

RESOLUTION OF THE CITY OF SAN LEANDRO CITY COUNCIL

**RESOLUTION NO. 2022-xx**

**RESOLUTION OF THE CITY OF SAN LEANDRO CITY COUNCIL TO APPROVE AND AUTHORIZE THE CITY MANAGER TO EXECUTE ALL DOCUMENTS TO EFFECT A LOAN TO ABODE COMMUNITIES FOR LAND ACQUISITION AND NEW CONSTRUCTION OF A 72-UNIT AFFORDABLE HOUSING DEVELOPMENT AT 15101 WASHINGTON AVENUE IN AN AMOUNT NOT TO EXCEED \$7,000,000 (\$5,015,000 FROM ALAMEDA COUNTY MEASURE A-1 BOND FUNDING; \$349,960 FROM CALIFORNIA HOUSING AND COMMUNITY DEVELOPMENT PERMANENT LOCAL HOUSING ALLOCATION; AND \$1,635,040 FROM THE CITY LOW-MOD HOUSING ASSET FUND)**

**WHEREAS**, Abode Communities, a nonprofit housing developer, proposes to construct 72-units of affordable rental housing (“Project”) located at 15101 Washington Avenue (the “Property”); and

**WHEREAS**, the Project will consist of 3 studio apartments, 32 one-bedroom apartments, 19 two-bedroom, and 18 three-bedroom apartments of which all of the housing constructed will be rented at a cost affordable to very-low income households; and

**WHEREAS**, in order to make the Project financially feasible, Abode Communities is leveraging various funding sources by using Seven Million Dollars (\$7,000,000) of funding controlled by the City to help finance the Project; and

**WHEREAS**, Abode Communities requested, and City agreed to provide, a loan to Abode Communities in the amount of One Million Nine Hundred Eighty Five Dollars (\$1,985,000) with annual interest-only payments at 3% interest with a final maturity in year 55 (the “Loan”) to assist in the development of the Project; and

**WHEREAS**, the Loan is comprised of two funding sources: the Low-Mod Housing Asset Fund (held by the City as the Housing Successor to the former Redevelopment Agency of the City of San Leandro) and the City’s 2019 Permanent Local Housing Allocation (PLHA) from California Housing and Community Development Department; and

**WHEREAS**, in exchange for receipt of the Loan, Abode Communities has agreed to enter into an Affordable Housing Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”), which would be recorded against the Property and which would require Project rents to be affordable to very low-income households for a term of not less than 55 years; and

**WHEREAS**, Abode Communities will execute an agreement with the City establishing the terms and conditions of the Loan (the “Loan Agreement”), and will concurrently execute a secured promissory note (the “Note”) in the amount of the Loan and a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (“Deed of Trust”), which will provide the City with a security interest in the Property and the Project; and

**WHEREAS**, the Loan Agreement, Regulatory Agreement, Note, and Deed of Trust are collectively referred to as the “Loan Documents”; and

**WHEREAS**, in November 2016, Alameda County Voters adopted an affordable housing bond measure, commonly known as Measure A-1; and

**WHEREAS**, the City’s allocation of A-1 bond proceeds is approximately Eleven Million Nine Hundred Thousand Dollars (\$11,900,000); and

**WHEREAS**, the City previously provided One Million Seven Hundred Thousand Dollars (\$1,700,000) of A-1 bond proceeds for the San Leandro Senior Project, Marea Alta Phase 2; and

**WHEREAS**, the City previously provided Four Million Dollars (\$4,000,000) of A-1 bond proceeds for the Parrott Street Apartments (“Loro Landing”); and

**WHEREAS**, in addition to the Loan, Abode Communities requests, and the City agreed to provide, Five Million Fifteen Thousand Dollars (\$5,015,000) in funds from the City’s remaining allocation of Measure A-1 Bond Funds (the “Measure A-1 Bond Support”); and

**WHEREAS**, the Alameda County Board of Supervisors must approve the award of the Measure A-1 Bond Funds to Abode Communities; and

**WHEREAS**, the City Council desires to approve the Loan and Measure A-1 Bond Funds to Abode Communities in order to make the project financially feasible and assist with the creation of new affordable housing in the community.

**NOW, THEREFORE** the City of San Leandro City Council hereby **RESOLVES** as follows:

1. That the City Council hereby finds and determines that the above recitals are true and correct and have served as the basis, in part, for the findings and actions of the City Council set forth below.

2. That the City Council hereby approves the Loan Agreement between the City and Abode Communities substantially in the form on file with the City Clerk, with such changes as deemed necessary by the City Attorney and City Manager.

3. That the City Council hereby approves the allocation of Measure A-1 Bond Support to Abode Communities to assist with the development of the Project; and

4. That the City Manager is authorized to execute the Loan Agreement and related Loan Documents, in a form approved by the City Attorney, and to take such further actions as may be necessary or appropriate to carry out this Resolution, including executing such documents as are necessary for the allocation of Measure A-1 Bond Support.

Introduced by \_\_\_\_\_ and passed and adopted this 2nd day of May 2022, by the following vote:

Members of the Council:

AYES:

NOES:

ABSENT:

ATTEST: \_\_\_\_\_  
Kelly B. Clancy, Acting City Clerk