

RESOLUTION 2018-156

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN PABLO APPROVING THE ASSIGNMENT AND MODIFICATION OF A LOAN IN THE AMOUNT OF \$1,450,000 ORIGINALLY MADE BY THE FORMER SAN PABLO REDEVELOPMENT AGENCY FOR DEVELOPMENT OF THE MONTEVISTA SENIOR APARTMENTS AND AUTHORIZING EXECUTION OF AN ASSIGNMENT AND ASSUMPTION AGREEMENT AND A SUBORDINATION AGREEMENT IN CONNECTION THEREWITH

WHEREAS, pursuant to Part 1.85 of Division 24 of the California Health and Safety Code (Health and Safety Code Section 34170 *et seq.*; the "Dissolution Act"), on February 1, 2012, the San Pablo Local Successor Agency (the "San Pablo LSA") succeeded to all assets, properties, contracts, leases, books and records, buildings, and equipment (the "redevelopment assets") of the former Redevelopment Agency of the City of San Pablo (the "former Redevelopment Agency") and, except as repealed, restricted, or revised by the Dissolution Act, was vested with all authority, rights, powers, duties and obligations under the California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*; the "CRL") previously vested with the former RDA;

WHEREAS, the redevelopment assets included assets associated with the former Redevelopment Agency's obligations under the CRL to increase, improve or preserve the community's supply of low and moderate income housing available at affordable housing cost to persons and families of low and moderate income (the "housing assets");

WHEREAS, Section 34176 of the Dissolution Act authorized the City of San Pablo to elect to retain the housing assets and functions previously performed by the Redevelopment Agency;

WHEREAS, the City of San Pablo is serving as the housing successor to the former Redevelopment Agency (the "Housing Successor") and the City has succeeded to the housing assets previously held by the San Pablo LSA;

WHEREAS, on January 6, 2003, the former Redevelopment Agency entered into an Owner Participation Agreement (the "OPA") with San Pablo Housing Investors, L.P., a California limited partnership (the "Participant"), for the development of an affordable senior housing complex containing eighty-two (82) rental dwelling units (the "Project"; now commonly referred to as the "Montevista Senior Apartments") on real property located at 13728 San Pablo Avenue in San Pablo, California (the "Site");

WHEREAS, San Pablo Housing Investors, L.P., is still the current owner of the Project and Site;

WHEREAS, pursuant to the OPA, the former Redevelopment Agency made two loans to San Pablo Housing Investors, L.P.: (1) a loan of \$99,000 for City fees applicable to the Project (the "City Fees Loan"); and (2) a loan of \$1,100,000 for development of the Project (the "Project Loan");

WHEREAS, the City Fees Loan was paid in full in 2013, and the Project Loan has a remaining balance of \$1,736,757 as of November 2018;

WHEREAS, San Pablo Housing Investors, L.P., now desires to sell the Project and Site to Montevista San Pablo AR, L.P., a California limited partnership comprised of TELACU Homes, Inc., a California nonprofit public benefit corporation as the managing general partner, HCHP Affordable Multi-Family, LLC, a California limited liability company as the administrative general partner, and Victoria Capital, LLC, a California limited liability company as the limited partner;

WHEREAS, the new owner is proposing to invest approximately \$2,100,000 to upgrade and rehabilitate the Montevista Senior Apartments; and

WHEREAS, in connection with the acquisition and rehabilitation of the Montevista Senior Apartments, the new owner will obtain tax-exempt bond financing, will apply for tax credits and has requested that the City authorize the assignment of the Project Loan to the new owner and modify the terms of the Project Loan, as more particularly described in the staff report accompanying this resolution.

NOW, THEREFORE, the City Council of the City of San Pablo does hereby resolve as follows:

Section 1. Recitals. The Recitals set forth above are true and correct and incorporated herein.

Section 2. Approval of Assignment and Modification of Loan. The City Council hereby approves the assignment and modification of the loan originally made by the former Redevelopment Agency to San Pablo Housing Investors, L.P., in accordance with the terms set forth in the Omnibus Assignment and Assumption and Amendment Agreement. The loan amount of \$1,450,000 will be assigned to and assumed by the new owner of the Project and Site, Montevista San Pablo AR, L.P.

Section 3. Approval of Omnibus Assignment and Assumption and Amendment Agreement and Subordination Agreement. The City Council hereby approves and authorizes the City Manager to execute the Omnibus Assignment and Assumption and Amendment Agreement and Subordination Agreement, substantially in the forms attached to the staff report accompanying this resolution, on behalf of the City. The City Manager is further authorized to execute such other documents and take such other actions as are necessary to carry out and implement the obligations of the City under the Agreements, and, with the consent of the City Attorney, to approve minor, non-monetary amendments to the Agreements.

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PASSED AND ADOPTED this 17th day of December, 2018 by the following vote:

AYES:	COUNCILMEMBERS:	Valdez, Pabon-Alvarado, Xavier and Kinney
NOES:	COUNCILMEMBERS:	None
ABSENT:	COUNCILMEMBERS:	Cruz
ABSTAIN:	COUNCILMEMBERS:	None

ATTEST:

APPROVED:

/s/ Patricia Ponce
Patricia Ponce, City Clerk

/s/ Rich Kinney
Rich Kinney, Mayor