



Legislation Text

File #: 15-722, **Version:** 1

RESOLUTION Authorizing the City Manager to Execute a Loan Agreement for \$1,000,000 with Alameda Senior Housing Associates, L.P., a California Limited Partnership (an Affiliate of BRIDGE Housing Corporation) for the Financing of the Construction of an Affordable Senior Rental Housing Project (Marea Alta Phase II) Located at 525 West Juana Avenue

WHEREAS, Alameda Senior Housing Associate, L.P., a California limited partnership (“Developer”) has a lease for certain real property located at 585 West Juana Avenue in the City of San Leandro, California, known as Alameda County Assessor’s Parcel Number 075-0230-001-00 (the “Property”); and

WHEREAS, Developer intends to construct an eighty-five (85) unit senior residential development on the Property, consisting of seventy-seven (77) one-bedroom, one-bath units and eight (8) two-bedroom, one bath units (the “Project”); and

WHEREAS, Developer will restrict eight (8) one-bedroom units and five (5) two-bedroom units to extremely low-income households, and sixty-eight (68) one-bedroom units and three (3) two-bedroom units to very low-income households. The remaining one bedroom unit will be occupied by the on-site manager; and

WHEREAS, City is a participating jurisdiction in the Alameda County HOME Consortium and is a recipient of funds pursuant to the HOME Investment Partnership Act, established by the National Affordable Housing Act of 1990 (42 U.S.C. § 12471 *et seq.*, (“HOME Program”) that are subject to certain restrictions established by the United States Department of Housing and Urban Development under 24 CFR 92; and

WHEREAS, Developer applied for and requested, and City agrees to provide, financing to assist in the development of the Project in order to make the Project economically feasible and affordable to extremely low- and very low-income senior households; and

WHEREAS, City desires to provide Developer with a loan in the amount of Two Hundred Fifty-Six Thousand Seven Hundred Sixty-One Dollars (\$256,761) from HOME Program funds to assist with the construction and development of the Project (“HOME Loan”), and such loan will be provided in accordance with federal regulations governing the HOME Program; and

WHEREAS, City also desires to provide Developer with a separate loan for an amount not to exceed Seven Hundred Forty-Three Thousand Two Hundred Thirty-Nine Dollars (\$743,239) from repayments of former Redevelopment Housing Set-Aside loan funds held by the City in its capacity as Housing Successor to the Redevelopment Agency to assist with the construction and development of the Project (“City Loan”); and

WHEREAS, a loan agreement was negotiated between the City of San Leandro and the Developer establishing the terms and conditions of the HOME Loan and City Loan (the "Loan Agreement"), a copy of which is attached hereto as Exhibit A and incorporated herein; and

WHEREAS, the City and Developer also negotiated the terms of a secured promissory note for the HOME Loan and a secured promissory note for the City Loan to be executed by Developer to evidence its obligation to repay the two loans, as well as a leasehold deed of trust to provide the City with a security interest in the Project, and a regulatory agreement to restrict the occupancy of the Project to senior households with extremely low- and very low-incomes.

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

Section 1. All the recitals above are true, correct and incorporated herein.

Section 2. The City Council finds that the provision of financial assistance in the amount of the HOME Loan and City Loan is necessary to make the Project financially feasible and affordable to extremely low- and very low-income senior households, and the financial assistance will help increase the supply of affordable senior housing in the City.

Section 3. The City Council approves the provision of the City Loan and HOME Loan and authorizes and directs the City Manager to execute the Loan Agreement, which is attached hereto as Exhibit A, in substantially the form attached with such changes as are deemed appropriate by the City Manager and City Attorney.

Section 4. The issuance of the HOME loan and City Loan are contingent upon the execution of a promissory note for the City Loan, a promissory note for the HOME loan, a leasehold deed of trust and regulatory agreement between the City and the Developer, and such documents shall be in a form deemed appropriate by the City Manager and City Attorney.

Section 5. The City Manager is hereby authorized to take such further actions and execute such documents as may be necessary or appropriate to carry out the City's obligations pursuant to this Resolution.

Section 6. This Resolution shall take effect immediately upon adoption.