

LOMA LINDA HOUSING AUTHORITY

AGENDA

REGULAR MEETING OF JULY 22, 2014

A regular meeting of the Housing Authority of the City of Loma Linda is scheduled to be held at 7:00 p.m. or as soon thereafter as possible, Tuesday, July 22, 2014 in the City Council Chamber, 25541 Barton Road, Loma Linda, California.

Reports and Documents relating to each agenda item are on file in the Office of the City Clerk and are available for public inspection during normal business hours. The Loma Linda Branch Library is also provided an agenda packet for your convenience. The agenda and reports are also located on the City's Website at www.lomalinda-ca.gov.

Materials related to an item on this Agenda submitted to the Housing Authority Board after distribution of the agenda packet are available for public inspection in the City Clerk's Office, 25541 Barton Road, Loma Linda, CA during normal business hours. Such documents are also available on the City's website at www.lomalinda-ca.gov subject to staff's ability to post the documents before the meeting.

Persons wishing to speak on an agenda item are asked to complete an information card and present it to the City Clerk prior to consideration of the item. When the item is to be considered, please step forward to the podium, the Chair will recognize you and you may offer your comments. The Housing Authority meeting is recorded to assist in the preparation of the Minutes, and you are therefore asked to give your name and address prior to offering testimony.

The Oral Reports/Public Participation portion of the agenda pertains to items NOT on the agenda and is limited to 30 minutes; 3 minutes allotted for each speaker. Pursuant to the Brown Act, no action may be taken by the Housing Authority at this time; however, the Housing Authority Board may refer your comments/concerns to staff or request that the item be placed on a future agenda.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk at (909) 799-2819. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. Later requests will be accommodated to the extent feasible.

Agenda item requests for the , 2014 meeting must be submitted in writing to the City Clerk no later than NOON, MONDAY, . 2014

A. Call To Order

B. Roll Call

C. Items To Be Added Or Deleted

D. Oral Reports/Public Participation - Non-Agenda Items (Limited to 30 minutes; 3 minutes allotted for each speaker)

E. Conflict of Interest Disclosure - Note agenda item that may require member abstentions due to possible conflicts of interest

F. **Public Hearings**

1. **Joint Public Hearing** of the City Council and Housing Authority pertaining to the sale of 25615 Prospect Avenue and approving a Housing Disposition Agreement [**City Clerk/Authority Secretary**]
 - a. LLHA Bill #R-2014-03 - Authorizing the sale of 25615 Prospect Avenue to Chowdhury Ahmed and Farjana Hoq and approving the Housing Disposition Agreement
 - b. Council Bill #R-2014-31 - Consenting to the sale of 25615 Prospect Avenue to Chowdhury Ahmed and Farjana Hoq

G. **Consent Calendar**

2. Demands Register
3. Minutes of June 24, 2014

H. **Chair and Member Reports**

I. **Reports of Officers**

J. **Adjournment**



City of Loma Linda Official Report

Rhodes Rigsby, Chairman
Phillip Dupper, Vice-Chairman
Ovidiu Popescu, Member
Ronald Dailey, Member
John Lenart, Member

HOUSING AUTHORITY AGENDA: July 22, 2014

TO: Housing Authority
FROM: Pamela Byrnes-O'Camb, Secretary *pto*
VIA: T. Jarb Thaipejr, Executive Director *T.J.T.*

| |
|---|
| Approved/Continued/Denied By Housing Authority Date _____ |
|---|

SUBJECT: **Joint Public Hearing** of the City Council and Housing Authority pertaining to the sale of 25613 Prospect Avenue and approving a Housing Disposition Agreement [City Clerk/Authority Secretary]

- a. LLHA Bill #R-2014-03 - Authorizing the sale of 25615 Prospect Avenue to Chowdhury Ahmed and Farjana Hoq and approving the Housing Disposition Agreement
- b. Council Bill #R-2014-31 - Consenting to the sale of 25615 Prospect Avenue to Chowdhury Ahmed and Farjana Hoq

RECOMMENDATION

It is recommended that the Housing Authority Board adopt LLHA Bill #R-2014-03 and the City Council adopt Council Bill #R-2014-31.

BACKGROUND

The Housing Authority Board directed Staff to encourage prospective purchasers to pursue outside financing for transactions related to those properties currently owned by the Housing Authority for which buyers have been pre-qualified to purchase properties owned by the Housing Authority. The Board also indicated that, in appropriate cases, the Housing Authority would consider carrying back paper should outside financing prove to be unsuccessful.

