



Stanislaus Regional Housing Authority

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Date: January 17, 2023
To: Board of Commissioners
From: Jim Kruse, Executive Director
Subject: ACTION ITEM #4 - Resolution approving Stanislaus Regional Housing Authority to apply for and accept the F&M Bank's construction financing for the scattered site development known as Central Valley Homes.

Resolution No. 22-23-13

BACKGROUND:

Stanislaus Regional Housing Authority, Stanislaus Behavioral Health and Recovery Services (BHRS), Stanislaus County Planning & Community Development (County), California Department of Housing and Community Development (HCD) and the City of Modesto (City) have been collaborating on the development of the Central Valley Homes permanent supportive housing development located at the 400 Block of Vine Street in Modesto and 1143 Park Street in Turlock. The Vine Street development consists of 23 detached units for Veterans and BHRS recipients; and a 12-unit affordable Senior complex. The Park Street location consist of three (3) existing units that will be renovated and designated for BHRS recipients.

Since the acquisition of the properties in 2019, the Stanislaus Regional Housing Authority has been further developing the scope of the project and securing funding. This project is in partnership with County BHRS No Place Like Homes (NPLH) funds and Mental Health Services Act (MHSA) funds; City of Modesto Permanent Location Housing Allocation (PLHA) funds, HOME Investment Partnership (HOME) funds, Community Housing Development Organization (CHDO) funds and Community Development Block Grant (CDBG) funds; and with the F&M Bank construction loan in the amount of approximately \$2,965,239, will bring the full scope of this project into realization.

Staff received a Credit proposal from F&M Bank for a 2-year Revolving Construction Line of Credit with conversion to perm after construction. Perm amount to be amortized over 30 years. Loan secured by 1st Deed of Trust on both properties. The interest rate will be a fixed interest rate based on the 10-year US Treasury Bill.

RECOMMENDATION

Following review and discussion, staff recommends the Board of Commissioners approve and authorize the Executive Director to execute loan documents to provide construction financing for the development.

FISCAL IMPACT

Potential loan funding in the amount of \$2,965,239.

ATTACHMENTS:

Resolution No. 22-23-13





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RESOLUTION NO. 22-23-13

RESOLUTION APPROVING STANISLAUS REGIONAL HOUSING AUTHORITY TO APPLY FOR AND ACCEPT THE F&M BANK CONSTRUCTION FINANCING FOR THE SCATTERED SITE DEVELOPMENT KNOWN AS CENTRAL VALLEY HOMES

WHEREAS, the Stanislaus Regional Housing Authority has determined that a need exists and desires to construct 23 affordable single-family homes for Veterans and BHRS recipients; and a 12-unit affordable Senior complex at the 400 Block of Vine Street in Modesto; and rehabilitation of a triplex at 1143 Park Street in Turlock; and

WHEREAS, the Authority has determined the construction of homes will require the Authority to enter into a financing agreement between the Authority and F&M Bank in order to provide needed construction and permanent financing; and

WHEREAS, the Executive Director will review and approve any funding documents for compliance with Housing Authority policies; and

WHEREAS, the Executive Director will have legal review and approval of any funding documents; and

WHEREAS, the Executive Director is authorized to take all necessary action to execute funding related agreements; and

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

1. The Executive Director is authorized to apply for construction/perm financing in the amount up to \$2,965,239 for development and improvement activities at the 400 Block of Vine Street in Modesto, CA and 1143 Park Street in Turlock, CA.
2. The Executive Director is authorized, after legal review, to sign all necessary documents and take all necessary actions to execute loan documents and any other funding related documents. This Resolution shall take effect immediately.

DULY AND REGULARLY ADOPTED by the Board of Commissioners of Stanislaus Regional Housing Authority this 17th Day of January, 2023. On motion of Commissioner _____, seconded by Commissioner _____, and on the following roll call vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:



Approved: _____
Chairperson

Attest: _____
Secretary