RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE
CITY OF STOCKTON APPROVING A LOW AND MODERATE INCOME
HOUSING SET-ASIDE LOAN TO EIGHTH STREET HOUSING L.P. TO
REHABILITATE THE COMMUNITY OF ALL NATIONS APARTMENTS, AND
MAKING FINDINGS AND APPROVALS PURSUANT TO
THE CALIFORNIA REDEVELOPMENT LAW

The City Council has adopted the Amended and Restated Redevelopment Plan for the South Stockton Project Area (the "Project Area") by Ordinance No. 036-02 on July 2, 2002, as amended (the "Redevelopment Plan"); and

The Redevelopment Agency of the City of Stockton (the "Agency") is vested with responsibility pursuant to the Community Redevelopment Law (Part 1 of Division 24 of Health and Safety Code of the State of California) (the "Law") to implement the Redevelopment Plan in the Project Area; and

The Agency, in causing redevelopment of the Project Area, seeks to make housing available at affordable housing cost to very low, low and moderate income households; and

The Agency has established the Low and Moderate Income Housing Fund for the Project Area and throughout the City (the "Housing Fund") pursuant to California Health and Safety Code section 33334.3; and

Eighth Street Housing L.P., a California limited partnership (the "Borrower"), has entered into a purchase agreement to purchase the property located at Eighth and "D" Streets, APN 171-110-18 (the "Site") which is located within the Project Area. The Borrower intends to rehabilitate the existing on the Site at an affordable housing cost to very low, low and moderate income households (the "Development"); and

The Borrower desires to borrow from the Agency One Million Nine Hundred Thirty-five Thousand Dollars ($1,935,000) (the "Agency Loan") to be used in part for rehabilitation of the Development; and

The Development will benefit the Project Area and serve major goals and objectives of the Redevelopment Plan by increasing the amount of housing available at affordable housing cost in the community, thereby decreasing the market pressure on the supply of affordable housing in the community and the Project Area, and by alleviating blight in the Project Area; and
The Development will be consistent with the implementation plan adopted by the Agency pursuant to Health and Safety Code section 33490 (the "Implementation Plan"); and

Other reasonable means of private or commercial financing of the acquisition of the Development site is not available; and

Agency staff has prepared a Loan Agreement, Promissory Note, Deed of Trust and Regulatory Agreement (the "Loan Documents") between the Agency and the Borrower setting forth the rights and obligations of the parties with respect to the Agency Loan; and

The proposed Loan Documents are on file with the Agency Secretary; and

Future lenders for the Development may require subordination of the Agency Loan documents to their loans; and

The California Environmental Quality Act, Public Resources Code section 2100, et seq., ("CEQA"), imposes no conditions on the Agency's consideration and approval of this Agreement, because the Development is not subject to CEQA pursuant to general rule Section 15061(b)(3) of the CEQA Guidelines; and

By Staff Report dated June 29, 2010, accompanying this resolution and incorporated herein by this reference (the "Staff Report"), the Agency has been provided with additional information upon which the findings and actions set forth in this resolution are based; now, therefore,

BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF STOCKTON, AS FOLLOWS:

1. That based on information and analysis set forth in the above recitals and contained in the Staff Report, the Agency hereby finds and determines that the above recitals are true and correct and have served as the basis, in part, for the findings and actions of the Agency set forth below.

2. The Agency finds that the Agency Loan is consistent with the Implementation Plan.

3. Other reasonable means of private or commercial financing of the acquisition of the Development site is not available.

4. The Agency hereby approves the Agency Loan and allocates One Million Nine Hundred Thirty-five Thousand Dollars ($1,935,000) of Low and Moderate Income Housing Set-Aside dollars to fund the Agency Loan.

5. The Agency hereby approves the Loan Documents.
6. The Agency hereby approves subordination of the Agency Loan Documents to future financing if the Agency's Executive Director is satisfied that the requirements of California Health and Safety Code section 33334.14(a) have been met, and authorizes the Agency Chairperson or Agency Executive Director to execute subordination agreements on behalf of the Agency in a form approved by the Agency signatory and Agency Counsel, such approval to be evidenced by the execution of such agreement, and provided such agreements give the Agency notice and time to cure any Borrower defaults under the senior lender loan documents.

7. The Executive Director is hereby authorized to execute the Agency Loan Documents, substantially in the form on file with the Agency Secretary, with any minor modification deemed desirable or necessary by the Agency Chairperson or Agency Executive Director and by Agency Counsel.

8. The Agency hereby allocates $1,935,000 of the Redevelopment Agency Low/Mod Income Housing Funds to this project.

9. The Agency hereby authorizes the Agency Executive Director to take such other actions and execute such other documents as are appropriate to effectuate the intent of this resolution and the Agency Loan Documents.

PASSED, APPROVED AND ADOPTED JUN 29 2010

[Signature]
Ann Johnston, Chairperson of the Redevelopment Agency of the City of Stockton

ATTEST:

[Signature]
Katherine Song Meissner, Secretary of the Redevelopment Agency of the City of Stockton