A buyer was pre-qualified and a joint public hearing of the City Council and Housing Authority Board was advertised; however, due to circumstances between the lender and purchaser, the prospective purchaser's efforts at obtaining outside financing was not successful.

Sale of residential units/properties was negatively impacted by the enactment of ABx1 26 (the "2011 Dissolution Act") which provided generally for the dissolution of all redevelopment agencies in the State of California, and which effected, for several months, a freeze on the entering into of contracts. The 2011 Dissolution Act was challenged by litigation initiated during 2011; that litigation was decided by the California Supreme Court in a manner which upheld the 2011 Dissolution Act.

Under the 2011 Dissolution Act, housing assets of a redevelopment agency become assets of a housing successor housing entity as designated by the city council of the host city. In the case of housing assets of the Redevelopment Agency, the Loma Linda City Council, which had previously activated a local

**CC AGENDA ITEM 3
LLHA AGENDA ITEM 1**

housing authority, the Loma Linda Housing Authority ("Housing Authority" herein), designated the Housing Authority to receive the housing assets of the former Redevelopment Agency. The transfer of housing costs of the former Redevelopment Agency has been recognized by the Oversight Board to the Successor Agency to the former Redevelopment Agency as well as by the California Department of Finance and the Controller of the State of California.

The subject property is a condominium within the University Community Homes Development which consists of 42 single-family units of which 7 have long-term affordability covenants that run with the land for a state mandated period of time. The Housing Authority purchased the Prospect Avenue house from the former owner.

The Agreement provides for monthly payments which will conform to Affordable Housing Cost for Lower Income Households as set by the State Department of Housing and Community Development (HCD) under Health and Safety Code Sections 50052.5, 50079.5, and related regulations.

ANALYSIS

Housing Authority financing of the house would retain the affordability covenant, provide the buyer within the lower income category the opportunity to purchase a home, and would provide a revenue source for the Housing Authority by way of monthly payments.

FINANCIAL IMPACT

Sale of the Prospect Avenue property (\$175,000.00) would provide the Authority with revenue by way of monthly payments of principal and interest; the Housing Authority would be responsible for the real estate commission, the premium for the owner's title policy, one half of the escrow fee and certain other incidental closing costs to maintain and preserve its supply of affordable housing available to income-qualified persons and families pursuant to the Authority's Affordable Housing Program. The Housing Authority would no longer be responsible for the upkeep or Homeowner Association Fees.

SUMMARY REPORT
HOUSING DISPOSITION AGREEMENT
BY AND BETWEEN
THE LOMA LINDA HOUSING AUTHORITY
AND
CHOWDHURY AHMED and FARJANA HOQ
(25615 Prospect Avenue)

JULY 2014

**SUMMARY REPORT
HOUSING DISPOSITION AGREEMENT
BY AND BETWEEN
THE LOMA LINDA HOUSING AUTHORITY,
AND
CHOWDHURY AHMED and FARJANA HOQ**

INTRODUCTION

The Loma Linda Housing Authority (hereinafter the “Authority”) has received an offer from Chowdhury Ahmed and Farjana Hoq, husband and wife (hereinafter collectively the “Participants”) to enter into an agreement entitled Housing Disposition Agreement (hereinafter the “Agreement”). Under that Agreement, the Authority would sell and the Participants would purchase that certain real property commonly known as 25615 Prospect Avenue, Loma Linda, California 92354 (hereinafter the “Site”) and the Authority desires to sell the Site to Participants under the terms of the Agreement.

This analysis describes and specifies all of the following:

- (i) The cost of the agreement to the Authority, including land acquisition costs, clearance costs, relocation costs, the costs of any improvements to be provided by the Authority, plus the expected interest on any loans or bonds to finance the agreements.
- (ii) The estimated value of the interest to be conveyed or leased, determined at the highest and best uses permitted under the plan.
- (iii) The estimated value of the interest to be conveyed or leased, determined at the use and with the conditions, covenants, and development costs required by the sale or lease. The purchase price or present value of the lease payments which the lessor will be required to make during the term of the lease. If the sale price or total rental amount is less than the fair market value of the interest to be conveyed or leased, determined at the highest and best use, then the Authority shall provide as part of the summary an explanation of the reasons for the difference.
- (iv) An explanation of why the sale or lease of the property will assist in the providing low to moderate income housing, with reference to all supporting facts and materials relied upon in making this explanation.

It is the intent of this Report to address the foregoing points and present supporting data.

