

RESOLUTION NO. 31-08

RESOLUTION OF THE MEMBERS OF THE CITY COUNCIL OF THE CITY OF RICHMOND, CALIFORNIA AUTHORIZING AN AMENDMENT TO THE CDBG-HOME PREDEVELOPMENT LOAN AGREEMENT WITH COMMUNITY HOUSING DEVELOPMENT CORPORATION OF NORTH RICHMOND AND EDEN HOUSING INCORPORATED TO INCREASE THE LOAN AMOUNT AND EXTEND THE TERM OF THE LOAN FOR ACTIVITIES RELATED TO THE MIRAFLORES HOUSING DEVELOPMENT

WHEREAS, the City of Richmond (the "City") received Home Investment Partnership Act funds from the United States Department of Housing and Urban Development ("HUD") pursuant to the Cranston-Gonzales National Housing Act of 1990 ("HOME Funds") and such funds must be used by the City in accordance with 24 CFR 92 *et seq.* in order to increase housing for very low and low income households; and

WHEREAS, the City also received funds from HUD under Title I of the Housing and Community Development Act of 1974, as amended and these Community Development Block Grant funds (the "CDBG Funds") must be used by the City in accordance with 24 CFR 570 *et seq.*; and

WHEREAS, the City and Community Housing Development Corporation of North Richmond ("CHDC") and Eden Housing Incorporated ("Eden") (jointly referred to as the "Borrower") entered into a CDBG - HOME Predevelopment Loan Agreement (the "Loan Agreement"), a Promissory Note (the "Note") and a Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement"), all dated September 22, 2005, pursuant to which the City loaned the Borrower Eight Hundred Forty Nine Thousand Dollars (\$849,000) in HOME Funds and CDBG Funds to finance certain predevelopment costs necessary to determine the feasibility of constructing up to ninety (90) units of affordable housing for rent to low and moderate income households (the "Development") as described in the Loan Agreement; and

WHEREAS, the Richmond Community Redevelopment Agency (the "Agency") is the owner of that certain real property located in the City of Richmond, Contra Costa County, California, and more particularly described in the attached Exhibit A (the "Property"); and

WHEREAS, the Borrower intends to construct the Development on a portion of the Property and has entered into an Exclusive Right to Negotiate Agreement ("ERN") with the Agency for the purpose of negotiating and executing a Disposition and Development Agreement ("DDA") that will set forth the terms of the disposition of that portion of the Property on which the Borrower will construct the Development; and

WHEREAS, the City authorized the Borrower to spend up to Eight Hundred Forty Nine Thousand Dollars (\$849,000) to perform tests, examinations, surveys and other predevelopment activities necessary to determine the Property's physical condition and the financial feasibility of the Development through Resolution 04-03 on January 22, 2004; and

WHEREAS, the Borrower has incurred additional expenses of Ninety One Thousand (\$91,000) attributable to legal and environmental documentation requirements; and

WHEREAS, delays in the both the preparation of a California Environmental Quality Act Environmental Impact Report required for the Development and the execution of the DDA may prevent the Borrower from completing its determination of the physical and financial feasibility of the Development before the term of the Loan Agreement, September 22, 2008, is reached; and

WHEREAS, the Borrower has requested and the City desires to 1) approve a Ninety One Thousand (\$91,000) increase in the Loan amount to be funded using City In-Lieu Fees,

resulting in a total predevelopment loan not to exceed \$940,000 and 2) extend the term of the Loan Agreement until September 22, 2011;

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF RICHMOND, CALIFORNIA HEREBY authorizes an amendment to the Loan Agreement between the City and CHDC and Eden to increase the predevelopment loan amount by Ninety One Thousand (\$91,000) to be funded using City In-Lieu Fees, resulting in a total predevelopment loan not to exceed \$940,000, and extend the term of the Loan Agreement to September 22, 2011 for predevelopment activities for the Miraflores Housing Development per the terms and conditions contained the Loan Agreement, First Amendment to the Loan Agreement, Note, Amended Note, Regulatory Agreement and attached staff report in support of this Resolution.

BE IT FURTHER RESOLVED, that the Community Development Director is hereby authorized to negotiate and execute any related documents as are necessary to carry out the intent of this Resolution.

I certify that the foregoing Resolution was passed and adopted by the City Council of the City of Richmond at a regular meeting held on March 18, 2008, by the following vote:

AYES: Councilmembers Bates, Butt, Lopez, Marquez, Rogers,
Sandhu, Thurmond, Viramontes, and Mayor McLaughlin

NOES: None

ABSTENTIONS: None

ABSENT: None

DIANE HOLMES
Clerk of the City of Richmond

[SEAL]

Approved:

GAYLE McLAUGHLIN
Mayor

Approved as to form:

LOUISE RENNE, Interim
City Attorney

State of California }
County of Contra Costa : ss.
City of Richmond }

I certify that the foregoing is a true copy of Resolution No. 31-08, finally passed and adopted by the Council of the City of Richmond at a meeting held on March 18, 2008.