

Resolution No. \_\_\_\_\_

Date: \_\_\_\_\_

CONCURRENT RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SONOMA AND THE SONOMA COUNTY COMMUNITY DEVELOPMENT COMMISSION APPROVING A SHORT-TERM COUNTY FUND FOR HOUSING (CFH) LOAN OF \$175,000 TO STUART CUMMINGS FOR PRE-DEVELOPMENT AND CONSTRUCTION FINANCING OF THREE (3) AFFORDABLE 2<sup>ND</sup> DWELLING UNITS, AND AUTHORIZING THE EXECUTIVE DIRECTOR, SUBJECT TO COUNTY COUNSEL REVIEW AND APPROVAL AS TO FORM, TO EXECUTE LOAN DOCUMENTS AND REGULATORY AGREEMENTS, AND ANY FUTURE MODIFICATIONS, ASSIGNMENTS, ASSUMPTIONS OR SUBORDINATION AGREEMENTS.

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WHEREAS, Stuart Cummings (Developer) has submitted an application to the Sonoma County Community Development Commission for a County Fund for Housing (CFH) loan of \$175,000 to provide short-term financing to pay a portion of the predevelopment and construction costs for three affordable second dwelling units attached to three market-rate single-family homes on individual lots in the Cummings Subdivision, located at 3255 Ross Road in Graton; and

WHEREAS, the amount of the CFH loan will not exceed the documented costs to construct the three affordable second-dwelling units; and

WHEREAS, Developer has submitted a post-construction appraisal of the project showing that the value of the completed project will fully secure the CFH loan; and

WHEREAS, Developer payment of in-lieu fees satisfies the inclusionary housing requirements for the three market-rate, single-family homes; and

WHEREAS, regulatory agreements recorded on title to the properties will restrict two of the 2<sup>nd</sup> dwelling units to occupancy by low-income households (80% of area median income) and one of the 2<sup>nd</sup> dwelling units to an extremely low-income household (30% of area median income) for a period of 55 years, and

WHEREAS, said regulatory agreements will survive repayment of the CFH loan and subsequent sales of the properties.

NOW, THEREFORE, BE IT RESOLVED that:

1. The foregoing recitals are true and correct.
2. The Board and Commission hereby approve a County Fund for Housing (CFH) loan to Stuart Cummings in the amount of one hundred seventy-five thousand dollars (\$175,000), to provide short-term financing to pay a portion of the project predevelopment and construction costs for three (3) affordable, rental second dwelling units attached to three market-rate single-family homes on individual lots located at

3255 Ross Road in Graton. The CFH loan shall not exceed the documented costs to construct the affordable rental second dwelling units.

3. The CFH loan shall accrue simple interest at 3% per year and shall become due in full in four years or earlier on a pro-rata basis upon completion and sales of the new homes. Earlier repayment of the loan in full or on a pro-rate basis, as appropriate, shall also be required in case of default, if one or more of the second dwelling units is not built, or if all or any portion of the incomplete subdivision is sold to another developer.
4. Developer shall pay a loan fee in the amount of 1% of the final loan amount upon close of escrow of the CFH loan.
5. The Board and Commission hereby authorize the Commission's Executive Director, subject to County Counsel review and approval as to form, to execute all loan documents and regulatory agreements, and any future modifications, assignments, assumptions, or subordination agreements.

BOARD / COMMISSIONERS:

BROWN\_\_\_\_\_ KERNS\_\_\_\_\_ ZANE\_\_\_\_\_ CARRILLO\_\_\_\_\_ KELLEY\_\_\_\_\_

AYES\_\_\_\_\_ NOES\_\_\_\_\_ ABSTAIN\_\_\_\_\_ ABSENT\_\_\_\_\_

SO ORDERED.