This Report is organized into the following sections:

- Salient Points of the Proposed Agreement
- Cost of the Agreement to the Authority
- Estimated Value of the Interest to be Conveyed
- Comparison of Purchase Price to the Fair Re-Use Value

- How The Agreement Contributes to Providing Affordable Housing
- Facts Supporting Determinations

SALIENT POINTS OF THE PROPOSED AGREEMENT

Description of the Property

The property to be conveyed by the Authority to the Participants is located at 25615 Prospect Avenue, Loma Linda, California. As of the date of execution of the Agreement, the Site is owned by the Authority. The former Loma Linda Redevelopment Agency (“Redevelopment Agency”) purchased the Site; the Site, along with certain other properties, was transferred to the Authority in connection with the dissolution of the Redevelopment Agency. The Authority is exercising its functions as a California housing authority pursuant to Part 2 of Division 24 of the California Health and Safety Code and, as to properties transferred from a redevelopment agency, will also implement existing affordability restrictions. Accordingly, the Authority proposes to sell the Site to the Participants, the Participants qualifying as a low-income household for purposes of covenants in effect as to the Site. In addition, under the Agreement, the Participants and any future owners (for the period of the applicable covenants) are to be low-income households as defined in the Agreement which will maintain the long-term affordability of the Site for low-income households.

The Site consists of a two (2) bedroom and two and one-half (2 1/2) bath attached single family home situated a community of similar condominiums. The community fronts on a public street. All typical utilities and other public improvements are provided.

The market value of the property is estimated at \$188,500 (as determined without regard to the affordability covenants).

Authority Responsibilities

1. The Authority shall sell the Site to the Participants at a value not less than the reuse value of \$175,000. The actual dollar amount to be received by the Authority may be more than the \$175,000, due to the interest provisions of the loan to be provided by the Authority.
2. The Authority shall maintain the existing affordability covenant as the Site which will be supported by a first trust deed loan to the Participants in the amount of \$1,000. This loan, which also secures maintenance of the Site on an affordable basis, shall include the following provisions:
 - a. The loan shall carry no interest rate.
 - b. The loan shall require no payments except that it shall all become due and payable on September 1, 2044.
 - c. Beginning on the sixteenth (16th) anniversary date of the execution of the Agreement, one-fifteenth (1/15th) of the loan shall be forgiven for each year the Participants own the property ending in the thirtieth (30th) year.

3. The Authority shall also provide a second trust deed loan in the amount of \$172,500, after payment of a \$2,500 down payment. The loan shall include the following provisions:
 - a. The loan shall carry an interest rate of 3.6693%.
 - b. The loan payment, including principal and interest shall be Seven Hundred Ninety One Dollars (\$791.00) per month.
 - c. The loan shall be for a term of 30 years.

Participants Responsibilities

1. The Participants shall acquire the Site from the Authority for \$175,000, consisting of a down payment of \$2,500 and two promissory notes, one for \$1,000 and a second for \$172,500.
2. The Participants shall make any payments required under the first note. The first note will be secured by a first deed of trust as to the Site.
4. The Participants shall make regularly scheduled, monthly payments to the Authority under the second trust deed note.
5. The Participants shall meet all requirements of the Program as a low-income household and shall enter into the Agreement with the Authority.
6. The Participants shall meet all requirements of the promissory notes outlined in the Agreement and shall repay the loans provided by the Authority pursuant to the terms of the promissory notes.

COST OF THE AGREEMENT TO THE AUTHORITY

The value of the property at the time title was transferred from the former Loma Linda Redevelopment Agency to the Authority was \$188,500 as computed without regard to existing affordability covenants.

The Authority is selling the Site to the Participants for \$175,000. Title to the Site will include an affordability covenant restricting the occupancy and sale of the Site to a lower income household, as defined in the Agreement. Because the Authority is in the business of promoting affordable housing, and particularly where the Site was transferred to the Authority after being acquired by the Redevelopment Agency using moneys from the former Redevelopment Agency's housing set-aside fund, the Authority believes it is most appropriate to assure that the Site continues to remain an affordable housing asset available to serve the community. One way at looking at the value of the covenant is to take the difference between the market value of \$188,500 and deduct the purchase price of \$175,000, leaving a figure of \$13,500. By this methodology, the sale recoups the acquisition costs the Authority has incurred, offset by the value of the affordability covenant. Another method of valuing the covenant would be to estimate the cost to newly create a dwelling unit enforceably restricted by affordability covenants for a substantial period. It is believed that the latter method

would yield a higher number which would not be particularly useful in that the financial ability of low-income households to afford to purchase property is constrained.

The Authority is providing a first trust deed loan to the Participants in the amount of \$1,000. This loan will be repaid pursuant to the terms of the Agreement. If the Participants remain in compliance with the terms of the Agreement, the loan shall be paid in full at the end of the terms of the Agreement and the first trust deed note. There will be no cost to the Authority for this Loan.

