

Resolution No. _____

Date: _____

CONCURRENT RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SONOMA AND THE SONOMA COUNTY COMMUNITY DEVELOPMENT COMMISSION MODIFYING AN EXISTING \$1,422,000 COUNTY FUND FOR HOUSING (CFH) LOAN TO NEW PUEBLO, LLC FOR THE LAS PALMAS SUBDIVISION TO INCREASE THE PRINCIPAL AMOUNT OF THE LOAN TO \$1,840,000 AND TO ALLOW THE LOAN TO CONVERT TO DEFERRED-PAYMENT LOANS TO ASSIST INCOME-ELIGIBLE FIRST-TIME HOMEBUYERS IN THE SUBDIVISION, AUTHORIZING SUBMISSION OF AN APPLICATION FOR AN ADDITIONAL \$600,000 IN BEGIN FUNDS FROM STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT, AND AUTHORIZING THE COMMISSION'S EXECUTIVE DIRECTOR, SUBJECT TO COUNTY COUNSEL REVIEW AND APPROVAL, TO EXECUTE LOAN AND GRANT DOCUMENTS AND AGREEMENTS, AND ANY FUTURE MODIFICATIONS, ASSIGNMENTS, ASSUMPTIONS, AND SUBORDINATION AGREEMENTS.

WHEREAS, On May 6, 2008, the Board and Commission approved a County Fund for Housing (CFH) loan of \$1,422,000 for acquisition and predevelopment financing to New Pueblo, LLC, (Developer) for its Las Palmas subdivision in Fetters Hot Springs; and

WHEREAS, Developer is requesting a modification of the existing CFH loan to increase the principal amount of the loan from \$1,422,000 to \$1,840,000; and

WHEREAS, Developer is also requesting that the CFH loan be allowed to convert to deferred payment subordinate mortgages for the income eligible first-time homebuyers of the affordable restricted units within Las Palmas; and

WHEREAS, an updated appraisal will need to demonstrate that the value of the property remains greater than \$2,590,000 to meet the requirement that the predevelopment CFH loan not exceed 150% LTV; and

WHEREAS, in consideration of the requested loan modifications, Developer has proposed adding ten additional moderate-income affordable units to Las Palmas; and

WHEREAS, the Commission has previously received a \$660,000 BEGIN grant from the State Department of Housing and Community Development (HCD) for the original eleven affordable units at Las Palmas; and

WHEREAS, if approved for the CFH loan modification, the Developer requests that the Commission apply for an additional allocation of BEGIN funds from HCD in an amount up to \$600,000 to assist the moderate-income first-time homebuyers of the 10 additional restricted units.

NOW, THEREFORE, BE IT RESOLVED that:

1. The foregoing recitals are true and correct.
2. The Board and Commission hereby approve a modification to the County Fund for Housing (CFH) loan to New Pueblo, LLC for the Las Palmas subdivision to: 1) increase

the principal amount of the loan from \$1,422,000 to \$1,840,000, 2) add an additional 10 units to be restricted to moderate-income first-time homebuyers, and 3) allow the loan to convert to deferred-payment loans to assist the twenty-one eligible purchasers of the affordable restricted homes.

3. The Board and Commission authorize the Commission's Executive Director, subject to County Counsel review and approval as to form, to execute all loan modification documents and any future modifications, assignments, assumptions, or subordination agreements.
4. Developer shall pay a loan fee in the amount of 1.0% of the increase in the CFH loan amount plus a loan modification fee of 0.5% of the original CFH loan amount when the CFH loan modification is completed.
5. Subject to and following review by County Counsel, the Executive Director of the Sonoma County Community Development Commission or her designee is hereby authorized to submit an application and any related documents to HCD for BEGIN grant funds of up to \$600,000 to assist the first-time moderate-income buyers of the additional eleven affordable restricted homes with down-payment assistance in the form of deferred payment, subordinate loans.
6. If HCD approves the application for BEGIN funds for the Subdivision, the Executive Director of the Commission, or the Executive Director's designee, is authorized to accept the BEGIN grant and to execute, in the name of the Commission, the HCD grant agreement, and all other documents required by HCD for participation in the BEGIN Program, and any amendments thereto, subject to and following review by County Counsel.
7. If HCD approves the application for BEGIN funds, the Commission hereby agrees to use the BEGIN funds for eligible activities in the manner presented in the application as approved by HCD and in accordance with the program Guidelines cited above and the approvals that the Sonoma County Board of Supervisors issued for the Subdivision on May 15, 2007.
8. If HCD approves the application for BEGIN funds, the Executive Director of the Commission, or the Executive Director's designee, is authorized to make deferred payment, subordinate loans to the moderate-income buyers of the newly constructed homes in the Subdivision, to prepare, execute, submit into escrow, and record any and all loan documents and related documents with the moderate-income buyers, and take all other actions necessary to facilitate the proposed BEGIN grant application and loan program, and to carry out the purposes expressed in this resolution.

SUPERVISORS / COMMISSIONERS:

BROWN_____ KERNS_____ ZANE_____ CARRILLO_____ KELLEY_____

AYES_____ NOES_____ ABSTAIN_____ ABSENT_____

SO ORDERED.