RESOLUTION NO. _____ (SHA)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE IN ITS CAPACITY AS THE SUCCESSOR TO THE HOUSING ASSETS AND FUNCTIONS OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF WATSONVILLE AUTHORIZING MODIFICATIONS TO AN OUTSTANDING LOAN TO PÁJARO VALLEY HOUSING CORPORATION AND ASSUMED BY EDEN HOUSING INC., FOR THE PAJARO COURT APARTMENTS; EXTENDING THE LOAN TERM TO MATCH THE HCD LOAN TERM OF 55 YEARS; SUBORDINATING THE LOAN, AND AUTHORIZING AND DIRECTING THE CITY MANAGER TO NEGOTIATE AND EXECUTE ANY DOCUMENTS NECESSARY TO IMPLEMENT THE LOAN MODIFICATION AND SUBORDINATION SUBJECT TO LEGAL APPROVAL

BE IT RESOLVED BY THE SUCCESSOR HOUSING AGENCY OF THE CITY OF WATSONVILLE, CALIFORNIA, AS FOLLOWS:

1.   Adopting a Resolution authorizing loan modifications does not meet CEQA's definition of a "project," because the action does not have the potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment.

2.   The City currently has an outstanding loan to Pajaro Valley Housing Corporation, as assigned to Eden Housing, Inc., in the amount of $300,000 for the construction of the Pajaro Court Apartments. The City Council hereby authorizes the following modifications to said loan: extend the loan term to match the HCD loan term of 55 years.

3.   The San Francisco Housing Accelerator Fund (SFHAF) will make a loan to Pajaro Court LLC, an affiliate of Eden Housing, to assist with the making of improvements to the Pajaro Court Apartments, so long as the City subordinates its loan to the SFHAF

loan and executes a subordination agreement to evidence the subordination. The City Council hereby authorizes the execution of the subordination agreement.

4.   That the Council hereby authorizes and directs the City Manager to negotiate and execute a loan modification and subordination agreement, consistent with the foregoing on behalf of the City of Watsonville, and subject to approval of the City Attorney.

5.   That the City Council hereby directs the City Clerk to affix the document(s) to this resolution.

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