If the Participants take action requiring Acceleration, as defined in the Agreement, the Participants shall repay the loan as well as additional interest as required by the Agreement. This additional interest will reduce the total cost of the Agreement to the Authority. Because of the contingent nature of an Acceleration and because the amount of interest to be paid in the event of an Acceleration is based on when such Acceleration may occur, it is not possible to determine if such additional interest would be paid and, if it is, the amount of it.

The Authority is also providing a second trust deed loan to the Participants in the amount of \$172,500, after the Participants provide a down payment of \$2,500. This loan will be repaid pursuant to the terms of the Agreement. The Participants shall make monthly payments to the Authority on this loan of \$791.00 over the 30-year term of the second loan.

In connection with the conveyance of the Site, the Authority will pay for closing costs (other than those borne by the down payment to be made by Participants) and real estate commissions associated with the sale of the Site. Closing costs are estimated at 2% of \$175,000; real estate commissions are expected to be 6% of \$175,000.

ESTIMATED VALUE OF THE INTEREST TO BE CONVEYED

The Site is within a community of similar attached single-family homes whose values are comparable, one to another. Similar attached single-family residences in the same area are selling in the range of \$150,000 to \$195,000. The value of the Site is within this range, estimated at \$188,500.

COMPARISON OF PURCHASE PRICE TO THE FAIR RE-USE VALUE

The terms of the sale includes the provision for an affordability covenant by the Authority. The value of this covenant is estimated at \$13,500. Thus, the fair reuse value of the Site, not including the value of the affordability covenant, is \$175,000, which has been established as the sales price.

HOW THE AGREEMENT CONTRIBUTES TO PROVIDING AFFORDABLE HOUSING

The Authority is selling the Site to the Participants and pursuant to that sale will maintain in effect an affordability covenant to maintain the Site for low-income households. The proposed Agreement continues to implement the low-income affordable housing requirements the Authority imposed as a result of the original redevelopment which eliminated blight on the Site and surrounding properties. It also assists in the relocation efforts of the Authority.

FACTS SUPPORTING DETERMINATIONS

1. The sale of the Site will assist in providing affordable housing.

Statement of Support

The Agreement continues to fulfill the Authority's obligations to provide low-to-moderate income housing arising from the obligations it accepted from the former Loma Linda Redevelopment Agency by incorporating an affordability covenant.

2. The sale of the Site will provide housing for a low-income household.

Statement of Support

The Participants have been determined by the Authority to meet the criteria as a lower income household, pursuant to California Health and Safety Code Section 50043. In addition, the Agreement establishes covenants on the property requiring the Site to remain affordable to low income households until February 15, 2052.

4. The consideration to be paid for the Site is not less than the fair reuse value.

Statement of Support:

The Agreement set the sales price at a value which is deemed to be the fair use value of the Site based on the affordability covenant that will continue until February 15, 2052. This was done to fulfill the Authority's obligations to provide low-to-moderate income housing in accordance with California State Law.

5. The consideration to be paid for the Site is not less than the fair reuse value at the use and with the covenants and conditions and development costs authorized by the Agreement.

Statement of Support:

The Authority is selling the property at its estimated reuse value of \$175,000.

6. There is no other reasonable means of fully financing the sale of the Site.

Statement of Support

There are no reasonable additional outside funding sources, public or private, which can provide the Site at a cost which maintains the low-income requirements for the Site or which will ensure the recording of covenants against the Site as required by State Law.

The Authority's Promissory Notes are necessary to support the affordability covenant requirement through February 15, 2052. The Authority First Loan will secure the affordability covenant through September 1, 2044.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOMA LINDA
CONSENTING TO THE APPROVAL BY THE LOMA LINDA HOUSING
AUTHORITY OF AN AGREEMENT FOR THE DISPOSITION OF PROPERTY
FOR AFFORDABLE HOUSING USE WITH CHOWDHURY AHMED AND
FARJANA HOQ

(25615 Prospect Avenue)

WHEREAS, California Health and Safety Code Sections 33334.2 and 33334.6 formerly authorized and directed the Loma Linda Redevelopment Agency (the "Redevelopment Agency") to expend a certain percentage of all taxes which are allocated to the Redevelopment Agency pursuant to Section 33670 of the California Health and Safety Code for the purposes of increasing, improving and preserving the community's supply of low and moderate income housing available at affordable housing cost to persons and families of low- and moderate-income, lower income, and very low income; and

