

Legislation Text

File #: 21-949, Version: 1

Approval of a Loan Commitment to The Kelsey Ayer Station, L.P., for the Development of The Kelsey Ayer Station Apartments Located at 447 North First Street.

(a) Adopt a resolution:

(1) Approving a total commitment of up to \$15,925,000 with \$10,875,000 in Low and Moderate Income Housing Asset Funds and \$5,100,000 in Inclusionary Fee Funds for an Acquisition & Construction-Permanent Loan to The Kelsey Ayer Station, L P. or an affiliated entity (“The Kelsey” or “Developer”), for The Kelsey Ayer Station Apartments, a new affordable development to be located at 447 North First Street (“Site”), which is being developed to offer 113 rent--and income--restricted apartments for extremely low-income, very low-income and low-income households and two unrestricted manager’s units (“Development”);

(2) Authorizing the Director of Housing to acquire the Site from the Developer for a price not to exceed the Acquisition Loan balance at the time of transfer, and to negotiate and execute loan documents, the documents related acquisition and ground leasing of the Site and all other documents, including any amendments thereto, related to the City financing for the Development;

(3) Approving a loan-to-value ratio of greater than 100% for this loan; and

(4) Making a determination that, consistent with Government Code Section 37364, after acquisition, the Site can be leased to the Developer without first offering the Site to the public for any other use, since the Site will be restricted so as to provide housing affordable to persons and families of low or moderate income, as defined by Section 50093 of the Health and Safety Code or as defined by the United States Department of Housing and Urban Development or its successors, and that this use is in the City’s best interests.

(b) Adopt a resolution allowing an exception to the City’s Policy for the issuance of Multifamily Housing Revenue Bonds for the Kelsey Ayer Station Apartments, to permit the California Housing Finance Agency (CalHFA) to issue Bonds.

(c) Adopt the following 2020-2021 Appropriation Ordinance Amendments in the Low and Moderate Income Housing Asset Fund:

(1) Decrease the Housing Project Reserve appropriation by \$10,875,000; and

(2) Increase the Housing Loans and Grants appropriation to the Housing Department by \$10,875,000.

(d) Adopt the following 2020-2021 Appropriation Ordinance Amendments in the Inclusionary Fee Fund:

(1) Decrease the Housing Project Reserve appropriation by \$5,100,000; and

(2) Establish a Housing Loans and Grants appropriation to the Housing Department in the amount of \$5,100,000.

CEQA: Exempt per Public Resources Code Section 21080(b)(1) and CEQA Guidelines Section 15369, Ministerial Project pursuant to Government Code Section 65913.4, File No. ER20-109. Council District 3. (Housing/City Manager)