

RESOLUTION NO. 2022-73

A RESOLUTION OF THE GOVERNING BODY OF THE CITY OF CLEARLAKE SUPPORTING THE APPLICATION OF CHELSEA INVESTMENTS FOR THE LOCAL GOVERNMENT MATCHING GRANTS PROGRAM; APPROVING CLEARLAKE APARTMENTS BUDGET FOR THE LOCAL GOVERNMENT MATCHING GRANTS PROGRAM

WHEREAS:

- A. On January 15, 2019, Governor Gavin Newsom signed Executive Order No. N-06-19, which allows the production of Affordable housing on state-owned Excess Sites (“**Excess Sites**”). The Executive Order authorizes the Department of General Services (“**DGS**”) and the Department of Housing and Community Development (“**Department**”) to identify and prioritize Excess Sites for sustainable, cost-effective, and innovative multi-family Affordable housing projects.
- B. On April 30, 2021 **DGS and the Department selected Chelsea Investment** to develop Affordable housing at 15837 18th Avenue, Clearlake (APN 010-043-01) (“**selected project**”) pursuant to Executive Order No. N-06-19.
- C. Chapter 111, Statutes of 2021 (Assembly Bill (AB) 140) makes several statutory changes for the purpose of implementing the housing and homelessness provisions of the Budget Act of 2021, which establishes the Excess Sites Local Government Matching Grants (“**LGMG**”) Program (hereafter, “**Program**”) to be administered by the Department.
- D. The Program was allocated up to \$13 million to provide funds for Predevelopment and Development Costs to selected projects that receive a financial contribution from a Local Government, as defined pursuant to Health and Safety Code section 50704.80(b). Funding for the Program is made available pursuant to Health and Safety Code section 50704.81(a)(2).
- E. The Department has issued a Notice of Funding Availability (“**NOFA**”), dated November 15, 2022, for the Program pursuant to Health and Safety Code section 50704.83(f).
- F. The Program requires contribution from City of Clearlake for CIC Clearlake LP (“**Applicant**”) to apply for Program funds pursuant to Health and Safety Code section 50704.82. Towards that end, Applicant is submitting an Application for Program funds (“**Application**”) to the Department for review and consideration.

- G. The Program requires a resolution from City of Clearlake pursuant to Health and Safety Code section 50704.82(b)(1)(A) approving the budget, including all sources, and demonstrating the amount of Local Government Contribution to the Applicant for Predevelopment and Development Costs for CIC Clearlake LP, and the requested amount from the Program.

THEREFORE, IT IS RESOLVED THAT:

1. The City of Clearlake supports CIC Clearlake LP submitting an Application to the Department to receive Program funds for the Local Matching Grant Program to develop Affordable housing on the state-owned Excess Site.
2. The City of Clearlake is authorized to submit the approved Project Budget (“**Attachment 1**”) and Anticipated and Committed Project Sources (“**Attachment 2**”) to the Applicant to include in their Application. Attachment 1 and Attachment 2 demonstrate the requested amount from the Program, \$3,809,000 that will be allocated to the Applicant, and all other sources for Predevelopment and Development Costs associated with the development of Affordable housing on the state-owned Excess Site.

Attachment 1: Budget

Attachment 2: Anticipated and Committed Project Sources

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Clearlake held on December 8, 2022, by the following vote:

AYES: _____

ABSENT: _____

NOES: _____

ABSTAIN: _____

STATE OF CALIFORNIA

City of Clearlake

I, Melissa Swanson, City Clerk of the City of Clearlake, State of California, hereby certify the above and foregoing to be a full, true and correct copy of a resolution adopted by said City Council on this 8th day of December, 2022.

