

REDEVELOPMENT AGENCY OF THE CITY OF MILLBRAE

RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF MILLBRAE AUTHORIZING THE EXECUTION OF AN AMENDED AND RESTATED OWNER PARTICIPATION AND LOAN AGREEMENT AND RELATED DOCUMENTS TO IMPLEMENT A PREVIOUSLY-EXECUTED LOAN COMMITMENT AGREEMENT WITH PACIFIC WEST COMMUNITIES, INC.

WHEREAS, the Redevelopment Agency of the City of Millbrae (“**Agency**”) seeks to preserve and increase the affordability of the multifamily residential property located at 1275 El Camino Real in the City of Millbrae (the “**Property**”) in accordance with the Redevelopment Plan adopted by the City Council of the City of Millbrae on July 12, 1988, by Ordinance No. 537 and subsequently amended (as so amended, the “**Redevelopment Plan**”);

WHEREAS, the Property is located in the Project Area established pursuant to the Redevelopment Plan;

WHEREAS, Agency and BRIDGE Housing Corporation, a California nonprofit public benefit corporation (“**BRIDGE**”) entered into that certain Owner Participation and Loan Agreement dated as of February 21, 2008 (the “**Original OPA**”) pursuant to which the Agency agreed to provide a loan to BRIDGE in connection with the acquisition of the Property (the “**Original Loan**”);

WHEREAS, pursuant to Resolution No. ~~11-09~~, adopted on June 28, 2011, the Agency: (i) executed a Loan Commitment Agreement (the “**Loan Commitment Agreement**”) pursuant to which the Agency agreed to provide a loan to Pacific West Communities, Inc., a California corporation (“**Pacific**”) for the purpose of providing partial financing for the acquisition of the Property and the rehabilitation of the existing improvements for operation as a 27-unit multi-family apartment project that will be affordable to very low-income households (the “**Project**”); (ii) directed staff to prepare loan documents consistent with the terms and conditions set forth in the Loan Commitment Agreement; and (iii) adopted findings and authorized the subordination of the Agency loan documents to Project construction and permanent financing;

WHEREAS, the Project will provide increased affordable housing opportunities, and will improve physical conditions in the Project Area in accordance with the purposes and goals of the Redevelopment Plan;

WHEREAS, Pacific has assigned its rights under the Loan Commitment Agreement to Millbrae Pacific Associates, a California Limited Partnership (“**Developer**”);

WHEREAS, to implement the Loan Commitment Agreement, the Agency and Developer have negotiated an Amended and Restated Owner Participation and Loan Agreement (the “**Loan Agreement**”) and related documents pursuant to which Developer will assume the obligation to repay to the Agency the existing outstanding principal balance of the Original Loan

together with additional funds to be disbursed by Agency pursuant to the Loan Commitment Agreement and the Loan Agreement; and

WHEREAS, pursuant to the Loan Commitment Agreement, Developer and Agency staff have negotiated: (i) the Loan Agreement, (ii) a secured promissory note (the “Note”) evidencing Developer’s obligation to repay the existing balance of the Original Loan and all additional funds advanced by Agency pursuant to the Loan Commitment Agreement and the Loan Agreement; (iii) a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (“Deed of Trust”) which will provide Agency with a security interest in the Property and the Project; (iv) an Affordable Housing Regulatory Agreement and Declaration of Restrictive Covenants (“Regulatory Agreement”) which requires Project rents to be affordable to very low-income households for a term of not less than fifty-five (55) years, (v) a General Release agreement and an Indemnity Agreement (respectively, the “Release” and the “Indemnity”) for the benefit of the Agency and the City of Millbrae, (vi) Subordination Agreements which subordinate the Deed of Trust and the Regulatory Agreement to the construction and permanent financing for the Project, and (vii) an Account Agreement which provides for the deposit of undisbursed Agency loan proceeds into an account with the construction lender. Collectively, all of the foregoing documents are referred to herein as the “**Loan Documents**.”

NOW THEREFORE, BE IT RESOLVED that the Redevelopment Agency of the City of Millbrae hereby:

1. Approves the Loan Documents, and authorizes the Agency Executive Director to execute each Loan Document to which the Agency is a party, substantially in the form presented to the Agency Board and on file with the Agency Secretary, with such modifications as may be approved by the Executive Director in consultation with Agency Counsel, provided such modifications do not materially or substantially increase the Agency’s obligations thereunder.
2. Authorizes the Agency Executive Director or her designee to execute such additional documents and to undertake such further actions reasonably necessary to carry out the intent of this Resolution.

PASSED AND ADOPTED this 5th day of December 2011 by the following vote:

AYES: Quigg, Colapietro, Papan, Holober, and Seto

NOES: None

ABSENT: None

ABSTAIN: None

APPROVED:

CHAIR

ATTEST:

SECRETARY