



## Stanislaus Regional Housing Authority

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

Date: September, 28 2023  
To: Board of Commissioners  
From: Jim Kruse, Executive Director  
Subject: ACTION ITEM #10 – Consider Amending Resolution 22-23-13 approving Stanislaus Regional Housing Authority to apply for and accept F&M Bank’s construction financing for the scattered site development known as Central Valley Homes

Prepared by: Kim Ryan, Deputy Executive Director

Resolution No. 22-23-13

### **BACKGROUND:**

On January 17, 2023, the Stanislaus Regional Housing Authority Board of Commissioners approved Resolution 22-23-13 approving the application for and acceptance of Construction Financing through F&M Bank for the scattered site development known as Central Valley Homes in the amount of \$2,965,239. The Central Valley Homes project requires a construction loan amount of approximately \$5,103,308 to complete construction. After conversion to term requirements are met, the F&M Bank construction loan will be reduced by approximately \$2,138,069 in No Place Like Home funds awarded through HCD, resulting in a proposed permanent loan amount of \$2,965,239.

Staff is requesting to amend Resolution 22-23-13 to construction financing in the amount of \$5,103,308.

The 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 \$5,103,308, 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 1<sup>st</sup> 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 \$5,103,308 for the construction period and conversion to permanent loan of \$2,965,239 at project completion.

**ATTACHMENTS:**

Resolution No. 22-23-13



**Stanislaus Regional Housing Authority**

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

**AMENDED**

**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 BHRM 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 \$5,103,308, 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.
3. This Resolution shall take effect immediately.

**DULY AND REGULARLY ADOPTED** by the Board of Commissioners of Stanislaus Regional Housing Authority this 28<sup>th</sup> Day of September, 2023. On motion of Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, and on the following roll call vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

Approved: \_\_\_\_\_  
Chairperson

Attest: \_\_\_\_\_  
Secretary

