 2017 the Housing Authority Board of Commissioners authorized the purchase of the property at 416 Coolidge Ave, Modesto CA for the purpose of developing a ten (10) unit affordable housing complex. The Board also authorized the acceptance of \$800,000 in City of Modesto Community Development Block Grant (CDBG) funding and \$250,000 in Stanislaus County Behavioral Health Mental Health Service Act funding (MHSA) for the development of the project. The initial project budget was premised on the pricing received from current development costs of units completed within the previous six months.

During the planning review process this project was determined to be considered a commercial residential development rather than the previous projects which had been designated as residential units. The change in designation mandated increased storm water retention requirements increasing the overall costs of the project by nearly \$650,000. Housing Authority staff meet with the City of Modesto planning staff to review options for reducing the additional costs however because of the configuration of the property only minimal changes could be made. The lot is narrow and deep resulting in the need to excavate the drainage basins, prepare and refill the storm water retention basins, compact the area and then re excavate for the unit foundations. The eight (8) residential modular units and the community building have already been procured and are awaiting the foundation to be set to complete the project. Staff is requesting the use of additional Housing Authority General funds, bank loan financing or a combination of the two to complete the project.

Alternate Options:

Option 1: Reject Staff's request for additional funding to complete the project. This would result in the project being placed on hold until additional funding is acquired.

Fiscal Impact: Total cost \$550,200 loan.





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RESOLUTION NO. 19-20-37

RESOLUTION APPROVING THE USE OF \$552,200 TO COMPLETE THE CONSTRUCTION OF NINE (9) RESIDENTIAL UNITS AND ONE COMMUNITY BUILDING AT 416 E COOLIDGE AVENUE, MODESTO CA.

WHEREAS, the Housing Authority of the County of Stanislaus desires to provide additional affordable housing opportunities in the community; and

WHEREAS, a parcel of land at 416 E. Coolidge Avenue, Modesto, CA has been purchased for the development of affordable housing; and

WHEREAS, the City of Modesto has committed \$800,000 in Community Development Block Grant funding to the development; and

WHEREAS, the Stanislaus County Behavioral Health Department has committed \$250,000 in Mental Health Service Act funding to the development; and

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

1. The Chief Executive Officer/Executive Director is hereby authorized to expend Housing Authority General funds and/or to apply for loan financing or a combination of the two in the amount of \$552,200 for housing development at 416 Coolidge Avenue.
2. The CEO/Executive Director is authorized, after legal review, to sign all necessary documents and take all necessary actions to execute grant agreements including but not limited to:
 - a. Loan agreements.
 - b. Grant agreements.
 - c. Amendments to previously executed loans and grants.
 - d. Real estate documents.
 - e. Banking documents.
 - f. Lease agreements.
 - g. Grant applications
 - h. Contractual and grant billing statements.
3. 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 27th day of July 2020.

On motion of Commissioner , seconded by , and on the following roll call

AYES:

NAYS:

ABSTAIN:

ABSENT:

Approved: _____

Chairperson

Attest: _____

Secretary