

HAYWARD CITY COUNCIL

RESOLUTION NO. 22-

Introduced by Council Member \_\_\_\_\_

RESOLUTION TO APPROVE ALLOCATION OF CALIFORNIA STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT LOCAL HOUSING TRUST FUND PROGRAM GRANT AWARD TO MISSION PARADISE IN THE AMOUNT OF \$1,150,000; AND AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE LOAN DOCUMENTS BETWEEN THE CITY OF HAYWARD AND EAH, INC. IN AN AMOUNT NOT TO EXCEED \$1,150,000 FOR THE DEVELOPMENT OF MISSION PARADISE

WHEREAS, the City of Hayward (the “City”), a municipal corporation, is authorized to do business in the State of California (the “State”); and

WHEREAS, the State of California Department of Housing and Community Development (the “Department”) is authorized to provide up to \$57 million under the Local Housing Trust Fund (“LHTF”) Program from the Veterans and Affordable Housing Bond Act of 2018 (Proposition 1) (as described in Health and Safety Code (“HSC”) Section 50842.2 et seq. (Chapter 365, Statutes of 2017 (SB 3)) (the “Program”); and

WHEREAS, the Department issued a Notice of Funding Availability (“NOFA”) dated Monday, May 3, 2021 under the LHTF Program; and

WHEREAS, City of Hayward established the Inclusionary Housing Trust Fund under Chapter 10, Article 17 of the Hayward Municipal Code for the purpose of increasing the supply of housing affordable to Moderate-, Low-, Very Low-, or Extremely Low-Income households; and

WHEREAS, City of Hayward is an eligible Local Housing Trust Fund applying to the LHTF Program to administer one or more eligible activities using LHTF Funds; and

WHEREAS, on July 20, 2021, the City Council authorized the City Manager to: (1) submit an application in response to the LHTF Program NOFA in an amount not to exceed \$5 million; (2) execute a Standard Agreement and any subsequent amendments, modifications, or documents necessary to participate in the LHTF Program; (3) accept and appropriate the LHTF Award in an amount not to exceed \$5 million; and (4) allocate funds if awarded to Mission Paradise and Parcel Group 8 Affordable Housing (“Eligible Projects”); and

WHEREAS, the Planning Commission on February 22, 2018 found that the Mission Paradise project is categorically exempt as Infill Development (Class 32) under the City's adopted procedures for the California Environment Quality Act ("CEQA") and that no further environmental analysis is required; and

WHEREAS, on December 23, 2021, the Department awarded the City \$3,994,906 in LHTF Program grant funds ("Awarded Funds"); and

WHEREAS, on September 26, 2022, the City entered into a Standard Agreement with the Department for the Awarded Amount; and

WHEREAS, the City wishes to allocate \$1,150,000 of the Awarded Funds and enter into a loan agreement with EAH, Inc (the "Developer") to support the development of Mission Paradise (the "Project").

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby finds and determines that the Recitals above are true and correct and by this reference makes them a part hereof.

BE IT FURTHER RESOLVED, that the City Council hereby approves allocation in the amount of \$1,150,000 to the Project and authorizes the City Manager to negotiate and enter into a loan agreement in an amount not to exceed \$1,150,000 with the Developer or an affiliate entity approved by the City Manager to support the development of the Project; and

BE IT FURTHER RESOLVED, that the loan shall be for a maximum term of 55 years, with an interest rate to be determined by the City Manager, with repayment to the City from surplus cash flow from the Project and other available funds during the term of the loan, with the balance due at the end of the term, or on such other repayment terms and schedule as the City Manager or his or her designee determine are in the best interest of the City and the Project; and

BE IT FURTHER RESOLVED, that the loan funds shall be reserved for a period of no more that twenty-four months from the date of this Resolution and shall be subject to reprogramming at the end of this period unless the Developer has secured commitments for full Project funding or provide other assurances of adequate Project funding that the City Manager deems sufficient within his or her discretion, within the reservation period; and

BE IT FURTHER RESOLVED, that the City hereby authorizes the City Manager to conduct, negotiate, execute documents, and administer the loan, extend or modify the repayment terms, and take any other action with respect to the loan and the Project consistent with this Resolution and its basic purpose.

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 2022

ADOPTED BY THE FOLLOWING VOTE:

AYES:           COUNCIL MEMBERS:  
                  MAYOR:

NOES:           COUNCIL MEMBERS:

ABSTAIN:       COUNCIL MEMBERS:

ABSENT:        COUNCIL MEMBERS:

ATTEST: \_\_\_\_\_  
                  City Clerk of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney of the City of Hayward