

RDA RESOLUTION NO. 825

**A RESOLUTION OF THE REDEVELOPMENT AGENCY
OF THE CITY OF MONTEREY
AUTHORIZING A LOAN INCREASE OF \$400,000
FOR THE MONTEREY HOTEL MIXED USE AFFORDABLE
HOUSING PROJECT**

WHEREAS, the City of Monterey and its Redevelopment Agency have adopted the priority to encourage and facilitate the development of workforce affordable housing that remains affordable for the longest possible time; and

WHEREAS, applicants/owners have all necessary entitlements to develop eighteen (18) units of Very-Low, Low and Moderate income rental housing as previously approved by the City and the Agency, and

WHEREAS, the Redevelopment Agency on April 6, 2004 adopted Resolution No. 818, committing \$1,800,000 in Redevelopment Housing Set-Aside funds, and the City of Monterey also committed \$800,000 in HOME funds as a 3% interest fully amortized loan to the project; and,

WHEREAS, the Developer is unable to obtain a loan for the 100% permanently affordable rental component of the project; and,

WHEREAS, there is a need to increase the Redevelopment Agency loan by \$400,000 thereby providing a total loan in the amount of \$2,200,000 in Agency funds; and,

NOW, THEREFORE, BE IT RESOLVED THAT THE REDEVELOPMENT AGENCY OF THE CITY OF MONTEREY, does hereby rescind Resolution No. 818 and authorizes a loan from Housing Set-Aside funds for the construction of said project in an amount not to exceed \$2,200,000 with 3% interest per annum fully amortized over 40 years, under the following terms:


1. The loan shall be secured by the land and improvements in the form of a Deed of Trust and evidenced by a Promissory Note.
2. Developer shall provide eight (8) units at an affordability level (very low and low-income) consistent with the State HCD HOME Program, if said HOME funds are used, two (2) Low-income studios consistent with the City's affordability requirements, and eight (8) Moderate-income units with rents consistent with the City of Monterey's Housing Program affordability requirements. Eighteen (18) total units shall be built.

3. The term of the affordability shall be for the life of the project.
4. Developer shall give the Agency the right of first refusal to purchase the property.
5. If, during the loan term, the property taxes are reduced, the developer shall increase loan payments to the Agency in a commensurate amount.
6. If, during the loan term, the project becomes profitable and the net Operating Income (NIO) exceeds the debt service by 20%, said profit shall be paid to the Agency in the form of increased loan payments, in a commensurate amount.
7. The loan shall not be transferred or assumed.
8. There shall be no subordination of this loan to another loan.
9. The loan is due and payable upon any sale or transfer, should the City not exercise its right to acquire the property, if offered.
10. The loan shall only be used for reasonable construction costs as first approved by City.


PASSED AND ADOPTED BY THE REDEVELOPMENT AGENCY of the City of Monterey this 1ST day of November 2005, by the following votes:

AYES:	5	COUNCILMEMBERS: DELLA SALA, DOWNEY, HAFERMAN,
		ROBERSON, ALBERT
NOES:	0	COUNCILMEMBERS:
ABSENT:	0	COUNCILMEMBERS:

APPROVED:


 Dan Albert, Chairperson

ATTEST:


 City Clerk