



Stanislaus Regional Housing Authority

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Date: January 17, 2023
To: Board of Commissioners
From: Jim Kruse, Executive Director
Subject: ACTION ITEM #5 - Resolution approving Stanislaus Regional Housing Authority to apply for and accept the F&M Bank's construction financing for the Edwards Estates Development of 33 affordable single-family homes for sale at Bellingham Way, Modesto, CA

Resolution No. 22-23-14

BACKGROUND:

Edwards Estates is located on the corner of Belharbour Drive and Bellingham Way in Modesto, CA. The original property was a total of 5 acres purchased in 2002. A portion of the property was used for the development of the 20-unit Village One apartment complex in 2006 and remains in the Authority's housing stock. The remaining property was divided into 35 lots for the future development of single-family homes for sale under a ground lease structure. The ground lease structure provides the Authority control to preserve the housing affordability; control of the property aesthetics and a funding mechanism to maintain the streets which are owned by the Housing Authority. In August 2018, the Great Valley Housing Development Corporation received HOME funds from the City of Modesto for the construction of the first two single family homes (Phase I). These homes were completed and sold in 2021. The development of the remaining 33 lots (Phase II) was delayed due to the pandemic but is now ready for construction. On April 14, 2022, The Board of Commissioners approved Resolution 21-22-17 approving the contract with Affordable Luxury Homes for the construction of the Phase II units. Approval of this resolution will allow the construction of the 33 units to begin.

Financing proposal provided by F&M Bank is for a 2-year Revolving Construction Line of Credit secured by a 1st Deed of Trust. The proposed interest rate is a variable Base plus 0.25%.

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 of the 33 single family homes.

FISCAL IMPACT

Potential loan funding in the amount of \$4,500,000

ATTACHMENT:

Resolution No. 22-23-14





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RESOLUTION NO. 22-23-14

RESOLUTION APPROVING STANISLAUS REGIONAL HOUSING AUTHORITY TO APPLY FOR AND ACCEPT THE F&M BANK CONSTRUCTION FINANCING FOR THE EDWARDS ESTATES DEVELOPMENT OF 33 AFFORDABLE SINGLE-FAMILY HOMES AT BELLINGHAM WAY, MODESTO, CA

WHEREAS, the Stanislaus Regional Housing Authority has determined that a need exists and desires to construct 33 affordable single-family homes for sales subject to a ground lease held by the Authority; and

WHEREAS, the Authority has determined the construction of homes will require the Authority enter into a financing agreement between the Authority and F&M Bank to provide needed construction 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 financing in the amount up to \$4,500,000 for development and improvement activities for 33 lots located at Edwards Estates, Bellingham Way, Modesto, 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