

RESOLUTION NO. 14-9

A RESOLUTION OF THE BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED RICHMOND COMMUNITY REDEVELOPMENT AGENCY AUTHORIZING THE HOUSING DIRECTOR OF THE SUCCESSOR AGENCY TO NEGOTIATE AND EXECUTE, ON BEHALF OF THE SUCCESSOR AGENCY, EXCLUSIVE RIGHT TO NEGOTIATE AGREEMENTS WITH 1) MIRAFLORES COMMUNITY DEVCO., LLC, A MARKET RATE DEVELOPER, AND 2) COMMUNITY HOUSING DEVELOPMENT CORPORATION OF NORTH RICHMOND AND EDEN HOUSING INC., NONPROFIT HOUSING DEVELOPERS, FOR THE CONSTRUCTION OF FOR-SALE MARKET RATE SINGLE FAMILY AND AFFORDABLE SENIOR RENTAL HOUSING, RESPECTIVELY, ON PORTIONS OF THE MIRAFLORES HOUSING DEVELOPMENT SITE

WHEREAS, as part of the 2011-12 State budget bill, the California Legislature enacted, and the Governor signed, companion bills AB 1X 26 and AB 1X 27, requiring that each redevelopment agency be dissolved unless the community that created it enacts an ordinance committing it to make certain payments; and

WHEREAS, a Petition for Writ of Mandate was filed in the Supreme Court of the State of California on July 18, 2011 (*California Redevelopment Association v. Ana Matosantos, et al.*, Case No. S194861), challenging the constitutionality of AB 1X 26 and AB 1X 27 on behalf of cities, counties and redevelopment agencies and requesting a stay of enforcement; and

WHEREAS, on December 29, 2011, the Supreme Court issued its final decision in the aforesaid litigation, upholding AB 1X 26, invalidating AB 1X 27 and extending all statutory deadlines under AB 1X 26, essentially dissolving all redevelopment agencies throughout the State effective February 1, 2012; and

WHEREAS, in accordance with Health and Safety Code Section 34173, the Successor Agency to the Richmond Community Redevelopment Agency (the "Successor Agency") was created on January 24, 2012; and

WHEREAS, on January 24, 2012, the City of Richmond elected to retain the housing assets and functions previously performed by the Richmond Community Redevelopment Agency (the "former Agency") in its capacity as the Successor Housing Agency (the "Successor Housing Agency") pursuant to Health and Safety Code Section 34176 (a) (1); and

WHEREAS, on June 27th, 2012, AB 1484 was enacted, which act provided clarifications of provisions in AB1X26 (AB1x26 and AB 1484 are collectively referred to herein as the "Dissolution Act"); and

WHEREAS, Section 34179(a) of the Health and Safety Code provides for the establishment of an Oversight Board to the Successor Agency (the "Oversight Board"); and

WHEREAS, the Successor Agency owns certain real property commonly known as the Miraflores Housing Development site, a 14 acre parcel bounded on the north by a portion of the BART rail line, to the east by Highway 80, to the south by Florida and Wall Avenues and to the west by South 45th and South 47th Streets (the "Property"); and

WHEREAS, the Successor Agency desires to assist with the development of for-sale market rate housing and affordable senior rental housing as proposed for the Property (the "Project"); and

WHEREAS, Community Housing Development Corporation of North Richmond ("CHDC") and Eden Housing, Inc. ("Eden") were partners with the former Agency on the affordable senior rental housing development component Project since the early 2000s; and

WHEREAS, CHDC and Eden entered into a Predevelopment Loan Agreement, Promissory Note, and Regulatory Agreement and Declaration of Restrictive Covenants with the former Agency (the "Loan Documents"), all dated September 22, 2005, pursuant to which the

former Agency loaned CHDC and Eden \$849,000 for predevelopment activities related to the affordable senior rental housing development component of the Project; and

WHEREAS, the Loan Documents were amended on March 18, 2008 to increase the predevelopment loan amount by \$91,000 for a total predevelopment loan amount of \$940,000; and

WHEREAS, CHDC and Eden are cosigners along with the former Agency of a Voluntary Cleanup Agreement with the Department of Toxic Substance Control (“DTSC”) dated October 31, 2005 (the “VCA”) for the completion of cleanup and remediation activities at the Property; and

