

GARDEN GROVE CITY COUNCIL

RESOLUTION NO. 9093-12

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE APPROVING AN AFFORDABLE HOUSING LOAN AGREEMENT BETWEEN THE CITY OF GARDEN GROVE AND TAMERLANE ASSOCIATES, LLC, AND MAKING CERTAIN OTHER FINDINGS IN CONNECTION THEREWITH

WHEREAS, Tamerlane Associates, LLC, a California limited liability company ("Owner") has entered or will enter into an agreement or agreements to purchase a parcel of real property in the City of Garden Grove ("City"), generally located at 12142 Tamerlane Drive, Garden Grove, California, and described as Assessor's Parcel Number 231-471-37 ("Property"); and

WHEREAS, Owner desires to rehabilitate and operate an apartment complex on the Property ("Project"), consisting of four (4) apartment units (each, a "Housing Unit"); and

WHEREAS, Owner and City desire to enter into an Affordable Housing Loan Agreement ("Agreement") pursuant to which City will provide a loan to Owner in an amount of One Million, One Hundred Ninety Thousand, Nine Hundred Ninety-Two Dollars (\$1,190,992) ("City Loan") and a payment of Thirty Thousand Dollars (\$30,000) in exchange for Owner's agreement to restrict the use, operation, rental, and occupancy of all four (4) of the Housing Units at the Project to Lower Income Households paying an Affordable Rent throughout a term of twenty (20) years from the date Owner acquires the Property ("Affordability Period"); and

WHEREAS, the Agreement and the City's expenditure of Housing Funds thereunder are intended to be a "Matching Contribution" as that term is used in the HOME Investment Partnership Act, 42 U.S.C. § 12701, *et seq.*, as it now exists and as it may hereafter be amended, as implemented by the HOME Regulations (defined in the Agreement), as they now exist and as they may hereafter be amended (collectively, the "HOME Program"); and

WHEREAS, the Agreement requires Owner to comply with all applicable requirements of the HOME Program, as it now exists or may hereafter be amended, including, without limitation, the Rehabilitation of the Housing Units shall comply with all applicable federal laws and regulations pertaining to labor standards; and

WHEREAS, initially capitalized terms used herein and not expressly otherwise defined shall have the meanings ascribed to them in the Agreement; and

WHEREAS, City's payment of the City Loan and the additional \$30,000 payment to Owner and Owner's operation of the Project as an affordable rental housing project throughout the 20-year Affordability Period pursuant to the Agreement and in compliance with the recorded Regulatory Agreement is in the vital and best interest of the City and the health, safety and welfare of its residents; and

WHEREAS, the Project is categorically exempt from the requirements of the California Environmental Quality Act ("CEQA"), California Public Resources Code Sections 21000, *et seq.* and the guidelines promulgated thereunder at 14 California Code of Regulations Section 15000, *et seq.* ("CEQA Guidelines") as a "Class 1" project for the "operation, repair, maintenance, permitting, leasing, licensing or minor alteration of existing public or private structures, involving negligible or no expansion of use" pursuant to Section 15301 of the CEQA Guidelines, as a "Class 2" project for the "replacement or reconstruction of existing structures and facilities" pursuant to Section 15302 of the CEQA Guidelines, and as a "Class 32" project for "infill development consistent with the general plan on an urban parcel of up to five acres with no significant effects on traffic, noise, air quality or water quality" pursuant to Section 15332 of the CEQA Guidelines; and

WHEREAS, the City has duly considered all terms and conditions of the proposed Agreement and believes that the Project is in the best interests of the City and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable state and local laws and requirements.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GARDEN GROVE AS FOLLOWS:

Section 1. The foregoing recitals are true and correct and constitute a substantive part of this Resolution and are fully incorporated herein.

Section 2. The City hereby finds and determines that the Agreement is exempt from CEQA as set forth above, and directs staff to file a Notice of Exemption with the County of Orange within five days hereof.

Section 3. The City hereby approves the Agreement between City and Owner with such changes as may be mutually agreed upon by the City Manager (or his duly authorized representative), legal counsel, and Owner; provided that such changes are minor and in substantial conformance with the form of the Agreement submitted herewith. The City Manager and the City Clerk are hereby authorized to execute and attest the Agreement, including any related attachments, on behalf of City. In such regard, the City Manager (or his duly authorized representative) is authorized to sign the final version of the Agreement after completion of any such non-substantive, minor revisions. Copies of the final form of the Agreement, when duly executed and attested, shall be placed on file in the office of the City Clerk. Further, the City Manager (or his duly authorized representative) is authorized to implement the Agreement and take all further actions and execute all documents referenced therein and/or necessary and appropriate to carry out the Project as provided for within the Agreement. The City Manager (or his duly authorized representative) is hereby authorized to the extent necessary during the implementation of the Agreement to make technical or minor changes and interpretations thereto after execution, as necessary to properly implement and carry out the Agreement, provided any and all such changes shall not in any

manner materially affect the rights and obligations of the City or the expense to the City under the Agreement approved hereby.

Section 4. In addition to the authorization of Section 3 above, the City Manager is hereby authorized, on behalf of City, to sign all other documents necessary or appropriate to carry out and implement the Agreement, including causing the issuance of warrants in implementation thereof and to administer and carry out City's obligations, responsibilities and duties to be performed under the Agreement, subject to the provisions thereof.

Section 5. The City Clerk shall certify to the adoption of this Resolution.

Adopted this 24th day of January 2012.

ATTEST:

/s/ WILLIAM J. DALTON
MAYOR

/s/ KATHLEEN BAILOR, CMC
CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS:
CITY OF GARDEN GROVE)

I, KATHLEEN BAILOR, City Clerk of the City of Garden Grove, do hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Garden Grove, California, at a meeting held on the 24th day of January 2012, by the following vote:

AYES: COUNCIL MEMBERS: (5) BEARD, BROADWATER, JONES, NGUYEN, DALTON
NOES: COUNCIL MEMBERS: (0) NONE
ABSENT: COUNCIL MEMBERS: (0) NONE

/s/ KATHLEEN BAILOR, CMC
CITY CLERK