

# AGENDA ITEM SUMMARY

City Council



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## STAFF

Andy Smith, Redevelopment Manager  
Josh Birks, Acting Executive Director

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## SUBJECT

**Consideration of a resolution to authorize the Acting Executive Director and URA Attorney to negotiate and execute an assortment of loan documents related to the development of a middle-income housing project proposed to be constructed at 302 Conifer Street.**

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## EXECUTIVE SUMMARY

The purpose of this item is to authorize the Acting Executive Director and URA Attorney to negotiate and execute an assortment of loan documents related to the development of a middle-income housing project proposed to be constructed at 302 Conifer Street. At the March 27, 2025 URA Board meeting, the Board approved a “term sheet” describing the general terms and conditions of a loan from the URA North College Plan Area fund to the developers of a proposed deed-restricted 76-unit multi-family community to be constructed at 302 Conifer Street. At the April 24, 2025, URA Board meeting, the Board approved a loan administration agreement with Impact Development Fund (IDF) to underwrite and administer the proposed loan described in the term sheet. Draft loan agreement documents are currently being negotiated between the two senior lenders, the primary construction lender, the borrower, and URA staff, with final versions expected to be ready for execution shortly before the scheduled closing in mid-August. The Acting Executive Director and URA Attorney will return to the Board for approval if material changes to the term sheet are proposed or requested.

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## STAFF RECOMMENDATION

Staff recommend the Board approve a resolution authorizing the Acting Executive Director and URA Attorney to negotiate and execute an assortment of loan documents related to the development of a middle-income housing project proposed to be constructed at 302 Conifer Street.

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## BACKGROUND / DISCUSSION

A 76-unit deed-restricted multi-family community for low-moderate and middle-income residents is proposed to be constructed at 302 Conifer Street (“Project”), with groundbreaking scheduled for late fall of 2025. The Project was awarded Proposition 123 equity funding and additional funding, however a financial gap remained. In response, URA staff developed a novel arrangement to fill the gap and enable the Project to proceed. The financial arrangement was described in a Term Sheet (Exhibit A) approved by the URA Board at the March 27, 2025 board meeting.

At the March 27, 2025, board meeting, staff indicated that the final set of negotiated loan documents would be presented to the URA Board for approval prior to execution. However, it has become evident the

complexity of terms and iterative nature of negotiations for this multi-party deal will continue to be negotiated until shortly before the closing currently scheduled for mid-August, and perhaps only one week prior.

Currently, a weekly closing coordination call amongst all parties is attended by URA staff. The call is intended to allow all lenders, investors, attorneys, title company representatives, partners, and the development team to work through discussion points needing to be resolved prior to the drafting of final agreements for execution. Typically, there are twenty or more participants on the call, including Impact Development Fund, on behalf of the URA as our administrator. Notable participants include 1stBank (the primary construction lender), CHFA (the Prop 123 investor and 2<sup>nd</sup> mortgage lender), and BWE (the FreddieMac 1<sup>st</sup> mortgage lender). All lenders must approve each other's loan agreement documents and will continue to circulate drafts for review and revision until the final agreements are reached.

Finally, an update will be provided to the Board in July at a special meeting to be called for at least one related matter. At the March 27, 2025, Board meeting, a tax increment finance (TIF) grant intended to reimburse the project for up to \$100,000 in property taxes was included in the staff presentation and discussed by the Board with positive feedback, so a Reimbursement Agreement will be prepared by URA staff and attorney for review and consideration by the Board at a special meeting to take place in July (specific date to be determined).

#### **URA FINANCIAL IMPACTS**

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None.

#### **BOARD / COMMISSION / COMMITTEE RECOMMENDATION**

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None.

#### **PUBLIC OUTREACH**

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None.

#### **ATTACHMENTS**

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1. Resolution No. 2025-149
2. Exhibit A: Board Approved Term Sheet
3. Exhibit B: Loan Administration Agreement & Template Loan Agreement
4. Presentation