

HAYWARD CITY COUNCIL

RESOLUTION NO. _____

Introduced by Council Member _____

RESOLUTION AUTHORIZING AN AMENDMENT AND RESTATEMENT OF THAT CERTAIN FIRST AMENDED AND RESTATED REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS AND RELATED APPROVALS FOR TENNYSON GARDENS APARTMENTS

WHEREAS, The City of Hayward, a California charter city (the "City"), the Hayward Housing Authority, a public body, corporate and politic (the "Housing Authority"), the housing successor and successor in interest to the dissolved Redevelopment Agency of the City of Hayward (the "Dissolved Agency") and Tennyson Preservation Limited Partnership, a California Limited Partnership ("Borrower") entered into that certain First Amended and Restated Regulatory Agreement and Declaration of Restrictive Covenants, dated October 1, 2009 recorded in the Official Records of Alameda County as Document No. 09-346944 on November 2, 2009 (the "Regulatory Agreement").

WHEREAS, The Regulatory Agreement serves as security for: (a) a loan from the City to the Borrower of Eight Hundred Thousand Dollars (\$800,000) of Home Investment Partnership Act funds, provided to the City from HUD pursuant to the Cranston-Gonzales National Housing Act of 1990 as amended (the "City HOME Loan") which was subsequently paid in 2009; and (b) a loan from the Dissolved Agency to the Borrower of One Million Five Hundred Thousand Dollars (\$1,500,000) of Low and Moderate Income Housing Funds (the "RDA Loan").

WHEREAS, The Regulatory Agreement is recorded against the real property commonly referred to as Tennyson Gardens Apartments, located at 981 W. Tennyson Road, Hayward California ("Tennyson Gardens") and requires ninety-four (94) of the units in the development to be made available as assisted with the RDA Loan and eleven (11) of the units in the development are designated as HOME-Assisted units (six (6) HOME-Assisted units are restricted for occupancy by Very Low Income Households and five (5) HOME-Assisted units are restricted for occupancy by Low Income Households).

WHEREAS, Eden Faith Manor, LLC, an affiliate of Eden Housing, Inc. (the "Sponsor") acquired a sixty-two (62) unit multifamily rental complex located at 971-1001 Forselles Way and 27601 Tyrell Avenue in Hayward ("Faith Manor") from Glad Tidings Community Development Corporation ("Glad Tidings").

WHEREAS, The Tennyson Gardens and Faith Manor developments were constructed in the late 1960s and are now in need of substantial capital repairs including: (a) roof replacement; (b) siding repairs or replacement; (c) window replacement; (d) concrete repairs; (e) landscaping improvements; (f) energy efficiency upgrades; and (g) accessibility compliance and improvements to the unit interiors.

WHEREAS, The Sponsor intends to restructure the financing for Tennyson Gardens and Faith Manor, (collectively, the "Developments") to achieve cost savings and finance the rehabilitation of the Developments. The restructuring would include: (a) transferring the Developments to a newly formed limited partnership named Gotta Have Faith, L.P., a California limited partnership (the "Developer") in which Glad Tidings may have a special limited partnership interest; (b) repaying the RDA Loan; and (c) applying for an allocation of 4% low-income housing tax credits and allocation of tax exempt bonds to be issued by the County of Alameda (the "County") to fund the rehabilitation of the Developments.

WHEREAS, The Borrower has requested that the City and Housing Authority: (a) consent to the transfer of the Tennyson Gardens to the Developer and the assignment of the Regulatory Agreement to the Developer; (b) consent to the restructuring of the debt and authorize the Developer to cross subsidize the Developments; and (c) consent to the restructured financing for the Developments.

WHEREAS, In consideration, for the City and Housing Authority's consent and approvals: (a) the Developer will, or shall cause the Borrower to, repay the RDA Loan; and (b) the Developer agrees to record an amendment and restatement of the Regulatory Agreement (the "Second Amended and Restated Regulatory Agreement") to: (1) impose maintenance and other operational requirements to Faith Manor (but not impose any affordability restrictions); (2) extend the term of the existing regulatory restrictions for the ninety-four (94) units (excluding the managers' units) at Tennyson Gardens by approximately seventeen (17) years; and (3) restrict all eleven (11) HOME-Assisted units at Tennyson Gardens for occupancy by Very Low Income Households.

WHEREAS, Borrower, City, and Housing Authority have determined that the income from the Developments will support the restructured debt and that such restructure is in the best interest of the Developments and Borrower.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Hayward hereby finds, resolves, and determines that the foregoing recitals are true and correct and are incorporated herein by reference, and, together with information provided in the accompanying staff report and the public comments, form the basis for the approvals, findings, resolutions, and determinations set forth below.

BE IT FURTHER RESOLVED the City Council of the City of Hayward hereby consents to the transfer of the Tennyson Gardens to the Developer to facilitate the restructured financing herein described; and

BE IT FURTHER RESOLVED the City Council of the City of Hayward approves the restructured financing and hereby authorizes the City Manager or her designee to negotiate and execute the Second Amended and Restated Regulatory Agreement and any other ancillary documents necessary to facilitate the restructured financing herein described; and

BE IT FURTHER RESOLVED that the City Manager or her designee is hereby authorized and directed to take such actions as may be necessary to implement the Second Amended and Restated Regulatory Agreement and to complete the activities contemplated by this resolution, subject to approval by the City Attorney (including but not limited to recording the Second Amended and Restated Regulatory Agreement against fee title to both Developments).

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2018

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