WHEREAS, pursuant to applicable law the Redevelopment Agency established a Low and Moderate Income Housing Fund (the "Housing Fund") and acquired certain property with the purpose of using such property for the provision of affordable housing; and

WHEREAS, by ABx1 26 enacted by the California Legislature during 2011 (the "2011 Dissolution Act"), the California Legislature eliminated every redevelopment agency within the State of California, including without limitation the Redevelopment Agency; and

WHEREAS, the 2011 Dissolution Act provides, in part, that the host city of a redevelopment agency was to designate a housing entity to receive the housing assets of the former redevelopment agency within such city; and

WHEREAS, the City Council of the City of Loma Linda ("City") activated a housing authority, the Loma Linda Housing Authority (the "Authority") within the corporate limits of the City, and designated the Authority as the housing entity to receive the housing assets of the former Redevelopment Agency; and

WHEREAS, pursuant to the 2011 Dissolution Act, an oversight board ("Oversight Board") has been established to oversee the wind-up of the activities of the Redevelopment Agency. At its meeting of March 20, 2012, by its Resolution No. 2012-004, the Oversight Board approved and affirmed the transfer of the housing assets of the Redevelopment Agency, including without limitation the "Site" (as defined below), to the Authority; and

WHEREAS, the Redevelopment Agency utilized moneys from its Housing Fund in connection with the development of certain property, including without limitation a single-family residence located at 25615 Prospect Avenue (the "Site"); and

WHEREAS, the Site was developed and was sold for occupancy to a household having an income of not greater than eighty percent of median income (a "Low Income Household") at a price which was not in excess of "Affordable Housing Cost" for a "Low Income Household" as affordable housing cost is determined pursuant to Health and Safety Code Section 50052.5, all as further set

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forth in covenants recorded as to the Site which restrict its use to occupancy as affordable housing by Low Income Households; and

WHEREAS, the Authority subsequently reacquired the Site from a private party, which Site remains improved with a single-family residence and is available for occupancy; and

WHEREAS, Chowdhury Ahmed and Farjana Hoq, husband and wife (collectively, "Homebuyer") have offered to enter into an agreement with the Authority substantially in the form submitted herewith (the "Agreement") under which Homebuyer will purchase the Site, which is a single-family residence located at 25615 Prospect Avenue, for the purpose of residing at the Site; and

WHEREAS, Authority staff has determined that Homebuyer is a Low Income Household and that the price and terms under which the Site would be sold to Homebuyer under the Agreement does not exceed Affordable Housing Cost; and

WHEREAS, the Authority has duly considered all terms and conditions of the proposed Agreement and believes that the Agreement is in the best interests of the Authority and the City and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable State and local law requirements; and

WHEREAS, a joint public hearing of the Authority and City Council on the proposed Agreement was duly noticed; and

WHEREAS, on July 22, 2014, the governing board of the Authority and the City Council held a joint public hearing on the proposed Agreement, at which time the City Council and the Authority reviewed and evaluated all of the information, testimony, and evidence presented during the joint public hearing; and

WHEREAS, all actions required by all applicable law with respect to the proposed Agreement have been taken in an appropriate and timely manner; and

WHEREAS, the City Council has reviewed the Summary Report and has evaluated other information provided to it pertaining to the findings proposed to be made hereunder; and

WHEREAS, the Homebuyer acknowledges that the use of the Site will be as an owner-occupied residence, all as more particularly provided in the Agreement; and

WHEREAS, under the Agreement, Authority would sell the Site to the Homebuyer under a form of deed (the "Authority Deed") which includes long-term affordability covenants limiting the use of property to affordable housing, or which acknowledges affordability covenants of record as to the Site; and

WHEREAS, the Site is subject to a deed of trust (the "City Deed of Trust") in favor of the City of Loma Linda (the "City") as beneficiary as security for repayment of certain moneys earlier loaned by the City; and

WHEREAS, the proposed sale of the Site will not generate moneys at closing sufficient to eliminate or materially reduce obligations to the City, and the City, in cooperation with the Authority to further the implementation of the affordable housing activities of the Authority, is agreeable to releasing the Site from the effect of the City Deed of Trust on the terms more fully set forth in the Agreement; and

WHEREAS, the City Council has duly considered all terms and conditions of the proposed Agreement and believes that the Agreement is in the best interests of the Authority and the City and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable State and local law requirements; and

WHEREAS, the purchase price to be received by the Authority under the Agreement is not less than the fair reuse value of the Site, as determined by a reuse value analysis prepared for the Authority by Community Advisors, a consultant retained by the Authority; and

WHEREAS, all actions required by all applicable law with respect to the proposed Agreement have been taken in an appropriate and timely manner; and

WHEREAS, the Authority and the City Council have duly considered all of the terms and conditions of the proposed Agreement and believes that the sale of the Site pursuant to the Agreement is in the best interests of the City of Loma Linda and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable state and local laws and requirements.

