

RESOLUTION NO. 2012-13

RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY OF THE FORMER LEMOORE REDEVELOPMENT AGENCY RATIFYING THE LOAN REPAYMENT SCHEDULE OF THE LOAN OF \$2,680,000 FOR CINNAMON VILLAS THAT WAS TRANSFERRED FROM THE FORMER LEMOORE REDEVELOPMENT AGENCY TO THE CITY OF LEMOORE HOUSING AUTHORITY AS A HOUSING ASSET, PURSUANT TO HEALTH AND SAFETY CODE SECTION 34176.

WHEREAS, on March 15, 2011, the Redevelopment Agency of the City of Lemoore (“City”) approved Resolution No. 2011-03 authorizing and approving a loan of \$2,680,000 Low and Moderate Income Housing Funds for the construction and development of the Cinnamon Villas affordable housing project, and negotiation and execution of loan documents. The Redevelopment Agency Resolution outlined the following terms:

1. The Board authorizes and approves a loan in the amount of \$2,680,000 (the "Loan") from the Agency's Low and Moderate Income Housing Fund to Pacific West Communities, Inc. (the “Developer”) or its limited partnership affiliate to assist with financing the construction and development of Cinnamon Villas (the “Project”), an 80-unit low and moderate income rental housing project at the southeast corner of Fox Street and Cinnamon Drive in the City of Lemoore to meet the housing production goals for low and moderate income persons.
2. The interest on the Loan shall be 3 percent per annum and commence accruing upon disbursement of the funds to the Developer.
3. The Loan will have a term of 360 months, with all unpaid principal and interest due and payable in full at the end of the 360-month term.
4. The Loan utilize a 660-month amortization schedule.
5. The Loan shall not be disbursed to the Developer until financing has been acquired to complete the Project to the satisfaction of the Agency.
6. The Loan to the Developer will be repaid to the Agency from residual receipts of which the Agency’s loan payment will be fifty percent (50%) of receipts.
7. Agency staff and legal counsel are authorized to negotiate the Loan Agreement, Note, Deed of Trust and Security Agreement and Regulatory Agreement (collectively, the "Loan Documents") in accordance with the terms listed above. The Loan Documents shall be in accordance with Health & Safety Code legal requirements and other requirements governing execution and implementation of the Loan Documents. Pacific West Communities shall fulfill all conditions with respect to the Loan Documents including successfully securing all other funding sources as set forth in the Commitment

Letter. The Commitment Letter is incorporated herein by this reference. The Executive Director of the Agency is authorized and directed to execute the Loan Documents on behalf of the Agency, after consulting with Agency legal counsel, and the City Clerk, as Secretary of the Agency, is authorized and directed to attest thereto.

8. The Executive Director, the Secretary and all other officers and employees of the Agency are further authorized and directed to execute all other documents and take all other steps necessary or appropriate to carry out the obligations of the Agency under the Loan Documents, and to finalize and carry out the intent and purposes of the Agency Board pursuant to this resolution. If the terms of the Loan Documents are not accepted by Pacific West Communities, Inc. or its limited partnership affiliate as set forth herein, this resolution shall be null and void.
9. The sum of \$2,680,000 is hereby appropriated from the Agency's Low and Moderate Income Housing Fund to fund the Loan as provided in, and subject to, the Loan Documents.

WHEREAS, all financing was acquired to complete the Project to the satisfaction of the Agency and the loan was disbursed at the close of escrow on the construction loan on December 16, 2011, at which time the Deed of Trust, Regulatory Agreement, and Notice of Affordability Restrictions were recorded; and

WHEREAS, by implementation of AB X1 26, which amended provisions of the California Redevelopment Law (Health & Safety Code § 33000 *et seq.*) (“CRL”), and the California Supreme Court’s decision in California Redevelopment Association v. Matosantos, as of February 1, 2012, the Lemoore Redevelopment Agency (“Redevelopment Agency”) was dissolved, the Successor Agency to the Lemoore Redevelopment Agency (“Successor Agency”) came into existence, and the requirement for the appointment of an Oversight Board to the Successor Agency to the Lemoore Redevelopment Agency (“Oversight Board”) became effective; and

WHEREAS, on January 31, 2012, the City Council of the City of Lemoore (“City”) approved Resolution No. 2012-03, providing that the City would serve as the Successor Agency, but elected not to retain the responsibility for performing housing functions performed by the Redevelopment Agency and that upon dissolution of the Redevelopment Agency, all housing assets, including the loan of \$2,680,000 to Pacific West Communities, Inc. dba Lemoore Pacific Associates II, would be transferred to the City of Lemoore Housing Authority (“Housing Authority”) as the Housing Successor in accordance with Section 34176 of the CRL (as added by Part 1.85); and

WHEREAS, Section 34171(d)(1)(G) of the CRL (as added by Part 1.85) provides that the Oversight Board shall approve the repayment schedule of amounts borrowed from, or payments owing to, the Low and Moderate Income Housing Fund of a redevelopment agency, which had been deferred as of the effective date of the act adding this part. Furthermore, it states that repayments shall be transferred to the Low and Moderate Income Housing Asset Fund

established pursuant to subdivision (d) of Section 34176 as a housing asset and shall be used in a manner consistent with the affordable housing requirements of the CRL.

NOW, THEREFORE, BE IT RESOLVED that pursuant to Section 34171(d)(1)(G) of the CRL, the Oversight Board for the Successor Agency of the Former Lemoore Redevelopment Agency hereby ratifies the loan repayment schedule as outlined above of the Loan to Lemoore Pacific Associates II in the amount of \$2,680,000 for the Cinnamon Villas Project that was previously transferred to the City of Lemoore Housing Authority as a housing asset.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately upon its adoption.

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I hereby certify that the foregoing Resolution was duly passed and adopted by the Board of Directors of the Oversight Board for the Successor Agency to the Former Lemoore Redevelopment Agency, Kings County, State of California, at a meeting thereof held on _____, 2012, by the following vote:

- AYES:
- NOES:
- ABSTAIN:
- ABSENT:

APPROVED: _____
John Plourde, Chairman

ATTEST: _____
Kristie Baley
Board Clerk