



Legislation Text

File #: 15-701, Version: 1

RESOLUTION Approving Assignment, Assumption, and Modification Agreements for Loans Provided to Eden Housing for the Real Property at 15370-15375 Tropic Court in the City of San Leandro and Approving Related Actions

WHEREAS, On February 7, 2011, the Redevelopment Agency of the City of San Leandro (the "**Former Agency**") entered into that certain affordable housing loan agreement with Las Palmas Development Partners (the "**Borrower**"), pursuant to which the Former Agency provided a loan to Borrower in the amount of Fifty Thousand Dollars (\$50,000) (the "**Housing Loan**") for the purpose of providing financial assistance for a multi-family affordable housing project owned by Borrower (the "**Original Project**") located at 15370-15375 Tropic Court in the City; and

WHEREAS, Assembly Bill 26 ("ABx1 26") was enacted by the State Legislature and signed by the Governor as of June 29, 2011; and

WHEREAS, on December 29, 2011 the California Supreme Court delivered its decision in *California Redevelopment Association v. Matasantos*, finding ABx1 26 (together with AB 1484 and SB 107, the "**Dissolution Law**") largely constitutional and resulting in the dissolution of all California redevelopment agencies, including the Former Agency, on February 1, 2012; and

WHEREAS, pursuant to the Dissolution Law, the City of San Leandro (the "**City**") is the successor in interest to the Former Agency with respect to the Housing Loan; and

WHEREAS, on December 6, 1999 the City entered into that certain affordable housing loan agreement with Borrower, pursuant to which the City provided a loan to Citizens Housing Corporation, predecessor in interest to Borrower, in the amount of Seven Hundred Fifty Thousand Dollars (\$750,000) (the "**HOME Loan**") for the purpose of providing financial assistance for the Original Project; and

WHEREAS, Borrower requests, and City agrees, to the transfer and assignment of the Housing Loan and the HOME Loan (together the "**Loans**") to a new tax-credit limited partnership for the purpose of providing new equity that will facilitate a substantial rehabilitation to the Original Project (the "**Project**"); and

WHEREAS, in order to effect the transfer and assignment, Borrower requests that City enter into (i) an Assignment, Assumption and Modification Agreement (City HOME Program Loan) ("**HOME Assignment Agreement**") with LPSL, L.P., a California limited partnership (the "**Assignee**") and (ii) an Assignment, Assumption and Modification Agreement (Affordable Housing Loan) (the "**Housing Assignment Agreement**," and together with the HOME Assignment Agreement, the "**Agreements**") with Assignee, copies of which are on file with the City Clerk; and

WHEREAS, Borrower further requests that City approve the extension of the maturity dates of

the loans to fifty-five (55) years from the date of recordation of the Agreements, as set forth in the Agreements.

NOW, THEREFORE, the City Council of the City of San Leandro does hereby RESOLVE as follows:

Section 1. The above recitals are true and correct and incorporated into this Resolution by this reference.

Section 2. The Agreements, substantially in the form on file with the City Clerk, are hereby approved.

Section 3. The City Manager is hereby authorized to forgive all interest owing on the HOME Loan and the Housing Loan, and to extend the maturity dates on the Loans to fifty-five years from the date of recordation of the Assignment Agreements.

Section 4. The City Manager is hereby authorized to execute the Assignment Agreements, with such changes as may be recommended by the City Attorney, and to take all actions and execute such other documents as may be necessary to carry out the obligation of the City under the Assignment Agreements and the intent of this Resolution.

Section 5. This Resolution shall take effect immediately upon its adoption.