



Resolution of the Governing Body

Applicants are encouraged to use this Resolution in content and form.

RESOLUTION NO. 2023-36

A RESOLUTION OF THE GOVERNING BODY OF THE CITY OF CLEARLAKE SUPPORTING THE APPLICATION OF CHELSEA INVESTMENT CORPORATION FOR THE LOCAL GOVERNMENT MATCHING GRANTS PROGRAM; APPROVING CLEARLAKE CIC, LP 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 CORPORATION to develop Affordable housing at 15387 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 \$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 THE CITY OF CLEARLAKE to CLEARLAKE CIC, LP for CHELSEA INVESTMENT CORPORATION (“**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 THE CITY OF CLEARLAKE pursuant to Health and Safety Code section 50704.82(b)(1)(A) approving the CLEARLAKE CIC, LP budget, including all sources, and demonstrating the amount of Local Government Contribution to the Applicant for Predevelopment and Development Costs for CLEARLAKE CIC, LP, and the requested amount from the Program.

THEREFORE, IT IS RESOLVED THAT:

1. The THE CITY OF CLEARLAKE supports CHELSEA INVESTMENT CORPORATION submitting an Application to the Department to receive Program funds for CLEARLAKE CIC, LP to develop Affordable housing on the state-owned Excess Site.
2. The THE CITY OF CLEARLAKE is authorized to submit the approved CLEARLAKE CIC, LP 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, \$10,000,000 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: CLEARLAKE CIC, LP 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 AUGUST 3, 2023 by the following vote:

Instruction: Fill in all four vote-count fields below. If none, indicate “0” for that field.

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

CITY COUNCIL



STATE OF CALIFORNIA
CITY COUNCIL of CLEARLAKE _____

I, _____, CITY COUNCIL 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 ____ day of _____, 20____.

_____, CITY COUNCIL Clerk of the CITY _____ of
CLEARLAKE _____, State of California

By: _____

Note: The attesting officer cannot be the person identified in the Resolution as the authorized signer.



ATTACHMENTS

Attachment 1: Project Budget

Attachment 2: Anticipated and Committed Project Sources



Attachments

Attachment 1: Project Budget (from Program Application)

Development Budget

7/5/2023 v1

	Total Project Costs
LAND COST/ACQUISITION	
Land Cost or Value	
Demolition	
Legal	\$10,000
Land Lease Rent Prepayment	
Total Land Cost or Value	\$10,000
Existing Improvements Cost or Value	
Off-Site Improvements	
Total Acquisition Cost	\$0
Total Land Cost / Acquisition Cost	\$10,000
Predevelopment Interest/Holding Cost	\$84,833
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	\$7,397,403
Structures	\$24,896,509
General Requirements	\$1,291,756
Contractor Overhead	\$1,291,756
Contractor Profit	\$1,937,635
Prevailing Wages	
General Liability Insurance	
Other: (Specify)	
Other: (Specify)	
Other: (Specify)	
Other: (Specify)	
Total New Construction Costs	\$36,815,060
ARCHITECTURAL FEES	

Design	\$595,000
Supervision	\$50,000
Total Architectural Costs	\$645,000
Total Survey & Engineering	\$714,886
CONSTRUCTION INTEREST & FEES	
Construction Loan Interest	\$1,305,086
Origination Fee	\$111,312
Credit Enhancement/Application Fee	
Bond Premium	
Cost of Issuance	
Title & Recording	\$50,000
Taxes	
Insurance	\$470,000
Other: (Lender Reports and Inspections)	\$52,000
Other: (Specify)	
Other: (Specify)	
Total Construction Interest & Fees	\$1,988,398
PERMANENT FINANCING	
Loan Origination Fee	
Credit Enhancement/Application Fee	
Title & Recording	\$5,000
Taxes	
Insurance	
Other: (Specify)	
Other: (Specify)	
Total Permanent Financing Costs	\$5,000
Subtotals Forward	\$40,263,178
LEGAL FEES	
Legal Paid by Applicant	\$254,719
Other: (Lender Legal)	\$75,000
Total Attorney Costs	\$329,719
RESERVES	
Operating Reserve	\$136,431
Replacement Reserve	
Transition Reserve	
Rent Reserve	
Other: (Specify)	
Other: (Specify)	
Other: (Specify)	
Total Reserve Costs	\$136,431
CONTINGENCY COSTS	
Construction Hard Cost Contingency	\$1,860,023
Soft Cost Contingency	\$164,306
Total Contingency Costs	\$2,024,329
OTHER PROJECT COSTS	
TCAC App/Allocation/Monitoring Fees	\$119,063
Environmental Audit	\$47,500

Local Development Impact Fees	\$1,765,050
Permit Processing Fees	\$226,160
Capital Fees	
Marketing	\$50,000
Furnishings	\$25,000
Market Study	\$8,500
Accounting/Reimbursable	\$62,500
Appraisal Costs	\$8,500
Other: (Preconstruction Studies)	\$5,000
Other: (GP Service Fee)	\$25,000
Other: (Financial Review)	\$290,000
Other: (Specify)	
Other: (Specify)	
Other: (Specify)	
Total Other Costs	\$2,632,273
SUBTOTAL PROJECT COST	\$45,385,929
<i>DEVELOPER COSTS</i>	
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	\$47,585,929

End of Document



Attachments

Attachment 2: Anticipated and Committed Project Sources

Committed Project Sources	
CDBG-DR	\$3,292,367
PLHA	\$309,000
Anticipated Project Sources	
HCD IIG	\$3,925,000
ID D	\$1,000,000
Lake County Deferred Impact Fee Loan	\$474,142
HCD LGMG	\$10,000,000
HOME	\$10,000,000
Solar Equity	\$170,885
General Partner Equity	
Tax Credit Equity	\$18,414,536
Deferred Developer Fee	
Total Sources	\$47,585,929