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RESOLUTION 87-45

RESOLUTION AUTHORIZING AN INITIAL LOAN COMMITMENT

WHEREAS, the California Housing Finance Agency staff has reviewed a loan application from Fitch Mountain Terrace for Fitch Mountain Terrace II under the 80/20 State-Local Rental Housing 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 August 20, 1987 for:

PROJECT NUMBER	DEV. NAME/ LOCALITY	# UNITS	MORTGAGE AMOUNT
86-30-N	Fitch Mountain Terrace II	20	\$720,000
	Healdsburg		100,000 (2nd Mortgage)

- (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.
- (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.

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I hereby certify that this is a true and correct copy of Resolution 87-45 adopted at a duly constituted meeting of the Board of Directors of the California Housing Finance Agency held on September 17, 1987 at Sacramento, California.

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ATTEST: 
Secretary

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State of California

M E M O R A N D U M

To : Lending/Insurance Committee Date : August 20, 1987

From : Warren Seeto
: CALIFORNIA HOUSING FINANCE AGENCY

Subject : Fitch Mountain Terrace
 Healdsburg, Sonoma County
 CHFA #86-30-N (501 [C][3] Corp.)
 20 Units

Action Requested

The purpose of this memorandum is to recommend an Initial Commitment under the Agency's 80/20 State-Local Rental Housing Program. We hereby request a first mortgage in the amount of \$720,000, and a feasibility loan in the amount of \$100,000. The second mortgage feasibility loan will carry an interest rate of 3%. The Agency will provide a second mortgage which will be used to write down the interest rate and allow 49% of the units to be affordable to low and very low income persons and the remaining 51% of the units will be rented at low market levels. The Initial Commitment is predicated solely on the income loan analysis and is intended to give a preliminary feasibility determination. The sponsor has 180 days to provide a final mortgage commitment. The final loan application for mortgage financing will be supported by an independent market analysis MAI Appraisal, and will be approved by all the Agency's disciplines.

Analysis

The proposed elderly development will be located adjacent to the existing Farmers Home financed elderly project developed by the sponsor. Necessary neighborhood services are found in the city center of Healdsburg, approximately one-half mile from the site. Fitch Mountain Road, upon which the site is located, is the main thoroughfare through Healdsburg. Public bus transportation exists and dial-a-ride services are available. There is a high demand for elderly housing in the City of Healdsburg. There is currently only one elderly development in the City and the City will provide the financial assistance necessary to make this project a reality.

The development will consist of a total of 20 elderly units. These units will be located in a two-story elevator building. There will be 20 one-bedroom units, approximately 588 sq. ft. The proposed development will include amenities such as laundry room and landscaped patio area. The sponsor has received a financial commitment of funds from the City of Healdsburg. This will take the following forms: land donation from the City of Healdsburg, \$150,000; City of Healdsburg fee waiver of \$96,000, and the City of Healdsburg cash contribution \$80,000. The above contribution from the City equals \$326,000. The equity provided has resulted in a 64.42 percentage loan to cost ratio.

Development Team Analysis

Sponsor

Fitch Mountain Terrace, a California Corporation, is the sponsor of the proposed development. The sponsor was incorporated on May 14, 1984, for the purpose of developing affordable elderly housing in the City of Healdsburg. To date, they have developed a 40 unit elderly development funded by Farmers Home Administration. Mr. E. D. DuCharme is president of Fitch Mountain Terrace, a California Corporation. Mr. DuCharme is a retired Naval Officer and a long time community volunteer of Healdsburg.

Architect

Jonathan Stoumen, AIA, is a registered architect in California. He started his own firm in 1972, concentrating in the design of residential, commercial, and agricultural projects in California, Hawaii, British Columbia, and Idaho. He is a graduate of Cornell University and has won numerous design awards in California and elsewhere.

Consultant

Burbank Housing Development Corporation will be providing development consultant services to this development. Burbank Housing Development Corporation is a private, non-profit corporation. BHDC was incorporated in November 1980. This entity was organized under the direction of the Sonoma Board of Supervisors to develop, own, and operate low, and moderate income housing in Sonoma County.

Russ T. McCubbin became BHDC's executive director in January of 1987. Prior to coming to this organization, Mr. McCubbin was executive director of Resources for Community Development, a non-profit organization in Berkeley and previously worked with Marin County non-profit housing groups as assistant director of the Fair Share Housing Program Foundation, a funded program to provide planning and technical assistance to non-profit developers throughout Marin County.