

RESOLUTION NO. 5388/SA-2018-01

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLEDAD, ACTING AS THE SUCCESSOR AGENCY TO THE SOLEDAD REDEVELOPMENT AGENCY, AUTHORIZING A REDUCTION IN THE TERM OF THE “RESALE RESTRICTION AGREEMENT AND OPTION TO PURCHASE” ON HOMES IN THE RANCHO SAN VICENTE RESIDENTIAL SUBDIVISION AND AUTHORIZING CHIPSA TO ASSUME ADMINISTRATION OF THE RESTRICTION

WHEREAS, in 2004, the Soledad Redevelopment Agency (RDA), acting pursuant to the provisions of the California Redevelopment Act (the Act) and the Soledad Redevelopment Plan, provided financial assistance to Community Housing Improvement Systems and Planning Association (CHISPA) used in the construction of eighty two housing units known as the Rancho San Vicente Subdivision available to very-low, low and moderate income households (Qualifying Families); and

WHEREAS, the total sum of the aforesaid financial assistance provided by the Agency was \$500,000, amounting to approximately \$6,097 per housing unit; and

WHEREAS, the City of Soledad is the Successor Agency to the RDA (Successor Agency), the RDA having been dissolved by Assembly Bill 26, primarily codified as Health and Safety Code Sections 34161-34191, effective February 1, 2012; and

WHEREAS, as a condition of the purchase of each housing unit, the Qualifying Families each executed a “Resale Restriction Agreement and Option To Purchase” (the Agreement) limiting, for forty five (45) years, resale to only other Qualifying Families, establishing penalties for failure to comply with this requirement, and giving the RDA the option to purchase a unit from any Qualifying Family to prevent sale to a non-qualifying family and/or to prevent loss of a unit to foreclosure; and

WHEREAS, since imposition of the Agreement, several units at Rancho San Vicente have been lost to foreclosure, in many cases without notice to the Agency or Successor Agency, and have, for that and other reasons, lost their affordability status; and

WHEREAS, as a result of the dissolution of the RDA, the Successor Agency does not have the financial resources to administer the Agreement, and does not have adequate funding to exercise its option to buy-back a distressed unit and prevent the loss of an affordable unit to foreclosure; and

WHEREAS, the Successor Agency has heard testimony from representatives of the Rancho San Vicente homeowners describing a number of ways in which they have been adversely impacted by the Agreement, including but not limited to refinancing complications, concerns over legacy transfers to family and kin, and lack of incentive to maintain or make home improvements due to artificial resale price constraints; and

WHEREAS, representatives of the remaining Qualifying Families at Rancho San Vicente have expressed a desire and willingness to accept a reduction of the term of the Agreement from forty-five (45) to twenty (20) years; and

WHEREAS, CHISPA continues to do business as a non-profit affordable housing developer and has the capacity to exercise the Successor Agency's option and to otherwise assure that the remaining units do not lose their affordability character; and

WHEREAS, CHISPA routinely imposes a term of affordability of twenty (20) years when it constructs owner-occupied homes for similarly situated "qualified families"; and

WHEREAS, CHISPA is willing to assume responsibility for maintaining the affordability of the remaining units in the Rancho San Vicente Subdivision, as was allowed by the Act before its repeal, conditioned upon a modification in the term of affordability to the term that CHISPA routinely imposes.

NOW, THEREFOR, BE IT RESOLVED by the Board of the Soledad Successor Agency, as follows:

Section 1. The recitals set forth above are true and correct and are incorporated herein by reference.

Section 2. The Board hereby approves and authorizes a reduction in the term of the "Resale Restriction Agreement and Option to Purchase" recorded against homes in the Rancho San Vicente Subdivision, from forty five (45) years to twenty (20) years, Staff is directed to oversee the preparation of the form of all appropriate documentation, such as an amendment to the Agreement and any related accompanying documents (Promissory Note, Deed of Trust and Deed.)

Section 3. The Board hereby approves and authorizes Staff to prepare an agreement between the Successor Agency and CHISPA whereby authority and responsibility for maintaining and administering the "Resale Restriction Agreement and Option to Purchase," for the remainder of the new term, to the same extent as was posited in the Successor Agency, is transferred to CHISPA.

Section 4. Each "Qualifying Family" under the terms of the Resale Restriction Agreement and Option to Purchase" shall be responsible for preparing all documents, paying all costs (such as recording costs) associated with the modification to the Resale Restriction Agreement and accompanying documents (Promissory Note, Deed of Trust, and Deed), and for actual recordation of the same.

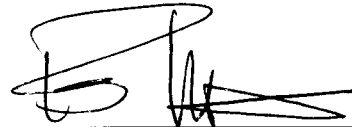
Section 5. The Successor Agency's Executive Director and staff, as appropriate, are authorized to take all actions necessary to implement this resolution, including without

limitation, execution of the amended "Resale Restriction Agreement," "Promissory Notes," "Deed of Trusts," and "Deeds."

PASSED AND ADOPTED by the City of Soledad, acting as the Successor Agency of the Soledad Redevelopment Agency at a meeting held on the 4th day of April, 2018. By the following vote:

AYES, and in favor thereof, Councilmembers: Christopher Bourke, Mayor Pro Tem Alejandro Chavez, Carla Stewart and Mayor Fred Ledesma

NOES, Councilmembers:	None
ABSENT, Councilmembers:	Velazquez
ABSTAIN, Councilmembers:	None



FRED LEDESMA, Chairman

ATTEST:



MICHAEL McHATTEN, Agency Clerk

