

RESOLUTION NO. .

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

* * * * *

ACTING AS THE GOVERNING BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN MATEO AND THE HOUSING SUCCESSOR TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF PACIFICA, AUTHORIZE THE EXECUTIVE DIRECTOR OF THE HOUSING AUTHORITY, OR THE DIRECTOR'S DESIGNEE, TO TAKE ALL NECESSARY ACTIONS, INCLUDING EXECUTING ALL APPROPRIATE DOCUMENTS, TO: (1) UPON BRIDGE'S REFINANCING OF THE EXISTING CALHFA FIRST MORTGAGE LOAN, FORGIVE TWO LOANS BY THE FORMER REDEVELOPMENT AGENCY OF PACIFICA IN THE AMOUNT OF \$250,000 AND \$350,000 TO NATIONAL CHURCH RESIDENCES OF PACIFICA; AND (2) TRANSFER APPROVAL OF 31 PROJECT-BASED SECTION 8 VOUCHERS FROM NATIONAL CHURCH RESIDENCES TO BRIDGE FOLLOWING ITS ACQUISITION OF OCEAN VIEW SENIOR APARTMENTS.

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that

WHEREAS, the Redevelopment Agency of the City of Pacifica (the "Agency") made a loan of Two Hundred Fifty Thousand Dollars (\$250,000) (the "Senior RDA Loan") and a loan of Three Hundred Fifty Thousand Dollars (\$350,000) (the "Junior RDA Loan") to National Church Residences of Pacifica, CA, an Ohio nonprofit public benefit corporation ("NCR") to assist NCR in the rehabilitation of one hundred (100 units of rental housing affordable to low-income households, commonly known as Ocean View Senior Apartments (the "Development"), located at 555 Crespi Drive in Pacifica, California (the "Property"); and

WHEREAS, to evidence the Senior RDA Loan and the Junior RDA Loan (collectively, the "RDA Loans"), NCR executed two promissory notes dated August 25, 2000 naming the Agency as beneficiary, which are secured by two deeds of trusts dated August 25, 2000 and recorded against the Property on August 31, 2000; and

WHEREAS, concurrently with the execution of the notes and deeds of trust, the Agency, the City of Pacifica (the “City”), and NCR entered into a Disposition and Development Agreement (the “DDA”) and an Affordable Housing Covenant (the “Affordable Housing Covenant”) in connection with the RDA Loans; and

WHEREAS, concurrently with the making of the RDA Loans, the California Housing Finance Agency (“CalHFA”) made a loan of bond financing to NCR, the City made a loan of HELP funds, and the County of San Mateo made a loan of HOME/CDBG funds to assist in the acquisition and rehabilitation of the Development, and subsequently, the Housing Endowment and Regional Trust of San Mateo County (“HEART”) made a loan to NCR and CalHFA extended a second loan to assist the Development; and

WHEREAS, upon dissolution of the Agency under California law on February 1, 2012, all housing assets, as defined in Health and Safety Code Section 34176(e), transferred as a matter of law from the Agency to the Housing Authority, as the housing successor to the former Agency, pursuant to Health and Safety Code Section 34176(b)(2) and pursuant to Oversight Board Resolution No. 5-2014 passed on October 2, 2014, the Oversight Board for the Successor Agency to the Former Redevelopment Agency of the City of Pacifica officially approved, to the extent any housing assets had not already been transferred to the Housing Authority as housing successor as a matter of law, the transfer as housing assets of the Senior RDA Loan, the Junior RDA Loan, the Affordable Housing Covenant, the DDA and all other documents evidencing and securing the Senior RDA Loan and the Junior RDA Loan; and

WHEREAS, at the meeting of the Board of Supervisors of the County of San Mateo on October 7, 2014, the Board, acting as the Governing Board of Commissioners of the Housing Authority of the County of San Mateo, took action to accept on behalf of the Housing Authority the designation of Housing Successor Agency and approved the retention of the RDA Loans as housing assets; and

WHEREAS, in order to facilitate rehabilitation of the Development, and ensure continued viability of the Development as an affordable housing development, BRIDGE Housing Corporation or its affiliate ("BRIDGE") intends to acquire the Development from NCR; and

WHEREAS, BRIDGE intends to refinance the existing CalHFA debt on the Property with bond financing received from CalHFA, and use those funds to pay off the HELP Loan and enter into loan modification agreements with HEART and the County to modify the loans on the Property; and

WHEREAS, the initial modification and eventual forgiveness of the RDA Loans is critical to the financial feasibility of the rehabilitation of the Development to preserve 100 units of affordable housing for low-income seniors in San Mateo County; and

WHEREAS, on December 17, 2013, the Authority provided NCR a conditional approval of its request of thirty-one (31) project-based Section 8 vouchers conditioned upon NCR providing, by March 31, 2014, information to demonstrate to the Authority that the Development will have adequate sources of funding to accomplish the proposed refinancing plan without additional resources from the County of San Mateo (the "Conditional Approval"); and

WHEREAS, on February 25, 2014, the Authority granted NCR an extension of the deadline to provide such financial information until December 31, 2014. NCR intends to make an additional request to further extend the deadline until after the BRIDGE acquires the Property and the Authority agrees to grant such an extension; and

WHEREAS, to assist in BRIDGE's acquisition of the Property and the eventual refinance which will make the Development financially feasible, the Authority desires to consent to an extension of the Conditional Approval if requested by NCR; and

WHEREAS, following BRIDGE's acquisition of the Property, the Authority desires to reissue the Conditional Approval directly to BRIDGE and allow BRIDGE to fulfill the conditions contained therein in order to secure final approval of the grant of thirty-one (31) project-based Section 8 vouchers to be used in the Development.

NOW THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board of Supervisors, sitting as the Board of Commissioners of the Housing Authority, acting as Housing Successor to the former Redevelopment Agency of the City of Pacifica, resolves as follows:

1. that the Housing Authority grants consent to NCR and BRIDGE to combine, amend, restate, and assign all documents related to the RDA Loans;
2. that the Housing Authority shall forgive the RDA Loans after BRIDGE's acquisition of Property and before the closing of the CalHFA bond refinancing closing;
3. that concurrently with forgiving the RDA Loans, the Housing Authority shall cancel the combined RDA Loan promissory note and reconvey the combined

RDA Loan deed of trust;

4. that concurrently with BRIDGE's acquisition of the Property, the Housing Authority consents to the release all obligations to the Housing Authority under the Affordable Housing Covenant and DDA;
5. that in the event the City consents to releasing its obligations under the Affordable Housing Covenant and DDA, the Housing Authority consents to entering into an agreement with BRIDGE and the City to terminate the Affordable Housing Covenant and the DDA in their entireties and cause the Affordable Housing Covenant and the DDA to be removed from title on the Property;
6. that the Authority consent to any extension of the Conditional Approval if requested by NCR;
7. that following BRIDGE's acquisition of the Property, but prior to the refinancing closing date, the Authority shall reissue the Conditional Approval directly to BRIDGE and allow BRIDGE to fulfill the conditions contained therein in order to secure final approval of the grant of thirty-one (31) project-based Section 8 vouchers to be used in the Development; and
8. that the Executive Director or his designee is authorized to execute the Loan Forgiveness And Section 8 Transfer Agreement in the substantial form that is on file with the Housing Authority Clerk, subject to such additional changes as may be approved by Housing Authority Counsel, and to execute any and all other documents and to take such other actions as contemplated by this resolution and the Loan Forgiveness Agreement and to otherwise assist BRIDGE in the acquisition of the Development and the ultimate refinance of the Development.

* * * * *