Melissa Swanson, City Clerk
of the City of Clearlake, State of California

By: _____



ATTACHMENTS

Attachment 1: Project Budget

Attachment 2: Anticipated and Committed Project Sources



Attachments

Attachment 1: Project Budget (from Program Application)

Development Budget	11/9/2022 v1
	Total Project Costs
LAND COST/ACQUISITION	
Land Cost or Value	\$1,200,000
Demolition	
Legal	\$10,000
Land Lease Rent Prepayment	
Total Land Cost or Value	\$1,210,000
Existing Improvements Cost or Value	
Off-Site Improvements	
Total Acquisition Cost	\$0
Total Land Cost / Acquisition Cost	\$1,210,000
Predevelopment Interest/Holding Cost	
Assumed, Accrued Interest on Existing Debt (Rehab/Acq)	
Excess Purchase Price Over Appraisal	
REHABILITATION	
Site Work	
Structures	
General Requirements	
Contractor Overhead	
Contractor Profit	
Prevailing Wages	
General Liability Insurance	
Other: (Specify)	
Other: (Specify)	
Other: (Specify)	
Other: (Specify)	
Total Rehabilitation Costs	\$0
Total Relocation Expenses	
NEW CONSTRUCTION	
Site Work	\$6,382,869
Structures	\$24,283,387
General Requirements	\$1,246,650
Contractor Overhead	\$839,988
Contractor Profit	\$2,181,638
Prevailing Wages	
General Liability Insurance	
Other: (Specify)	



Attachments

Other: (Specify)	
Other: (Specify)	
Other: (Specify)	
Total New Construction Costs	\$34,934,532
ARCHITECTURAL FEES	
Design	\$644,000
Supervision	
Total Architectural Costs	\$644,000
Total Survey & Engineering	\$714,886
CONSTRUCTION INTEREST & FEES	
Construction Loan Interest	\$2,101,442
Origination Fee	\$313,350
Credit Enhancement/Application Fee	
Bond Premium	
Cost of Issuance	
Title & Recording	\$30,000
Taxes	
Insurance	\$100,000
Other: Lender reports/inspections	\$39,750
Other: (Specify)	
Other: (Specify)	
Total Construction Interest & Fees	\$2,584,541
PERMANENT FINANCING	
Loan Origination Fee	\$4,000
Credit Enhancement/Application Fee	
Title & Recording	\$5,000
Taxes	
Insurance	
Other: (Specify)	
Other: (Specify)	
Total Permanent Financing Costs	\$9,000
Subtotals Forward	\$40,096,960
LEGAL FEES	
Legal Paid by Applicant	\$130,000
Other: (Specify)	
Total Attorney Costs	\$130,000
RESERVES	
Operating Reserve	\$144,348
Replacement Reserve	
Transition Reserve	
Rent Reserve	
Other: (Specify)	
Other: (Specify)	
Other: (Specify)	



Attachments

Total Reserve Costs	\$144,348
CONTINGENCY COSTS	
Construction Hard Cost Contingency	\$1,776,477
Soft Cost Contingency	\$439,755
Total Contingency Costs	\$2,216,231
OTHER PROJECT COSTS	
TCAC App/Allocation/Monitoring Fees	\$121,918
Environmental Audit	
Local Development Impact Fees	\$1,765,050
Permit Processing Fees	\$226,160
Capital Fees	
Marketing	\$65,000
Furnishings	\$25,000
Market Study	\$7,500
Accounting/Reimbursable	\$115,000
Appraisal Costs	\$4,500
Other: (Specify)	
Other: (Specify)	
Other: (Specify)	
Other: (Specify)	
Other: (Specify)	
Other: (Specify)	
Total Other Costs	\$2,330,128
SUBTOTAL PROJECT COST	\$44,917,668
DEVELOPER COSTS	
Developer Overhead/Profit	\$2,200,000
Consultant/Processing Agent	
Project Administration	
Broker Fees Paid to a Related Party	
Construction Oversight by Developer	
Other: (Specify)	
Total Developer Costs	\$2,200,000
TOTAL PROJECT COST	\$47,117,668



Attachments

Attachment 2: Anticipated and Committed Project Sources

Committed Project Sources	
Bank Perm Loan	\$400,000
CDBG-DR*	\$3,500,000
PLHA*	\$309,000
Land Value	\$1,200,000
Anticipated Project Sources	
HCD IIG	\$3,925,000
HCD MHP	\$14,720,477
HCD LGMG	\$3,809,000
*Local sources eligible for match	
General Partner Equity	
Tax Credit Equity	\$19,254,190
Deferred Developer Fee	
Total Sources	\$47,117,668