NOW, THEREFORE, CITY COUNCIL OF THE CITY OF LOMA LINDA DOES RESOLVE AS FOLLOWS:

Section 1. The City Council finds and determines that the statements set forth in the Recitals above are true and correct.

Section 2. The City Council finds and determines, based upon substantial evidence provided in the record before it: the consideration for the Authority's disposition of the Site by sale pursuant to the terms and conditions of the Agreement, particularly including long-term affordability covenants, is not less than the fair reuse value at the use and with the covenants and conditions and development costs authorized by the Agreement.

Section 3. The City Council hereby finds and determines that the disposition by sale of the Site by the Authority pursuant to the Agreement will further the achievement of the Authority's affordable housing objectives and is consistent with furthering the affordable housing objectives of the former Redevelopment Agency within a redevelopment project area.

Section 4. The City Council finds and determines that, based upon substantial evidence provided in the record before it, the consideration for the Authority's sale of the Site pursuant to the terms and conditions of the Agreement is not less than the fair reuse value at the use and with the covenants and conditions and development costs authorized by the Agreement.

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Section 5. The City Council hereby finds and determines that the Agreement is consistent with the provisions and goals of the Implementation Plan, as provided for pursuant to Health and Safety Code Section 33490, as previously adopted by the Redevelopment Agency.

Section 6. The City Council hereby consents to the approval by the Authority of the Agreement in substantially the form presented to the City Council, subject to such revisions as may be made by the Executive Director of the Authority or his designee.

Section 7. The City Council approves the release of the Site from the effect of the City Deed of Trust and authorizes and directs the City Manager to execute such instruments as are necessary or convenient to effectuate such release. In addition, the City Manager is authorized to execute a quitclaim or other instrument as may be necessary or convenient to facilitate the conveyance of the Site to the Homebuyer as provided under the Agreement.

APPROVED AND ADOPTED this 22nd day of July, 2014 by the following vote:

Ayes:

Noes:

Absent:

By:

Phill Dupper, Mayor Pro Tempore

ATTEST:

Pamela Byrnes-O'Camb, City Clerk

RESOLUTION NO. ____

A RESOLUTION OF THE LOMA LINDA HOUSING AUTHORITY APPROVING
AN AGREEMENT FOR THE DISPOSITION OF PROPERTY FOR
AFFORDABLE HOUSING USE WITH CHOWDHURY AHMED AND FARJANA
HOQ

(25615 Prospect Avenue)

WHEREAS, California Health and Safety Code Sections 33334.2 and 33334.6 formerly authorized and directed the Loma Linda Redevelopment Agency (the "Redevelopment Agency") to expend a certain percentage of all taxes which are allocated to the Redevelopment Agency pursuant to Section 33670 of the California Health and Safety Code for the purposes of increasing, improving and preserving the community's supply of low and moderate income housing available at affordable housing cost to persons and families of low- and moderate-income, lower income, and very low income; and

WHEREAS, pursuant to applicable law the Redevelopment Agency established a Low and Moderate Income Housing Fund (the "Housing Fund") and acquired certain property with the purpose of using such property for the provision of affordable housing; and

WHEREAS, by ABx1 26 enacted by the California Legislature during 2011 (the "2011 Dissolution Act"), the California Legislative eliminated every redevelopment agency within the State of California, including without limitation the Redevelopment Agency; and

WHEREAS, the 2011 Dissolution Act provides, in part, that the host city of a redevelopment agency was to designate a housing entity to receive the housing assets of the former redevelopment agency within such city; and

WHEREAS, the City Council of the City of Loma Linda ("City") activated a housing authority, the Loma Linda Housing Authority (the "Authority") within the corporate limits of the City, and designated the Authority as the housing entity to receive the housing assets of the former Redevelopment Agency; and

WHEREAS, pursuant to the 2011 Dissolution Act, an oversight board ("Oversight Board") has been established to oversee the wind-up of the activities of the Redevelopment Agency. At its meeting of March 20, 2012, by its Resolution No. 2012-004, the Oversight Board approved and affirmed the transfer of the housing assets of the Redevelopment Agency, including without limitation the Site, to the Authority; and

WHEREAS, the Redevelopment Agency utilized moneys from its Housing Fund in connection with the development of certain property, including without limitation a single-family residence located at 25615 Prospect Avenue (the "Site"); and

WHEREAS, the Site was developed and was sold for occupancy to a household having an income of not greater than eighty percent of median income (a "Low Income Household") at a price which was not in excess of "Affordable Housing Cost" for a "Low Income Household" as affordable housing cost is determined pursuant to Health and Safety Code Section 50052.5, all as further set

Resolution No.

