RESOLUTION NO. 4110

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLEDAD AUTHORIZING THE CITY MANAGER OR HER DESIGNEE TO EXECUTE A SUBORDINATION AGREEMENT FOR HOME INVESTMENT PARTNERSHIPS FUNDS WITH ORCHARD GABILAN ASSOCIATES, CALIFORNIA LIMITED PARTNERSHIP PERTAINING TO THE GABILAN FAMILY APARTMENTS, AN AFFORDABLE HOUSING PROJECT AND ANY RELATED DOCUMENTS

WHEREAS, on August 10, 2006, the City Council of the City of Soledad adopted Resolution No. 3848 approving the submittal of an application to the California Department of Housing and Community Development (the "HCD") for HOME Investment Partnerships Program Funds (HOME) made available from the U.S. Department of Housing and Urban Development ("HUD"); and

WHEREAS, Orchard Gabilan Associates, California Limited Partnership is proposing to construct Gabilan Family Apartments an affordable housing project consisting of 84 units of which 80 units will be affordable (the "Project"); and

WHEREAS, on January 13, 2007, the Department informed the City that $1,700,000 had been conditionally reserved for the City of Soledad's application for HOME funds; and

WHEREAS, the Department entered into an agreement with the City of Soledad for HOME funds on August 1, 2007; and

WHEREAS, the City has been asked to subordinate its loan of HOME funds to the Project to the rights of lending institutions or other entities who have provided financial assistance to the Project in an amount greater than that provided by the City and to enter into a subordination agreement memorializing the same ("Subordination Agreement").

NOW THEREFORE, BE IT HEREBY RESOLVED by the City Council of the City of Soledad as follows:

1. The City agrees to subordinate to the rights of lending institutions or other entities that have provided financial assistance to the Project in an amount greater than that provided by the City.

2. The City Manager, or her designee, is hereby authorized and directed to execute the Subordination Agreement on behalf of the City and any and all other documents or instruments necessary or required by the Department or HUD for participation in the HOME program.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Soledad duly held on the 7th day of November 2007 by the following vote:

AYES, and in favor thereof, Councilmembers: Martha Camacho, Juan Saavedra, Patricia Stephens, Mayor Pro Tem Christopher Bourke, Mayor Richard Ortiz

NOES, Councilmembers: None

ABSTAIN, Councilmembers: None

ABSENT, Councilmembers: None

RICHARD V. ORTIZ, Mayor

ATTEST:

NOELIA F. CHAPA, City Clerk