



Approval of Burbank Housing Development Corporation Refinance for Community Development Commission Loans

Barbie Robinson, Interim Executive Director

April 7, 2020



Community Development Commission Role

- The Commission is the lead County government agency responsible for creating access to stable and affordable housing for our lowest income residents.
- Using a complex array of funding sources, the Commission provides loans to housing developers, which attract other funding sources. Commission investments in housing development are typically leveraged more than **10:1**.
- Over the past five years, the Commission has supported the development or preservation of more than **1000 affordable housing units**.



Housing Development Funding Sources

- **Federal**
 - Community Development Block Grant (CDBG)
 - HOME Investment Partnerships Program (HOME)
 - Low-Income Housing Tax Credits (LIHTC)
- **State**
 - Homeless Emergency Aid Program (HEAP)
 - No Place Like Home (NPLH)
- **Local**
 - County Fund for Housing (CFH)
 - Low and Moderate Income Housing Asset Fund (LMIHAF)
- **Foundation**
 - Partnership Health California Housing Innovations Grant (PHC)

Sonoma County Community Development Commission



Burbank Housing

Burbank Housing is a **local** nonprofit dedicated to building quality affordable housing in the North Bay.

In 1980, our work began as a function of the **County of Sonoma**.

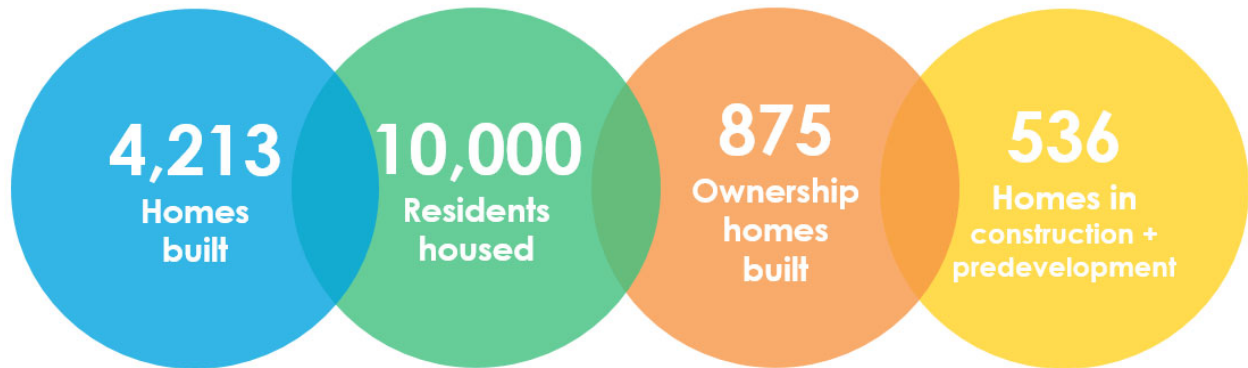
We've accomplished so much in the **40 years** that have ensued!



Sonoma County Community Development Commission



Burbank Housing



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Burbank Refinance Request

- A **cash-out refinance** of senior debt on 6 properties on which CDC holds 21 subordinate loans:

Bodega Hills	Lavell Village	Sea Ranch 31
Firehouse Village	Park Land	Wilford Lane
- Burbank does not intend to repay any of the subordinate Commission-held debt as part of the refinance.

Sonoma County Community Development Commission



Benefits of the Request

Burbank expects **\$5.5 million** in cash to:

- Weather the loss of rental income due to the Coronavirus pandemic;
- Support new development;
- Renovate properties with deep affordability; and
- Repay debt on Lantana project to ensure affordable sales prices

Sonoma County Community Development Commission



Necessary Authority

- The Board-approved CDC Loan Policies allow the Executive Director to subordinate CDC loans when it is compatible with the Policies.
- Because the changes to the Subordination Agreement **impact the security of the loans**, signing them is beyond the scope of the Executive Director's delegated authority.
- Proceeding with these subordinations requires Board approval.

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Recommended Actions

- Approve Refinance of senior indebtedness
- Approve subordination of CDC loans
- Authorize CDC Interim Executive Director to execute subordination agreement and related documents
- Authorize CDC Interim Executive Director to complete letter agreement
- Authorize Interim Executive Director to negotiate, finalize, and execute documents to complete the transaction

