



Legislation Details (With Text)

File #: 15-562 **Version:** 1 **Name:** SR Las Palmas Apts Assignment
Type: Staff Report **Status:** Filed
In control: City Council
On agenda: 10/5/2015 **Final action:** 10/5/2015
Enactment date: **Enactment #:**
Title: Staff Report for the Assignment and Assumption of the Loan Agreement, Deed of Trust and Regulatory Agreement for the Real Property at 15370-15375 Tropic Court in the City of San Leandro
Indexes:
Code sections:
Attachments:

Date	Ver.	Action By	Action	Result
10/5/2015	1	City Council	Received and Filed	

Staff Report for the Assignment and Assumption of the Loan Agreement, Deed of Trust and Regulatory Agreement for the Real Property at 15370-15375 Tropic Court in the City of San Leandro

SUMMARY AND RECOMMENDATIONS

Las Palmas Apartments, which is owned and operated by the nonprofit housing developer Eden Housing, Inc. (Eden), received a \$50,000 loan from City of San Leandro Redevelopment Agency Housing Set-Aside Fund in 2011. Staff recently discovered that the \$50,000 loan was inadvertently left off the Housing Asset Inventory Report (HAT), which the California Department of Finance (DOF) required and approved in 2012 soon after the dissolution of redevelopment agencies state-wide. Staff recommends that the City Council approve a resolution assigning the \$50,000 loan from the Successor Agency of the Redevelopment Agency of the City of San Leandro to the Housing Successor. This assignment enables the City to assume the duties and rights to modify the loan and related documents and qualifies Eden for State/federal low income housing tax credits/tax-exempt bonds for Las Palmas Apartments.

BACKGROUND AND ANALYSIS

The 91-unit Las Palmas Apartments at 15370 and 15375 Tropic Court received federal Home Investment Partnership Program (HOME) loan funds from the City of San Leandro in 1999 and executed a regulatory agreement, which is still in effect, that requires Eden to maintain the majority of units as long-term affordable rental housing. Around 1999, the property also received State/federal low income housing tax credits, which also restricted the majority of units as affordable; those tax credits have expired.

Eden re-applied for low income housing tax credits and tax-exempt bonds from the State Tax Credit Allocation Committee (TCAC) and California Debt Limit Allocation Committee (CDLAC) in August 2015 to make needed renovations to the aging Las Palmas. Eden Housing is not seeking any additional City financial assistance.

Upon the dissolution of redevelopment agencies in February 2012, all former redevelopment agencies were required to submit a Housing Asset Inventory Report to DOF in summer 2012. The City completed and submitted the report to DOF by the deadline, and DOF approved the report shortly after submittal. CDLAC reviewed the HAT as part of Eden's tax credit application and noted that it did not find the Las Palmas loan on the list. City staff, upon further review, confirmed that the \$50,000 loan from Redevelopment Agency Housing Set-Aside funds was inadvertently left off the report.

To rectify the omission from the HAT of the \$50,000 loan to Las Palmas, DOF recommended that the Successor Agency and the Oversight Board review and approve a resolution to transfer this asset to the Housing Successor. The Oversight Board approved a resolution on September 23, 2015. Under State law, the City Council must now approve assignment and assumption of the loan agreement and related legal documents from the Successor Agency to the City. The transfer of this asset is a prerequisite for Eden's eligibility for low income housing tax credits/tax-exempt bond financing to make needed improvements at Las Palmas Apartments.

Previous Actions

On September 8, 2015, the City Council conducted a TEFRA public hearing and adopted a resolution approving CMFA to issue revenue bonds for Eden's tax credit/tax-exempt bond financing application for renovations to Las Palmas Apartments.

Committee Review and Actions

On September 23, 2015, the Successor Agency Oversight Board approved by resolution that the \$50,000 Redevelopment Housing Set-Aside loan (from 2011) be transferred to the housing successor pursuant to Health and Safety Code (HSC) section 34176 (a) (1) and 34177 (g).

Applicable General Plan Policies

The proposed renovations to Las Palmas Apartments by Eden Housing advance Goal 56 (Affordable Housing Conservation) under the City's Housing Element Update, which was certified by the State Housing and Community Development Department in February 2015.

Legal Analysis

The City Attorney's Office reviewed and approved this staff report, resolution and related legal documents (see File 15-563).

Fiscal Impacts

The assignment of the \$50,000 loan from the Successor Agency to the City has no fiscal impact to the City's General Fund. The City will assume the \$50,000 loan and will be assigned any future loan repayments from Eden.

ATTACHMENT(S)

Attachment(s) to Related Legislative Files

- Attached to Resolution:

- Assignment and Assumption of the Loan Agreement, Deed of Trust and Regulatory Agreement for the Real Property at 15370-15375 Tropic Court in the City of San Leandro

PREPARED BY: Tom Liao, Deputy Community Development Director, Community Development Department