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City of Healdsburg Finalizes Latest Affordable Housing Acquisition
The \$5 million purchase of the Monte Vina Apartments with partner Burbank Housing uses Measure S funding to help families with low incomes remain in Healdsburg

Healdsburg, Calif. – After several months of negotiations, the City of Healdsburg and Burbank Housing today finalized the \$5 million purchase of the 23 homes at Monte Vina Apartments, the latest in a series of affordable-housing deals the City has made to preserve and provide housing options for families with low to moderate incomes.

The deal ensures that the families and individuals who live in the one- and two-bedroom apartment homes can continue to live there. Burbank Housing, a City partner on this and other affordable housing opportunities and a local nonprofit that builds and manages affordable housing communities in the North Bay, is the new owner of this multifamily complex.

The City of Healdsburg leveraged \$1 million in funding from Measure S, a voter-approved 2 percent hotel tax, to help pay for the residential property and provided a \$275,000 loan to Burbank Housing to manage the multi-family complex and make needed repairs to some of Monte Vina's one- and two-bedroom units. The remaining \$4 million of the purchase price was secured through financing arranged by RCAC -- a Sacramento-based nonprofit that serves rural communities -- in partnership with Morgan Stanley.

"This is a model Healdsburg is perfecting. I'm grateful for the leadership shown by our city manager, housing director and Burbank Housing in navigating the complexities of this acquisition, as well as the sellers and their broker, who wanted to see their long-term tenants protected," Healdsburg Mayor David Hagele said. "As a team, we're excited to share a quick high-five on closing this transaction, but we also know we're not done. Healdsburg will continue to lean in and take meaningful action on multiple fronts to address the affordable housing crisis."

The multi-family apartment complex went on the market in November of 2018 and the Healdsburg City Council approved the purchase of the two-story apartment complex, located at 1302 Prentice Drive, on April 9.

"Affordable housing not only keeps our city diverse and vibrant; it also keeps our economy healthy," said Healdsburg Vice Mayor Leah Gold. "Restaurants, hotels, and retail stores can't compete for staff if their employees are priced out of local housing."

Burbank Housing intends to do everything it can to help the current residents stay in their homes, said Larry Florin, president and CEO of Burbank Housing.

"Burbank Housing's intention in purchasing the Monte Vina Apartment community is simple; it is in deep alignment with our mission to preserve naturally occurring affordable housing in an area where many people are struggling to pay rent," he continued. "Purchasing existing apartments means that we get to fulfill our mission – in this case, adding 23 homes to Sonoma County's affordable housing stock – very quickly and at 50 percent to 60 percent of the cost of new construction."

Other Healdsburg Affordable-Housing Projects

The Monte Vina purchase is the latest effort to provide affordable housing to current and future Healdsburg residents with modest incomes. For instance, the City of Healdsburg negotiated with Seaview Investors, which built Hotel Trio at 110 Dry Creek Road, to also build Citrine Apartments, an income-restricted multi-housing complex of 37 one-, two-, and three-bedroom homes.

In addition, the City negotiated 40 units of affordable housing -- 24 of which are limited to very-low-income households – to be included in the mixed-use Mill District project. This project includes a 53-room hotel, retail space, as well as 30 rental/for-sale units for middle-income households, defined as those earning between 120 percent and 160 percent of area-median income.

The newly built 25-unit Healdsburg Glen Apartments, which are owned by the City of Healdsburg, opened late last year, and in 2017, the City of Healdsburg purchased an eight-unit low-income housing complex at 721-723 Center Street to prevent the displacement of eight families. The \$1.8 million purchase leases the property to Burbank Housing, and is required to maintain the Center Street property as affordable housing for a minimum of 55 years.

Other affordable-housing efforts by the City of Healdsburg include making ADUs ("granny units") easier and cheaper for homeowners to build, increasing the percentage of affordable housing for market-rate residential projects from 15 percent to 20 percent, and passing a "local preference policy" which favors Healdsburg residents and workers seeking affordable housing.

For more information about housing efforts and resources from the City of Healdsburg, go to: <https://www.ci.healdsburg.ca.us/649/Housing>

For more information about Burbank Housing, go to: <http://www.burbankhousing.org/>

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