

CITY OF HAYWARD

RESOLUTION NO. 15-_____

Introduced by Councilmember _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
HAYWARD APPROVING THE RESTRUCTURING OF CERTAIN
LOANS TO PROMOTE THE REHABILITATION OF THE GLEN
EDEN AND GLEN BERRY DEVELOPMENTS

WHEREAS, in 1992, the City of Hayward (the "City") provided a \$298,903 loan of Community Development Block Grant ("CDBG") funds at 3% interest (the "Glen Berry CDBG Loan") for the development of a 50-unit affordable housing development located at 625 Berry Avenue in Hayward, California (the "Glen Berry Development"); and

WHEREAS, in 1993, the City provided a \$500,000 federal HOME Investment Partnership Program ("HOME") loan at 3% simple interest for the Glen Berry Development (the "Glen Berry HOME Loan"); and

WHEREAS, in 1992 the City provided a \$230,000 loan (the "Glen Berry Bridge Loan") in Low and Moderate Income Housing Funds, made available to the City by the dissolved Redevelopment Agency of the City of Hayward (the "Former RDA"); and

WHEREAS, in 1992 the City provided a \$490,000 loan ("Glen Eden Bridge Loan") in Low and Moderate Income Housing Fund, made available by the Former RDA, for the development of a 36-unit affordable housing development located at 561 A Street in Hayward, California (the "Glen Eden Development"); and

WHEREAS, in 1992, the City provided a \$408,145 loan of CDBG funds at a rate of 3% simple interest for the Glen Eden Development (the "Glen Eden CDBG Loan"); and

WHEREAS, the Glen Eden Bridge Loan and the Glen Berry Bridge Loan have been repaid, but the regulatory agreements recorded in connection with such loans remain on title (the "Former RDA Regulatory Agreements"); and

WHEREAS, the Glen Berry Development and Glen Eden Development (collectively, the "Glen Berry/Glen Eden Development") are currently owned by affiliates of Eden Housing, Inc. ("Eden") and both are in need of rehabilitation and repair, as more specifically described in the Staff Report accompanying this resolution (the "Staff Report"); and

WHEREAS, in order to maximize the amount of rehabilitation work that is financially feasible to perform on the Glen Berry/Glen Eden Development and for the other reasons stated in the Staff Report, Eden's affiliates intend to sell the Glen Berry/Glen Eden Development to a

single tax credit partnership affiliate (the "Partnership") and restructure the Glen Berry CDBG Loan, the Glen Berry HOME Loan and the Glen Eden CDBG Loan (collectively, the "Original Glen Eden/Glen Berry Loans") to benefit the Glen Berry/Glen Eden Development by creating a common scheme of financing for the Glen Berry/Glen Eden Development that will help to fund rehabilitation work at the two original projects, collectively; and

WHEREAS, in order to assist in the feasibility of the Glen Berry/Glen Eden Development rehabilitation, the City desires to modify or amend and restate the documents evidencing the Original Glen Berry/Glen Eden Loans to reflect new principal amounts equal to the unpaid principal amount of such loans plus interest accruing as described in the Staff Report (the "Restructured Glen Eden/Glen Berry Loans"); and

WHEREAS, the Restructured Glen Berry/Glen Eden Loans will all bear interest at a rate that is consistent with the Staff Report and that will ensure the rehabilitation is financially feasible; and

WHEREAS, as part of the Restructured Loans, the City will continue to restrict 10 HOME units for low income households in the manner more particularly described in the Staff Report; and

WHEREAS, the Restructured Glen Berry/Glen Eden Loans will be repaid from cash remaining after payment of development and operating costs of the Glen Berry/Glen Eden Development and will be secured by a deed of trust recorded against title to the Glen Berry/Glen Eden Development; and

WHEREAS, the Borrower of the Restructured Glen Berry/Glen Eden Loans will be the Partnership; and

WHEREAS, in consideration of the Restructured Glen Berry/Glen Eden Loans and to assist in the feasibility of the Glen Berry/Glen Eden Development rehabilitation, the City desires for the Housing Authority of the City of Hayward (the "Authority"), in its capacity as housing successor to the Former RDA, to amend and restate the Former RDA Regulatory Agreement in a manner that is consistent with the Authority's concurrent approvals and the Staff Report ("Authority Regulatory Agreement"); and

WHEREAS, the rehabilitation of the Development, the Restructured Glen Berry/Glen Eden Loans, and the Authority Regulatory Agreement are categorically exempt as a Class 1 exemption pursuant to State CEQA Guidelines Section 15301 because the rehabilitation work will be performed to existing facilities; and

NOW THEREFORE, the City Council does hereby find, determine, resolve and order as follows:

BE IT RESOLVED that the Recitals above are true and correct and by this reference makes them a part hereof.

FURTHER RESOLVED, that the City Council hereby approves the Restructured Glen Berry/Glen Eden Loans, and the making of such loans.

FURTHER RESOLVED, that the City Council hereby approves the execution and negotiation and execution of documents evidencing the Restructured Glen Berry/Glen Eden Loans by the City Manager or the City Manager's designee, in a manner and form that is consistent with the Staff Report and this Resolution and approved by the City Manager and City Attorney.

FURTHER RESOLVED, that the City Council hereby authorizes the City Manager or the City's Manager's designee to act with the Authority to negotiate and have the Housing Authority enter into one or more Authority Regulatory Agreements to replace the former RDA Regulatory Agreements.

FURTHER RESOLVED, that the City Council hereby authorizes the City Manager or the City Manager's designee to take such other actions as may be reasonably necessary to facilitate the making of the Restructured Glen Berry/Glen Eden Loans, the recordation of the Authority Regulatory Agreement, and the rehabilitation of the Glen Berry/Glen Eden Development.

FURTHER RESOLVED, that the City Manager or the City Manager's designee is authorized to file a Notice of Exemption with respect to the Glen Berry/Glen Eden Loans and the Glen Berry/Glen Eden Development in accordance with CEQA.

FURTHER RESOLVED, that this Resolution shall take immediate effect upon its adoption.

HAYWARD, CALIFORNIA, _____, 2015

ADOPTED BY THE FOLLOWING VOTE:

AYES: COMMISSION MEMBERS:

CHAIR:

NOES: COMMISSION MEMBERS:

ABSTAIN: COMMISSION MEMBERS:

ABSENT: COMMISSION MEMBERS:

ATTEST: _____
Miriam Lens, City Clerk of the
City of Hayward

APPROVED AS TO FORM:

Michael Lawson, City Attorney of the
City of Hayward