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RESOLUTION 86-23

RESOLUTION AUTHORIZING AN INITIAL LOAN COMMITMENT

WHEREAS, the California Housing Finance Agency staff has reviewed a loan application from Alder Springs Associates for Alder Springs Commons under the Rental Housing Mortgage Loan Program and has recommended to the Lending/Insurance Committee of the Board of Directors that such loan be approved; and

WHEREAS, the Lending/Insurance Committee has reviewed that loan application and concurs in the recommendation of the staff; and

WHEREAS, based upon the recommendation of staff and the Lending/Insurance Committee, the Board of Directors has determined that an initial loan commitment be made to such project.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the California Housing Finance Agency:

- (1) The Executive Director, or in the Executive Director's absence, the Director of Programs of the California Housing Finance Agency is hereby authorized to transmit an initial commitment letter, subject to the recommended terms and conditions set forth in the attached report of CHFA staff dated April 23, 1986 for:

PROJECT NUMBER	DEV. NAME/ LOCALITY	# UNITS	MORTGAGE AMOUNT
85-44-N	Alder Springs Commons Arcata/Humboldt	52	\$1,602,000

- (2) The initial commitment letter shall specifically state that the commitment is subject to the Agency's issuance of a final commitment to the sponsor not later than 6 months from the date of this resolution.

- (3) The Executive Director, or in the Executive Director's absence, the Director of Programs of the California Housing Finance Agency has the authority to modify the mortgage amount so stated in this resolution by an amount not to exceed seven percent (7%) without further Board approval. All other

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changes, including changes in mortgage amount of more than seven percent (7%), must be submitted to the Board for approval.

I hereby certify that this is a true and correct copy of Resolution 86-23 adopted at a duly constituted meeting of the Board of Directors of the California Housing Finance Agency held on May 15, 1986 at Los Angeles, California.

ATTEST: 
Secretary

Attach.

Memorandum

To : Lending Committee

Date : April 23, 1986

Warren Seeto

From : CALIFORNIA HOUSING FINANCE AGENCY

Subject : Alder Springs Commons
Arcata, Humboldt County
CHFA #85-44-N

Action Requested

The purpose of this memorandum is to recommend an Initial Loan Commitment under the Agency's Rental Housing Mortgage Loan Program in the amount of \$1,602,000 to develop 52 new rental housing units in the City of Arcata. This Initial Commitment is conditioned on the ability of the Agency to reallocate mortgage funds released from reservations under its 1985 Series B Multifamily Bond proceeds. The Initial Commitment is also predicated solely on the income loan analysis, and is intended to give a preliminary feasibility determination. The sponsor has 180 days to obtain a Final Commitment. The final application for mortgage financing will be supported by an independent market analysis, MAI Appraisal, and will be approved by all Agency disciplines.

Analysis

The 11-acre site is located at the end of Hidden Creek Road in the City of Arcata. Major shopping can be found one-half mile from the subject site. Humboldt State University is located approximately one-quarter mile south of the subject site. Highway 101, which is the major highway that runs through Arcata, is one block away. The City of Eureka, which is a main employment center, is approximately 15 minutes away. The overall vacancy rate for Arcata is 4.6%.

The proposed development will consist of 52 two-story apartments contained in 10 buildings. The density is approximately 5 units to the acre. There will be 8 1-bedroom units, 558 square feet; 36 2-bedroom units, 894 square feet; and 8 3-bedroom units, 1,235 square feet. These apartments will have the following features:

<u># of Units</u>	<u>Bedrooms/Bath</u>
8	1/1
36	2/1-1/2
8	3/1-1/2

Amenities include community room, laundry room, spa, tot lot, and picnic area. There will be 102 parking spaces provided, of which 52 will be covered.

It is currently projected, based upon the income approach, that the developer will be required to provide cash equity in the amount of \$397,189, which represents 19.87% of the projected development cost. The requested loan amount represents a 73.38% loan to development cost ratio.

Development Team Analysis

Sponsor - George Murray

George Murray has been involved in real estate development and brokerage in California for over 20 years. Mr. Murray is currently President of Valley Fair Realty Corporation of Yuba City. Valley Fair Realty has been involved in real estate brokerage, syndication, and development. A major development in which Mr. Murray has been involved is the commercial rehabilitation of Yuba City Hall. He has been involved in several Farmer's Home and HUD multifamily developments in Northern California. Valley Fair Corporation is also involved in property management. They are currently managing and operating several multifamily and commercial developments in Northern California.

Architect - Zephyr Architect, AIA

George W. Northan is the principal of Zephyr Architects, which has offices in California and Nevada. Mr. Northan is a graduate of the University of California at Berkeley and is a licensed architect in California. The firm has

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been involved in the design of over nine multifamily developments in California and Nevada. The firm has also been involved in many institutional buildings such as the design of the new Yolo County Library, the Union School, and Yuba County Medical facilities in Marysville.