

## **RESOLUTION NO. 2020-**

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MERCED, CALIFORNIA, ACTING AS THE HOUSING SUCCESSOR AGENCY TO THE CITY OF MERCED REDEVELOPMENT AGENCY, APPROVING A HOUSING SUCCESSOR LOAN TO MERCED CA APARTMENTS, L.P., IN THE PRINCIPAL AMOUNT OF \$1,200,000, APPROVING AND AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT, REGULATORY AGREEMENT AND RELATED LOAN DOCUMENTS, AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH**

WHEREAS, pursuant to City Council action of \_\_\_\_\_, 2020 the City of Merced (the “City”), approved the execution of a Disposition and Development Agreement dated \_\_\_\_\_, 2020 (the “DDA”) with Merced CA Apartments, L.P., (the “Developer”) which, among other things, provided for certain financial assistance in the form of loans from the City, acting as the Housing Successor Agency, (the “Agency”), to the Developer; and,

WHEREAS, pursuant to the DDA, the Agency agreed to make a loan in the amount of One Million Two Hundred Thousand Dollars (\$1,200,000) from Low and Moderate Income Housing Funds (the “Agency Loan”) to the Developer to finance the construction of a multi-family affordable residential rental project (the “Project”) on the Site as described in the DDA; and

WHEREAS, in consideration for the Agency Loan, the Project shall consist of 119 affordable house rental dwelling units as described in the DDA (89) affordable housing units consisting of 17 – 1 bedroom units, 36 – 2 bedroom units, 36 – 3 bedroom units restricted to fifty percent (50%) of the Area Median Income, and thirty (30) permanent supportive housing units restricted for occupancy for those who are homeless or at risk of homelessness and have incomes that are at or below thirty percent (30%) AMI for a period of fifty-five (55) years; and

WHEREAS, the Agency Loan is being made pursuant to, and is subject to the California Health and Safety Code (the “Law”) Sections 34176 and 34176.1; and

WHEREAS, the Agency Board Members, with the aid of its staff, has reviewed the documentation related to the Agency Loan, which documentation is on file with Secretary of the Agency; and

WHEREAS, the Agency now desires to authorize the making of the Agency Loan to the Developer pursuant to that certain Deed of Trust and Security Agreement, Deed Restriction Covenant and Loan Agreement, Regulatory Agreement and Declaration of Restrictive Covenants, and Promissory Note, dated \_\_\_\_\_, \_\_\_\_\_ (the "Agency Loan Agreement"), by and between the Agency and the Developer, to be funded from the Low and Moderate Income Housing Asset Fund, and subject to all applicable provisions and regulations of the Law and the Loan Documents as defined in the Agency Loan Agreement.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCED, ACTING AS THE HOUSING SUCCESSOR AGENCY TO THE CITY OF MERCED REDEVELOPMENT AGENCY DOES HEREBY RESOLVE, DETERMINE, FIND, AND ORDER AS FOLLOWS:

SECTION 1. The Agency hereby approves and authorizes the Agency Loan in the amount of One Million Two Hundred Thousand Dollars (\$1,200,000) to Developer, to be funded from Low and Moderate Income Housing Asset Funds, all in accordance with the terms and conditions of the Agency Loan Agreement. The Agency Loan is also subject to the terms and provisions of the Law, the the DDA and all applicable rules and regulations applicable to the Housing Successor Program.

SECTION 2. The Agency hereby approves and authorizes the execution of the Agency Loan Agreement, substantially in the form presented at this meeting and on file with the Secretary of the Agency, with such revisions and amendments as shall be approved by the Mayor, the City Manager, the Finance Director or the City Clerk of the City, and each of them, and any designee of any of them (each, an "Authorized Officer") with the advice of the City Attorney, such approval to be conclusively evidenced by the execution and delivery thereof by an Authorized Officer.

SECTION 3. The Agency Loan will be evidenced by a Note (the "Agency Note") executed by the Developer in favor of the City and delivered concurrently with the execution of the Agency Loan Agreement. Repayment of the Agency Note will be secured by the Deed of Trust and Security Agreement (the "Housing Successor Trust Deed"), covering the Site and the Project. The City

hereby approves the Housing Successor Note and the Housing Successor Trust Deed substantially in the forms presented at this meeting and on file with the City Clerk of the City, with such revisions, amendments and completions as shall be approved by an Authorized Officer. The Developer shall execute the Housing Successor Trust Deed in favor of Fidelity National Title Major Accounts in Newport Beach, California as Trustor in trust for the benefit of City and deliver it to escrow for recordation.

SECTION 4. The City hereby approves and authorizes the execution of that certain (a) Regulatory Agreement and Declaration of Restrictive Covenants (the "Housing Successor Regulatory Agreement"), by and between the City and the Developer, (b) Agreement Containing Covenants Affecting Real Property (the "Housing Successor Covenant Agreement") and (c) Notice of Affordability Restrictions on Transfer of Property (the "Housing Successor Notice"), substantially in the forms presented at this meeting and on file with the City Clerk of the City, with such revisions, amendments and completions as shall be approved by an Authorized Officer with the advice of the City Attorney, such approval to be conclusively evidenced by the execution and delivery thereof by an Authorized Officer. The City Clerk shall deliver the Housing Successor Regulatory Agreement, the Housing Successor Covenant Agreement and the Housing Successor Notice to escrow for recordation.

SECTION 5. Any one of the Authorized Officers, and each of them, is hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they deem necessary or advisable, in order to consummate the Housing Successor Loan and otherwise to effectuate the purposes of this Resolution and the transactions contemplated hereby.

SECTION 6. The City Clerk shall certify as to the adoption of this Resolution, which shall be in full force and effect immediately upon its adoption.

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