

REDEVELOPMENT SUCCESSOR AGENCY OF THE CITY OF HAYWARD

RESOLUTION NO. HRSA 25-__

Introduced by Board Member _____

RESOLUTION OF THE BOARD OF DIRECTORS OF THE REDEVELOPMENT
SUCCESSOR AGENCY OF THE CITY OF HAYWARD APPROVING
SUBORDINATION AGREEMENT AND RELATED MATTERS FOR A RETAIL
ATTRACTION LOAN

WHEREAS, the Redevelopment Agency of the City of Hayward (the “Former Agency”) Downtown Retail Attraction Loan Program (the “Retail Attraction Loan Program”) in response to the growing number of vacant buildings in the Downtown Hayward Redevelopment Area, west of Foothill Boulevard and in October 2008 the Foothill Boulevard Façade Improvement Initiative became the primary focus for the expenditure of Retail Attraction Loan Program funds; and

WHEREAS, among the various loan agreements implementing the Foothill Boulevard Façade Improvement Initiative, the former Redevelopment Agency executed that certain City of Hayward Retail Attraction Initiative Loan Fund Loan Agreement with RLW, LLC (the “Borrower”), executed on March 9, 2011 (the “Loan Agreement”) to fund improvements on properties located at 22401-87 Foothill Blvd, Hayward, CA (the “Property”); and

WHEREAS, the Loan Agreement is secured by the following deeds of trust (collectively the “Agency Deeds of Trust”):

1. A short form deed of trust in the amount of \$300,000 recorded against the properties addressed 22401 Foothill Blvd, 22415-22423 Foothill Blvd, and 2249-22433 Foothill Blvd, Hayward CA 94541.
2. A short form deed of trust in the amount of \$100,000 recorded against the properties addressed 22349-22445 Foothill Blvd, Hayward, CA 94541.
3. A short form deed of trust in the amount of \$100,000 recorded against the properties addressed 22455-22475 Foothill Blvd, Hayward, CA 94541.
4. A short form deed of trust in the amount of \$80,000 recorded against the property addressed 22481 Foothill Blvd, Hayward, CA 94541; and

WHEREAS, in addition to the Loan Agreement, Richard Weinstein executed a personal guaranty (the "Guaranty"), which unconditionally guarantees payment of the various facade loans adding additional security for repayment of any funds disbursed under the Loan Agreement; and

WHEREAS, the Loan Agreement, the Agency Deeds of Trust, and the Guaranty are subordinated to an existing mortgage in the amount of \$7.25 million; and

WHEREAS, the Borrower desires to refinance a preexisting mortgage with a new commercial loan and the proposed new loan terms are:

1. Principal Amount: The lesser of : (1) 75% of appraised value or (2) 1.25 debt service coverage ratio and a 6.5% underwriting rate and 25-year amortization. The Loan amount is currently estimated to be \$7.7 million;
2. A term not to exceed 25 years; and
3. A fixed interest rate of approximately 6.375%

WHEREAS, the provider of the new loan is requesting subordination of the Loan Agreement, the Agency Deeds of Trust and the Guaranty, to the new loan; and

WHEREAS, on February 1, 2012, the Former Agency was dissolved pursuant to Assembly Bill x1 26 (the "Dissolution Act"); and

WHEREAS, pursuant to Health and Safety Code Section 34173, the City Council of the City of Hayward (the "City Council") declared that the City of Hayward, a charter city (the "City"), would act as successor agency (the "Successor Agency") for the dissolved Redevelopment Agency of the City of Hayward (the "Dissolved Agency") effective February 1, 2012; and

WHEREAS, pursuant to AB 1484 ("AB 1484"), enacted June 27, 2012 to amend various provisions of the Dissolution Act, the Successor Agency is now declared to be a separate legal entity from the City; and

WHEREAS, the refinancing of the project will enhance the financial stability of the Borrower and ensure the continued operation of businesses on the Property in accordance with the requirements of the Loan Agreement; and

WHEREAS, by staff report accompanying this Resolution and incorporated into this Resolution by this reference ("Staff Report"), the Board of Directors has been provided provide supporting information upon which the actions set forth in this Resolution are based.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Redevelopment Successor Agency of the City of Hayward hereby finds and determines that the foregoing recitals are true and correct, and together with the following documents and information form the basis for the approvals, authorizations, findings, and determinations set forth in this Resolution: (1) the Staff Report; and (2) the information provided by the Borrower and Successor Agency staff and the public.

BE IT FURTHER RESOLVED that Board of Directors hereby approves subordination of the Loan Agreement, the Agency Deeds of Trust, and the Guaranty to financing substantially consistent with the New Loan Terms from the private lender; and authorizes the Executive Director/City Manager to execute a subordination or similar agreement with the private lenders on behalf of the Successor Agency, in a form approved by the Successor Agency signatory and the Successor Agency Counsel, such approval to be evidenced by the execution of such agreement, and provided such agreement gives the Successor Agency notice and time to cure any of the Borrower's defaults under the private lender loan documents.

BE IT FURTHER RESOLVED that the Board of Directors hereby directs the Executive Director to bring this matter to the County of Alameda Countywide Oversight Board for final consideration.

IN HAYWARD, CALIFORNIA, April 15, 2025.

ADOPTED BY THE FOLLOWING VOTE:

AYES:	BOARD MEMBERS:
	CHAIR:

NOES:	BOARD MEMBERS:
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ABSTAIN:	BOARD MEMBERS:
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ABSENT:	BOARD MEMBERS:
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ATTEST:

Secretary of the
Redevelopment Successor Agency of the
City of Hayward

APPROVED AS TO FORM:

General Counsel of the
Redevelopment Successor Agency of the
City of Hayward