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forth in covenants recorded as to the Site which restrict its use to occupancy as affordable housing by Low Income Households; and

WHEREAS, the Authority subsequently reacquired the Site from a private party, which Site remains improved with a single-family residence and is available for occupancy; and

WHEREAS, Chowdhury Ahmed and Farjana Hoq, husband and wife (collectively, "Homebuyer") have offered to enter into an agreement with the Authority substantially in the form submitted herewith (the "Agreement") under which Homebuyer will purchase the Site, which is a single-family residence located at 25615 Prospect Avenue, for the purpose of residing at the Site; and

WHEREAS, Authority staff has determined that Homebuyer is a Low Income Household and that the price and terms under which the Site would be sold to Homebuyer under the Agreement does not exceed Affordable Housing Cost; and

WHEREAS, the Authority has duly considered all terms and conditions of the proposed Agreement and believes that the Agreement is in the best interests of the Authority and the City and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable State and local law requirements; and

WHEREAS, a joint public hearing of the Authority and City Council on the proposed Agreement was duly noticed; and

WHEREAS, on July 22, 2014, the governing board of the Authority and the City Council held a joint public hearing on the proposed Agreement, at which time the City Council and the Authority reviewed and evaluated all of the information, testimony, and evidence presented during the joint public hearing; and

WHEREAS, all actions required by all applicable law with respect to the proposed Agreement have been taken in an appropriate and timely manner; and

WHEREAS, the Authority has reviewed the Summary Report and has evaluated other information provided to it pertaining to the findings proposed to be made hereunder; and

WHEREAS, the Homebuyer acknowledges that the use of the Site will be as an owner-occupied residence, all as more particularly provided in the Agreement; and

WHEREAS, under the Agreement, Authority would sell the Site to the Homebuyer under a form of deed (the "Authority Deed") which includes long-term affordability covenants limiting the use of property to affordable housing, or which acknowledges affordability covenants of record as to the Site; and

WHEREAS, the Authority has duly considered all terms and conditions of the proposed Agreement and believes that the Agreement is in the best interests of the Authority and the City and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable State and local law requirements; and

WHEREAS, the purchase price to be received by the Authority under the Agreement is not less than the fair reuse value of the Site, as determined by a reuse value analysis prepared for the Authority by Community Advisors, a consultant retained by the Authority; and

WHEREAS, all actions required by all applicable law with respect to the proposed Agreement have been taken in an appropriate and timely manner; and

WHEREAS, the Authority and the City Council have duly considered all of the terms and conditions of the proposed Agreement and believes that the sale of the Site pursuant to the Agreement is in the best interests of the City of Loma Linda and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable state and local laws and requirements.

NOW, THEREFORE, THE LOMA LINDA HOUSING AUTHORITY DOES RESOLVE AS FOLLOWS:

Section 1. The Authority finds and determines that the statements set forth in the Recitals above are true and correct.

Section 2. The Authority finds and determines, based upon substantial evidence provided in the record before it: the consideration for the Authority's disposition of the Site by sale pursuant to the terms and conditions of the Agreement, particularly including long-term affordability covenants, is not less than the fair reuse value at the use and with the covenants and conditions and development costs authorized by the Agreement.

Section 3. The Authority hereby finds and determines that the disposition by sale of the Site by the Authority pursuant to the Agreement will further the achievement of the Authority's affordable housing objectives and is consistent with furthering the affordable housing objectives of the former Redevelopment Agency within a redevelopment project area.

Section 4. The Authority finds and determines that, based upon substantial evidence provided in the record before it, the consideration for the Authority's sale of the Site pursuant to the terms and conditions of the Agreement is not less than the fair reuse value at the use and with the covenants and conditions and development costs authorized by the Agreement.

Section 5. The Authority hereby finds and determines that the Agreement is consistent with the provisions and goals of the Implementation Plan, as provided for pursuant to Health and Safety Code Section 33490, as previously adopted by the Redevelopment Agency.

Section 6. The Authority hereby approves the Agreement in substantially the form presented to the Authority, subject to such revisions as may be made by the Executive Director of the Authority or his designee. The Executive Director of the Authority is hereby authorized to execute the Agreement (including without limitation all attachments thereto) on behalf of the Authority, together with any instruments necessary or convenient to implement the Agreement. A copy of the Agreement shall, when executed by the Authority, be placed on file in the office of the Secretary of the Authority.

