

## RESOLUTION NO. 2022-25

### 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, 2022 **DGS and the Department selected Chelsea Investment** to develop Affordable housing at 15837 18<sup>th</sup> 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 \$30 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 May 5, 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, \$1,646,186 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 May 19, 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 19<sup>th</sup> day of May, 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	5/5/2022 v1
	<b>Total Project Costs</b>
<b>LAND COST/ACQUISITION</b>	
Land Cost or Value	\$1,200,000
Demolition	
Legal	\$10,000
Land Lease Rent Prepayment	
<b>Total Land Cost or Value</b>	\$1,210,000
Existing Improvements Cost or Value	
Off-Site Improvements	
<b>Total Acquisition Cost</b>	\$0
<b>Total Land Cost / Acquisition Cost</b>	\$1,210,000
Predevelopment Interest/Holding Cost	
Assumed, Accrued Interest on Existing Debt (Rehab/Acq)	
Excess Purchase Price Over Appraisal	
<b>REHABILITATION</b>	
Site Work	
Structures	
General Requirements	
Contractor Overhead	
Contractor Profit	
Prevailing Wages	
General Liability Insurance	
Other: (Specify)	
Other: (Specify)	
Other: (Specify)	
Other: (Specify)	
<b>Total Rehabilitation Costs</b>	\$0
<b>Total Relocation Expenses</b>	
<b>NEW CONSTRUCTION</b>	
Site Work	\$1,120,000
Structures	\$22,077,389
General Requirements	\$1,391,843
Contractor Overhead	\$463,948
Contractor Profit	\$1,391,843
Prevailing Wages	
General Liability Insurance	



## Attachments

Other: (Specify)	
Other: (Specify)	
Other: (Specify)	
Other: (Specify)	
<b>Total New Construction Costs</b>	\$26,445,023
<b>ARCHITECTURAL FEES</b>	
Design	\$430,500
Supervision	
<b>Total Architectural Costs</b>	\$430,500
<b>Total Survey &amp; Engineering</b>	\$747,075
<b>CONSTRUCTION INTEREST &amp; FEES</b>	
Construction Loan Interest	\$1,411,668
Origination Fee	\$315,116
Credit Enhancement/Application Fee	
Bond Premium	
Cost of Issuance	
Title & Recording	\$30,000
Taxes	\$5,000
Insurance	\$100,000
Other: Lender fees/inspections	\$58,125
Other: (Specify)	
Other: (Specify)	
<b>Total Construction Interest &amp; Fees</b>	\$1,919,909
<b>PERMANENT FINANCING</b>	
Loan Origination Fee	\$4,000
Credit Enhancement/Application Fee	
Title & Recording	\$5,000
Taxes	
Insurance	
Other: (Specify)	
Other: (Specify)	
<b>Total Permanent Financing Costs</b>	\$9,000
<b>Subtotals Forward</b>	<b>\$30,761,507</b>
<b>LEGAL FEES</b>	
Legal Paid by Applicant	\$130,000
Other: (Specify)	
<b>Total Attorney Costs</b>	\$130,000
<b>RESERVES</b>	
Operating Reserve	\$143,469
Replacement Reserve	
Transition Reserve	
Rent Reserve	
Other: (Specify)	
Other: (Specify)	



## Attachments

Other: (Specify)	
<b>Total Reserve Costs</b>	\$143,469
<b>CONTINGENCY COSTS</b>	
Construction Hard Cost Contingency	\$1,322,251
Soft Cost Contingency	\$401,588
<b>Total Contingency Costs</b>	\$1,723,839
<b>OTHER PROJECT COSTS</b>	
TCAC App/Allocation/Monitoring Fees	\$116,138
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)	
<b>Total Other Costs</b>	\$2,324,348
<b>SUBTOTAL PROJECT COST</b>	<b>\$35,083,163</b>
<b>DEVELOPER COSTS</b>	
Developer Overhead/Profit	\$2,200,000
Consultant/Processing Agent	
Project Administration	
Broker Fees Paid to a Related Party	
Construction Oversight by Developer	
Other: (Specify)	
<b>Total Developer Costs</b>	<b>\$2,200,000</b>
<b>TOTAL PROJECT COST</b>	<b>\$37,283,163</b>



## Attachments

### Attachment 2: Anticipated and Committed Project Sources

Bank Perm Loan	\$400,000
HCD MHP	\$14,816,731
CDBG-DR	\$1,646,184
Land Value	\$1,200,000
LMGP	\$1,646,186
<b>General Partner Equity</b>	
<b>Tax Credit Equity</b>	\$17,574,062
<b>Deferred Developer Fee</b>	
<b>Total Sources</b>	\$37,283,163