

RESOLUTION NO. 3675-21

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF WINDSOR APPROVING THE USE OF BEGIN FUNDING FOR DOWN PAYMENT ASSISTANCE AND AUTHORIZING THE TOWN MANAGER TO EXECUTE LOAN DOCUMENTS NECESSARY TO PROVIDE SECONDARY FUNDING NOT TO EXCEED \$42,500 TO AN ELIGIBLE BUYER FOR THE PURCHASE OF 848 TWIN OAKS LANE

WHEREAS, in June 1994, the Town of Windsor entered into an Affordable Sales Housing Agreement (Agreement) with Burbank Housing Development Corporation (BHDC) for the Twin Oaks Townhomes, a 27-unit self-help project (Project) developed by BHDC; and

WHEREAS, resale controls were recorded against each of the 27 units in order to maintain the Projects affordability; and

WHEREAS, according to the Agreement, BHDC holds the right of first refusal whenever an original owner of a unit desires to sell; and

WHEREAS, the Town reserves the right to purchase the unit and resell the property to an income-eligible first-time homebuyer if BHDC decides not to exercise its option; and

WHEREAS, on April 8, 2021, BHDC received a notice of intent to sell the property at 848 Twin Oaks Lane, Windsor from the current property owner; and

WHEREAS, the Building Equity and Growth in Neighborhoods (BEGIN) program, which is overseen by the State of California's Housing and Community Development (HCD) Department, reduces local regulatory barriers to affordable homeownership housing, and provides down-payment assistance loans to qualifying first-time low- and moderate-income homebuyers in BEGIN Program projects; and

WHEREAS, BHDC has identified an eligible, low-income, first-time home buyer to purchase the property; and

WHEREAS, BHDC is requesting the Town provide the eligible buyer with a \$42,500 BEGIN loan to be used for the purposes of making the home purchase affordable and to allow BHDC to ensure resale controls remain effective in the Twin Oaks community; and

WHEREAS, the BEGIN loan provided by the Town will accrue simple interest at a rate of 1% per year and have a term of no longer than 30 years; and

WHEREAS, the Town's current BEGIN program balance is \$107,746.59.

NOW, THEREFORE BE IT RESOLVED that the Town Council of the Town of Windsor approves the use of BEGIN funding for down payment assistance and authorizes the Town Manager to execute loan documents necessary to provide secondary funding not to exceed

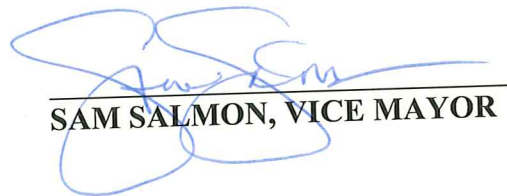
\$42,500 to an eligible, low-income, first-time home buyer for the purchase of 848 Twin Oaks Lane, Windsor; and

BE IT FURTHER RESOLVED that the Town Council of the Town of Windsor approves the use of the promissory note attached to this Resolution as Exhibit A; and


BE IT FURTHER RESOLVED the Town of Windsor shall increase appropriations in the General Fund by \$42,500 with funds from the Town's BEGIN program in order to issue the loan.

PASSED, APPROVED AND ADOPTED this 2nd day of June 2021, by the following vote:

AYES:	COUNCILMEMBERS FUDGE, LEMUS, REYNOZA AND VICE MAYOR SALMON
NOES:	NONE
ABSTAIN:	NONE
ABSENT:	NONE


SAM SALMON, VICE MAYOR

ATTEST:


**SOMMER HAGEMAN,
DEPUTY TOWN CLERK**

Attachment:

- **Exhibit A - Town of Windsor BEGIN Program First-Time Homebuyer Promissory Note**

Town of Windsor
BEGIN PROGRAM

FIRST-TIME HOMEBUYER
PROMISSORY NOTE

NOTICE TO BORROWER
THIS DOCUMENT CONTAINS PROVISIONS
RESTRICTING ASSUMPTIONS AND IS SECURED BY
A SECOND DEED OF TRUST ON RESIDENTIAL PROPERTY

Loan No. _____

May _____, 2021

\$ _____

FOR VALUE RECEIVED, the undersigned, _____ (the "Borrower") hereby promises to pay to the order of the Town of Windsor ("Lender") at the following address, _____, or at such other place as the holder may from time to time designate by written notice to Borrower, in lawful money of the United States, the sum of _____

_____ with simple interest at the rate of 1.00% percent per annum on the unpaid principal balance from the date that the deed of trust securing this Note is recorded ("Date of this Note"), until paid. The obligation of the Borrower with respect to this Note is secured by that certain BEGIN Program First-Time Homebuyer Deed of Trust Loan No. _____ (the "Deed of Trust"), and executed by the Borrower concurrently herewith.

1. **Borrower's Obligation.** This Note evidences the obligation of the Borrower to the Lender for the repayment of funds loaned (the "BEGIN Program Loan") to finance the purchase of that certain real property (the "Property"), which has the address of _____

_____ (Street) _____ (City)
California _____ more fully described in Exhibit A of the Deed of Trust.
_____ (Zip Code)

2. **Borrower(s) Acknowledge(s) and Agrees:** that the BEGIN Program Loan is subject to the terms, conditions, and restrictions of the State of California BEGIN Program as set forth in Health and Safety Code section 50860 et seq. and implementing guidelines adopted by the California Department of Housing and Community Development, all of which are hereby incorporated by reference.