Resolution No.

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Section 7. The Executive Director of the Authority (or his designee) is hereby authorized, on behalf of the Authority, to make revisions to the Agreement which do not materially or substantially increase the Authority's obligations thereunder or materially or substantially change the uses or development permitted on the Site, to sign all documents, to make all approvals and take all actions necessary or appropriate to carry out and implement the Agreement and to administer the Authority's obligations, responsibilities and duties to be performed under the Agreement and related documents.

APPROVED AND ADOPTED this 22nd day of July, 2014 by the following vote:

Ayes:

Noes:

Absent:

By:

Phill Dupper, Vice Chairman

ATTEST:

Pamela Byrnes-O'Camb, Authority Secretary



City of Loma Linda Official Report

Rhodes Rigsby, Chairman
Phill Dupper, Vice-Chairman
Ovidiu Popescu, Member
Ronald Dailey, Member
John Lenart, Member

HOUSING AUTHORITY AGENDA: July 22, 2014
TO: Housing Authority Members
VIA: T. Jarb Thaipejr, Executive Director
FROM: Pamela Byrnes-O'Camb, Secretary
SUBJECT: Minutes of June 24, 2014

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|--|
| Approved/Continued/Denied By: Housing Authority Date _____ |
|--|

RECOMMENDATION

It is recommended that the Housing Authority Board approve the Minutes of June 24, 2014.

Loma Linda Housing Authority

Minutes

Regular Meeting of June 24, 2014

A regular meeting of the Loma Linda Housing Authority was called to order by Chairman Rigsby at 10:12 p.m., Tuesday, June 24, 2014, in the City Council Chamber, 25541 Barton Road, Loma Linda, California.

| | |
|---------------------|---|
| Councilmen Present: | Chairman Rhodes Rigsby Vice-Chairman Phill Dupper Ovidiu Popescu Ron Dailey John Lenart |
| Councilmen Absent: | None |
| Others Present: | Executive Director T. Jarb Thaipejr General Counsel Richard E. Holdaway |

LLHA 2014-011 –

CC-2014-079 – Joint Public Hearing of the City Council and Housing Authority pertaining to the sale of 25613 Prospect Avenue and approving a Housing Disposition Agreement (TO BE CONTINUED TO AUGUST 26) [City Clerk/Authority Secretary]

- a. LLHA Bill #R-2014-02 - Authorizing the sale of 25613 Prospect Avenue to Michelle Anderson and approving the Housing Disposition Agreement
- b. Council Bill #R-2014-30 - Consenting to the sale of 25613 Prospect Avenue to Michelle Anderson

The Loma Linda Housing Authority Board was called to order with all members present. The public hearing was opened and the City Clerk asked that the public hearing be continued to August 26 due to unforeseen circumstances. No one else spoke.

Motion by Popescu, seconded by Dupper and unanimously carried to continue the public hearing to August 26.

The Housing Authority Board recessed to allow completion of the City Council Agenda and reconvened at 11:12 p.m. with all members present.

No items were added or deleted; no public participation comments were offered upon invitation of the Chair and no conflicts of interest were noted.

LLHA 2014-012 - Consent Calendar

Motion by Dupper, seconded by Popescu and unanimously carried to approve the following items:

The Demands Register dated June 24, 2014 with commercial demands totaling \$5319.27.

The Minutes of June 10, 2014 as presented.

The Agreement with DHA Consulting LLC to monitor DDA Financial Requirements for 10777 Poplar Street (Poplar Street Apartments), 10799 Poplar Street (Loma Linda Commons), 10846 Poplar Street (Loma Linda Terrace), and 25421 Cole Street (Loma Sierra) and appropriation of \$21,500 in the Housing Authority Fund for Fiscal Year 2014-2015.

LLHA 2014-013 - Closed Session - Closed Session – Conference with Real Property Negotiator – Government Code Section 54956.8

| | |
|----------------------|--|
| Property: | 25615 and 25637 Prospect Avenue |
| Negotiating Parties: | Shahriar Ali and, Benazir Ali; Chowdhury Ahmed and Farjana Hoq, Pamela Byrnes-O’Camb, T. Jarb Thaipejr |
| Under Negotiation: | Price and Terms |

The Housing Authority Board recessed to consider the item as listed and reconvened at 11:39 p.m. with all members present. General Counsel Holdaway announced that the Board met with its Negotiators and gave direction; there was no final action to report.

The meeting adjourned at 11:39 p.m.

Secretary