

RESOLUTION NO. 2590-09 -RDA

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE TOWN OF WINDSOR REDEVELOPMENT AGENCY
ADOPTING FINDINGS AND AUTHORIZING EXECUTION OF A
SUBORDINATION AGREEMENT FOR THE WINDSOR REDWOODS
PROJECT
(FILE NO. HOU 08-51)**

WHEREAS, on July 16, 2008, the Redevelopment Agency of the Town of Windsor (“Agency”) authorized the execution of a Construction Loan Agreement, Affordable Housing Regulatory Agreement and other instruments (“Agreement”) and the provision of financing to Burbank Housing Development Corp., a California nonprofit public benefit corporation (the “Developer”) to develop a 65- unit affordable housing project (the “Project”) at 6065 Old Redwood Highway in the Town of Windsor (the “Property”); and

WHEREAS, the financing for the Project includes a \$1,300,000 and \$900,000 Agency Loan which is secured by a deed and is funded with \$1,300,000 million from Agency low- and moderate-income housing set-aside funds and; and

WHEREAS, the Lender has asked the Agency to subordinate certain documents (the “Agreements”) executed in connection with the Agency Loan as more particularly set forth in the proposed Subordination Agreement in order for the Lender to ensure that its acquisition loan continues to have first priority, and has indicated that it is unwilling to provide the extension of its acquisition loan to the Project without such subordination; and

WHEREAS, the Developer has indicated that it would be unable to find alternate sources that would enable it to finance the Project without such subordination; and

WHEREAS, Health and Safety Code Section 33334.14 permits subordination of Redevelopment Agency affordability restrictions provided that: (i) the agency makes a finding that alternative financing is not reasonably available on economically feasible terms without subordination, and (ii) the agency obtains written commitments to protect its investment in the event of a default; and

WHEREAS, the proposed Subordination Agreement provides the Agency with rights to receive notice and to cure defaults arising under the Lender’s loan documents.

NOW, THEREFORE, BE IT RESOLVED that the Redevelopment Agency of the Town of Windsor does hereby:

Section 1. Find that without subordination of the Agreements an economically feasible alternative for financing the Project is not reasonably available and that the terms of the Subordination Agreement provide the Agency with reasonable means of protecting the Agency’s investment in the Project in the event of default.

Section 2. Authorize the Agency Executive Director or his designee to execute the Subordination Agreement substantially in the form on file with the Town Clerk and to take such other actions reasonably necessary to carry out the intent of this Resolution.

PASSED, APPROVED AND ADOPTED this 2nd day of December 2009, by the following vote:

**AYES: MEMBERS ALLEN, FUDGE, GOBLE, SCHOLAR AND
CHAIR SALMON**

NOES: NONE

ABSTAIN: NONE

ABSENT: NONE



SAM SALMON, CHAIR

ATTEST:



MARIA DE LA O, SECRETARY