3. **Repayment of Loan Principal and Interest.** No periodic payments are required hereunder. Borrower agrees to pay the unpaid principal balance, unpaid accrued interest, and any other amounts due under this Note upon the earlier of:

- (a) 30 years from the Date of this Note; or
- (b) Upon sale, transfer, lease, or encumbrance of all or any interest in the Property without Lender's prior written consent, except for a transfer permitted in Paragraph 4; or

- (c) Upon the maturity date, or full repayment, of any debt that is secured by a lien on the Property that is senior to the Deed of Trust; or
- (d) Upon Borrower's failure to occupy the Property as Borrower's principal place of residence during the first five (5) years after the date of recordation of the deed of trust securing the BEGIN Program loan.

4. **Permitted Transfers.**

The BEGIN Program Loan is assumable under the following limited circumstances:

- (a) The loans are assumable if the home is re-sold to another income-qualifying household after five years from the recordation of the deed of trust securing the BEGIN Program loan.
- (b) The transfer of the Property to the surviving joint tenant by devise, descent or operation of the law, on the death of a joint tenant.
- (c) A transfer of the Property where the spouse becomes an owner of the property;
- (d) A transfer of the Property resulting from a decree of dissolution of marriage, legal separation or from an incidental property settlement agreement by which the spouse becomes an owner of the Property.
- (d) A transfer to an inter vivo trust in which the Borrower is and remains the beneficiary and occupant of the property.

5. **Acceleration of Payment.** The principal amount of this loan, together with any then outstanding accrued interest thereon shall become immediately due and payable, at the option of the holder and without demand or notice, upon the occurrence of any of the following events:

- (a) In the event of a default under the terms of this Note or the Deed of Trust;
- (b) In the event that the Borrower shall cease to occupy the Property as Borrower's principal place of residence during the first five year; or
- (c) In the event of any sale, transfer, lease, or encumbrance of the Property without Lender's prior written consent in violation of Paragraph 4 of this Note.

6. **Effect of Due-on Sale Clause.** Failure of the holder to exercise the option to accelerate payment as provided in Paragraph 5 of this Note will not constitute waiver of the right to exercise this option in the event of subsequent cause for acceleration. Failure by Borrower to occupy the Property as Borrower's principal place of residence shall be considered an on-going event of default under this Note.

7. **Place and Manner of Payment.** All amounts due and payable under this Note are payable at the principal office of the Lender set forth above, or at such other place or places as the Lender may designate to the Borrower in writing from time-to-time.

8. **Application of Payments.** All payments received on account of this Note shall be first applied to accrued interest, if any, and the remainder shall be applied to the reduction of principal.
9. **Attorney's Fees.** The Borrower hereby agrees to pay all costs and expenses, including reasonable attorney's fees, which may be incurred by the Lender in the enforcement of this Note.
10. **Default and Acceleration.** All covenants, conditions and agreements contained in the Deed of Trust are hereby made a part of this Note. The Borrower agrees that the unpaid balance of the then principal amount of this Note, together with all accrued interest thereon and charges owing, shall, at the option of the Lender or, if so provided in this Note and Deed of Trust executed by the Borrower, shall automatically, become immediately due and payable, and thereafter until paid bear interest at the rate of 1% per annum, upon the failure of the Borrower to make any payment hereunder as and when due; upon the failure of the Borrower to perform or observe any other term or provision of this Note, or upon the occurrence of any event (whether termed default, event of default or similar term) which under the terms of the Deed of Trust, shall entitle the Lender to exercise rights or remedies thereunder.
11. **Notices.** Except as may be otherwise specified herein, any approval, notice, direction, consent, request or other action by the Lender shall be in writing and must be communicated to the Borrower at the address of the Property, or at such other place or places as the Borrower shall designate to the Lender in writing, from time to time, for the receipt of communications from the Lender. Mailed notices shall be deemed delivered and received five (5) working days after deposit in the United States mails in accordance with this provision
12. **Prepayment Policy:** Borrower may prepay this Note at any time without penalty.
13. **Governing Law.** This Note shall be construed in accordance with and be governed by the laws of the State of California.
14. **Severability.** If any provision of this Note shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.
15. **No Waiver by the Lender.** No waiver of any breach, default or failure of condition under the terms of the Note or Deed of Trust shall thereby be implied from any failure of the Lender to take, or any delay by the Lender in taking action with respect to such breach, default or failure or from any previous waiver of any similar or unrelated breach, default or failure; and a waiver of any term of the Note, Deed of Trust, or any of the obligations secured thereby must be made in writing and shall be limited to the express written terms of such waiver.
16. **Successors and Assigns.** The promises and agreements herein contained shall bind and inure to the benefit of, as applicable, the respective heirs, executors, administrators, successors and assigns of the parties.

Executed as of the date set forth above at Windsor, California
City

Borrower

Mailing Address for Notices:

Town of Windsor