

68. Public Hearing - For the Crossroads at Washington affordable housing project located at 1126, 1136, & 1146 East Washington Avenue: Approve two Loan Agreements for a total combined amount of \$4,644,909 and a Development Impact Fee Deferral Agreement with Washington Santa Ana Housing Partners, L.P.; Approve two Subordination Agreements with U.S. Bank and the County of Orange; Approve an Additional Award of up to Eight Project-Based Vouchers for a combined total of 15 Project-Based Vouchers; Approve revisions to the joint sixty-five (65) year Ground Lease with Washington Santa Ana Housing Partners, L.P. and the County of Orange; and Approve a draft Land Use Covenant and Equitable Community Revitalization Grant Agreement with the State of California Department of Toxic Substances Control (Non-General Fund) (Contingent upon approval of Housing Authority Item # 5)

Legal notice published in the Orange County Register on June 7, 2022 and June 13, 2022.

Department(s):

Recommended Action: 1. Authorize the City Manager to execute a Loan Agreement with Washington Santa Ana Housing Partners, L.P. for \$3,007,489 in HOME Investment Partnerships Program funds for the development of the Crossroads at Washington affordable housing project located at 1126, 1136, & 1146 East Washington Avenue, Santa Ana, CA 92701, (APNs 398-092-14 and 398-092-13) subject to non-substantive changes approved by the City Manager and City Attorney (Agreement No. 2022-XXX).

2. Authorize the City Manager to execute a Loan Agreement with Washington Santa Ana Housing Partners, L.P. for \$1,637,420 in Neighborhood Stabilization Program funds for the development of the Crossroads at Washington affordable housing project located at 1126, 1136, & 1146 East Washington Avenue, Santa Ana, CA 92701, (APNs 398-092-14 and 398-092-13) subject to non-substantive changes approved by the City Manager and City Attorney. This Loan Agreement includes \$339,727 in additional Neighborhood Stabilization Program funds to pay for an unanticipated increase in development costs (Agreement No. 2022-XXX).

3. Authorize appropriation adjustment to recognize and appropriate Neighborhood Stabilization Program 1-3 revenue from prior year fund balance of \$237,371 and grant funds of \$246,501. This additional funding is to complete the necessary \$1,637,420 for contructions costs for the development of the Crossroads at Washington affordable housing project located at 1126, 1136, & 1146 East Washington Avenue, Santa Ana, CA 92701, (APNs 398-092-14 and 398-092-13). *(Requires five affirmative votes)*

4. Authorize the City Manager to execute a Development Impact Fee Deferral Agreement with Washington Santa Ana Housing Partners, L.P. to defer approximately \$652,717 of their development impact fees for the development of the Crossroads at Washington affordable housing project located at 1126, 1136, & 1146 East Washington Avenue, Santa Ana, CA 92701, (APNs 398-092-14 and 398-092-13) subject to non-substantive changes approved by the City Manager and City

Attorney. The calculation of the final fee amount to be deferred will be determined at the time of issuance of the certificate of occupancy (Agreement No. 2022-XXX).

5. Authorize the City Manager to execute a Subordination Agreement with U.S. Bank, National Association to subordinate the City's two Loan Agreements to a senior private loan, subject to non-substantive changes approved by the City Manager and City Attorney (Agreement No. 2022-XXX).

6. Authorize the City Manager to execute a Subordination Agreement with the County of Orange, to subordinate the City's two Loan Agreements to a senior public loan, subject to non-substantive changes approved by the City Manager and City Attorney (Agreement No. 2022-XXX).

7. Authorize the City Manager to execute a future Subordination Agreement, if needed, with the State of California Department of Housing and Community Development, the California Community Reinvestment Corporation, and/or the Orange County Housing Finance Trust, for the City's two Loan Agreements, after the Crossroads at Washington affordable housing project is complete, subject to approval as to form by the City Attorney (Agreement No. 2022-XXX).

8. Authorize the City Manager to appropriate potential future grant funds in the FY 22-23 Budget received through an Equitable Community Revitalization Grant Agreement with the State of California Department of Toxic Substances Control to address and remediate present or future human health or safety or the environment as a result of the presence on the land of hazardous materials at 1126, 1136, & 1146 East Washington Avenue, Santa Ana, CA 92701, (APNs 398-092-14 and 398-092-13).