WHEREAS, the VCA was amended on September 1, 2009 to add then purchased adjacent property under the VCA; and

WHEREAS, after a competitive procurement process, CHDC and Eden entered into an Exclusive Right to Negotiate (“ERN”) agreement with the former Agency dated June 28, 2006 for the development of up to 80 units of rental housing affordable to seniors (“Prior ERN”); and

WHEREAS, the Prior ERN was amended on January 24, 2007, March 24, 2007, March 24, 2008, March 24, 2009, March 24, 2010 and January 4, 2011 to extend the exclusive negotiation period; and

WHEREAS, the Prior ERN has expired and the Successor Agency now wishes to enter into a new ERN with CHDC and Eden for the affordable senior rental housing development component of the Project; and

WHEREAS, on December 20, 2013, the Successor Agency issued a request for proposals (the “RFP”) seeking a developer willing to undertake the development of the for-sale market rate housing development component of the Project; and

WHEREAS, on March 13, 2014, two developers submitted timely responses to the RFP; and

WHEREAS, on April 7, 2014, interviews were held with the two developers that submitted responses to the RFP and a staff panel selected Miraflores Community Devco., LLC (“MCD”) to enter into an ERN with the Successor Agency for the for-sale market rate housing development component of the Project; and

WHEREAS, ERNs with CHDC and Eden and MCD, respectively, will provide a mechanism for the parties to set forth terms for the negotiation of land development agreements for the purchase and development of their respective portions of the Property in furtherance of the Project; and

WHEREAS, the obligation to construct affordable and market rate housing on the Project site is included in the approved Recognized Obligation Payment Schedules (“ROPS”) 13-14 B and 14 -15A, and is in compliance with Health and Safety Code Section 34177 (l); and

WHEREAS, by the special meeting held on Thursday, June 19, 2014, the Oversight Board to the Successor Agency considered and adopted a resolution authorizing the Housing Director to negotiate and enter into ERN with: (1) MCD for the purchase and development of market rate homeownership units and; (2) CHDC and Eden for the disposition and development of affordable senior rental units at the Miraflores Housing Development Site; and

WHEREAS, by the agenda report accompanying this Resolution (“Agenda Report”) the Board has been provided with additional information upon which the findings and actions set forth in this Resolution are based.

NOW, THEREFORE, BE IT RESOLVED that the members of the Board to the Successor Agency find the above recitals are true and correct and have served, together with the Agenda Report, as the basis for the findings and actions set forth in this Resolution.

BE IT FURTHER RESOLVED, that the members of the Board to the Successor Agency Board authorize the Executive Director or his designee to execute an Exclusive Right to Negotiate agreement between the Successor Agency and Community Housing Development Corporation of North Richmond and Eden Housing, Inc. for the development of up to 80 units of affordable rental housing for seniors at the Property.

BE IT FURTHER RESOLVED, that the members of the Board to the Successor Agency Board authorize the Executive Director or his designee to execute an Exclusive Right to Negotiate agreement between the Successor Agency and Miraflores Community Devco., LLC for the development of up to 150 single family for- sale market rate housing units at the Property.

I hereby certify that the foregoing resolution was passed and adopted by the Members of the Successor Agency to the Richmond Community Redevelopment Agency Board at a regular meeting held on July 15, 2014, by the following vote:

AYES: Councilmembers Bates, Boozé, Butt, Myrick, Rogers, Vice Mayor Beckles, and Mayor McLaughlin.
NOES: None.
ABSTENTIONS: None.
ABSENT: None.

DIANE HOLMES
Clerk of the Successor Agency

(SEAL)

Approved:

GAYLE MCLAUGHLIN
Successor Agency Board Chair

Approved as to form:

BRUCE GOODMILLER
Successor Agency Attorney

State of California }
County of Contra Costa } : ss.
City of Richmond }

I certify that the foregoing is a true copy of **Resolution No. 14-9**, finally passed and adopted by the Successor Agency to the Richmond Community Redevelopment Agency Board at a regular meeting held on July 15, 2014.