



Stanislaus Regional Housing Authority

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Date: April 13, 2023
To: Board of Commissioners
From: Jim Kruse, Executive Director
Subject: ACTION ITEM #2 - Consider approving Stanislaus Regional Housing Authority to apply for and accept the City of Modesto's Permanent Local Housing Allocation (PLHA) for Phase II of The 1612.

Resolution No. 22-23-29

BACKGROUND:

In 2019 the Housing Authority purchased the Clarion Hotel with the intention of converting the use of the building into the Housing Authority's Main Public Housing Administrative Office and the conversion of 144 units into affordable Workforce Housing units. At the time of the acquisition the project obtained funding sufficient to meet the conversion of the Public Housing Office (Phase I), which is nearly completed, and the conversion of the 144 Workforce Housing units (Phase II).

In early 2020 the Country experienced a wide range of challenges such as COVID-19 epidemic which resulted in business closures, economic declines, material shortages, and labor shortages. These conditions have resulted in cost increases almost triple the original cost estimates for the Workforce Housing conversion. In order to complete the project, staff has worked to develop an alternate financing package that will include a mix of California Housing Finance Agency (CalHFA) funding, 4% Tax Credit Allocations, and PLHA funding from the City of Modesto (City). Staff intends to secure financing and start construction in the November 2023, or earlier if funding is received, with a 12–15-month completion date.

The City is the direct recipient of several funding sources that are dedicated to the development of affordable housing within the City of Modesto. The proposed funding allocations will not exceed \$2,000,000 in PLHA loan funds.

RECOMMENDATION

Following review and discussion, staff recommends the Board of Commissioners approve and authorize the Executive Director to apply for and receive City of Modesto PHLA funds.

FISCAL IMPACT

Potential funding not to exceed the amount of \$2,000,000 PLHA funding.

ATTACHMENTS:

Resolution No. 22-23-29





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RESOLUTION NO. 22-23-29

RESOLUTION APPROVING STANISLAUS REGIONAL HOUSING AUTHORITY TO APPLY FOR AND ACCEPT THE CITY OF MODESTO’S PERMANENT LOCAL HOUSING ALLOCATION (PLHA) FOR PHASE II OF THE 1612

WHEREAS, the Stanislaus Regional Housing Authority (the Authority) has determined that a need exists and desires to redevelop 144 units at 1612 Sisk Road, known as Phase II of The 1612, into Affordable Workforce Housing Units; and

WHEREAS, the Authority desires to apply for the City of Modesto (the City) Permanent Local Housing Allocation (PLHA) loan for the development and improvements, and will require the Authority to enter into agreements with the City; and

WHEREAS, the Executive Director will review and approve any funding documents for compliance with Housing Authority polices; 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 and accept PLHA funding with the City of Modesto in the amount not to exceed \$2,000,000 for development and improvement activities for Phase II of The 1612 at 1612 Sisk Road, Modesto CA.
2. The Executive Director is authorized, after legal review, to sign all necessary documents and take all necessary actions to execute any grant and 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 13th Day of April, 2023. On motion of Commissioner ____, seconded by Commissioner _____, and on the following roll call vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

Approved: _____
Chairperson

Attest: _____
Secretary

