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RESOLUTION 94-25

RESOLUTION AUTHORIZING A FINAL LOAN COMMITMENT

WHEREAS, the California Housing Finance Agency (the "Agency") staff has reviewed the financial status of the Villa San Ramon development; and

WHEREAS, the mortgage loan was financed by bond proceeds from bonds issued and underwritten under different economic conditions existing at the time; and

WHEREAS, the existing mortgage is in default due to unanticipated current adverse economic conditions and is subject to acceleration of the unpaid principal balance; and

WHEREAS, in order to make a prudent and objective determination of the financial condition and the need for refinancing of the development named herein, the Agency sought and received financial advice from a real estate consultant, KD Housing Partners, on the development; and

WHEREAS, after considering foreclosure as an alternative to providing a new loan at a lower interest rate, the Agency determined that foreclosure was not in the Agency's best interest or the best interest of the bondholders and low- and moderate-income tenants that the Agency serves, and that it would have a potential adverse impact on the affordability restrictions currently imposed on the developments and/or an adverse financial loss to the Agency; and

WHEREAS, the Agency, pursuant to authority given by Board Resolution 93-06, dated March 11, 1993, is authorized to issue refunding bonds for general purposes in connection with the retirement of prior bonds; and

WHEREAS, based upon the analysis and advice provided by KD Housing Partners, and on the recommendation of staff to the Board of Directors (the "Board") that a new loan for the development be approved, the Board has determined that a new loan commitment be made for such development.

NOW, THEREFORE, BE IT RESOLVED by the Board:

1. The Executive Director, or in his absence, the Deputy Director or Director of Programs of the Agency is hereby authorized to transmit a final commitment letter, subject to the recommended terms and conditions set forth in the CHFA staff report dated August 30, 1994, in relation to a multifamily housing development described as follows:

PROJECT NO.	DEVELOPMENT NAME/ LOCALITY	NO. UNITS	MORTGAGE AMOUNT
88-008-N	Villa San Ramon San Ramon/ Contra Costa	120	\$13,500,000 (BOND) \$800,000 (HAT)

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7 2. The Executive Director, or in his absence, the

8 Deputy Director or Director of Programs of the Agency has the

9 authority to modify the mortgage amount so stated in this

10 resolution by an amount not to exceed seven percent (7%)

11 without further Board approval. All material modifications to

12 this commitment, including changes in mortgage amount of more

13 than seven percent (7%), must be submitted to this Board for

14 approval. "Material modifications" as used herein means

15 modifications which, in the discretion of the Executive

16 Director, or in his absence, the Deputy Director or Director of

17 Programs of the Agency, change the legal, financial or public

18 purpose aspects of this commitment in a substantial way.

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21 I hereby certify that this is a true and correct copy of

22 Resolution 94-25 adopted at a duly constituted meeting of the

23 Board of the Agency held on September 8, 1994, at San

24 Francisco, California.

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ATTEST: 
Secretary