

RESOLUTION NO: _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AUTHORIZING THE CITY MANAGER TO EXECUTE THAT CERTAIN FIRST AMENDMENT TO THE LOAN AGREEMENT, PROMISSORY NOTE AND RELATED FINANCING DOCUMENTS WITH EAH HOUSING FOR THE PURPOSES OF CONSTRUCTING A MULTI-SITE AFFORDABLE HOUSING DEVELOPMENT AND TO TAKE ANY AND ALL RELATED MEASURES TO FACILITATE COMPLETION OF THE PROJECT PURSUANT TO ALL AUTHORIZED AGREEMENTS

WHEREAS, the City of Morgan Hill, a municipal corporation and general law city duly organized and existing under and pursuant to the Constitution and laws of the State of California (“City”), is authorized to enter into contracts and agreements for the benefit of the City; and

WHEREAS, the reasons supporting the entrance of the City into that certain agreement described in, and that is the subject of, this Resolution are set forth in detail in that certain City Council Staff Report entitled “FIRST AMENDMENT TO EAH LOAN AGREEMENT” submitted for City Council consideration at its meeting of September 2, 2015 submitted to the City Council by the City Manager (the “Staff Report”), the contents of which Staff Report are incorporated herein by this reference; and

WHEREAS, the consideration by City Council of the adoption of this Resolution has been duly noticed pursuant to applicable laws and has been placed upon the City Council Meeting Agenda on the date set forth in the Staff Report, or to such date that the City Council may have continued or deferred consideration of this Resolution, and on such date the City Council conducted a duly noticed public meeting at which meeting the City Council provided members of the public an opportunity to comment and be heard and considered any and all testimony and other evidence provided in connection with the adoption of this Resolution; and

WHEREAS, the activities allowed under this Resolution are categorically exempt under the provisions of California Environmental Quality Act of 1970, together with guidelines promulgated thereunder, and specifically pursuant to Section 15310 of the CEQA Guidelines (loans for existing structures not involving new construction); and

WHEREAS, the City Council adopted a resolution on August 6, 2014 authorizing the City Manager to execute a Loan Agreement in the amount of \$3,622,000 for the two initial sites, 40 E. Dunne Avenue and 16170-16180 Monterey Road, for the development of the Morgan Hill Family and Transitional Age Youth (TAY) housing project, with the intent of returning to City Council to amend the loan to include a third site located at 16873 Monterey Rd, also known as "Villa Ciolino Parcel B" site when it was evident that the site could be acquired from South County Housing, and

Villa Ciolino Partnership as part of a South County Housing settlement transaction. The Loan Agreement would then be increased to \$4.5 million to meet the gap financing need for all three sites, supporting 41 units; and

WHEREAS, it has been recommended that City Council authorize the City Manager to execute a First Amendment to the EAH Affordable Housing Loan Agreement, promissory note and related financing documents to increase the loan from \$3,622,000 to \$4,500,000 for the purpose of constructing the Morgan Hill Family and Transitional Age Youth housing project, as a three site, affordable housing development; and

WHEREAS, the City Council determines that adoption of this Resolution is in the public interest.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

Section 1. Recitals. The City Council does hereby find, determine and resolve that all of the foregoing recitals are true and correct.

Section 2. Approval and Authorization. The City Council does further resolve, order and/or direct as follows:

- a. That the First Amendment to the Loan Agreement with EAH Housing for the Morgan Hill Family and Transitional Age Youth three-site affordable housing project substantially in the form attached hereto as EAH Loan Amendment and incorporated herein by this reference (the "Agreement") is hereby approved.
- b. That the City Manager is hereby delegated authority to and is authorized and directed to execute, and subsequently administer including the authority to terminate as necessary or appropriate, the Agreement substantially in the form attached hereto; provided, specifically, that the total amounts to be paid by City under the Agreement shall in no event exceed four million five hundred thousand Dollars (\$4,500,000).
- c. That the City Manager is hereby delegated authority to and is authorized and directed to execute, and subsequently administer, a sale/transfer or financing agreement in order to facilitate the City's contribution of the third site, Villa Ciolino "Parcel B", to EAH Housing.

Section 3. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the City Council of the City of Morgan Hill at its meeting held on this 2nd day of September, 2015 by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSTAIN:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:

DATE: _____

Steve Tate, MAYOR

∞ CERTIFICATION ∞

I, Irma Torrez, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No. _____, adopted by the City Council at the meeting held on September 2, 2015.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

Irma Torrez, CITY CLERK