AGENDA
REGULAR MEETING OF THE HEMET HOUSING AUTHORITY
June 12, 2012

REGULAR SESSION
7:00 p.m.
City of Hemet Council Chambers
450 E. Latham Avenue

Call to Order

Roll Call
ROLL CALL: Board Members Foreman, Franchville and Youssef, Vice Chairperson Smith and Chairperson Krupa

Notice to the Public
The Consent Calendar contains items which are typically routine in nature and will be enacted by one motion by the Board unless an item is removed for discussion by a member of the public, staff, or Board. If you wish to discuss a Consent Calendar item please come to the microphone and state the number of the item you wish to discuss. Then wait near the lectern. When the Chairperson calls your item give your last name, and address, then begin speaking. You will have three minutes at that time to address the board.

Consent Calendar

1. Approval of Minutes - December 13, 2011

2. Approval of Minutes - January 10, 2012

3. Recommendation by Community Investment Department - Subordination Agreement for Village Meadows Apartments
   a. Adopt a resolution acting in its capacity as the Successor Agency to the former Hemet Redevelopment Agency authorizing the Executive Director to execute any and all documents necessary to perfect subordination of former Redevelopment Agency loan to Hemet Leased Housing Associates 1, a Limited Liability Partnership, for the rehabilitation of Village Meadows Apartments. Resolution Bill No. 12-046
Communications From the Public

Anyone who wishes to address the Housing Authority regarding items not on the agenda may do so at this time. As a courtesy, please complete a Request to Speak Form, found in the Lobby of the Council Chambers or at the Secretary’s Desk. Submit your completed form to the Secretary prior to the beginning of the meeting. Presentations are limited to three minutes in consideration of others who are here for agenda items. Please come forward to the lectern when the Chairperson calls upon you. When you are recognized, you may proceed with your comments.

*Notice: Members of the Public attending shall comply with the adopted Rules of Decorum in Resolution No. 4148. A copy of the Rules of Decorum are available from the City Clerk.

State law prohibits the Housing Authority from taking action or discussing any item not appearing on the agenda except for brief responses to statements made or questions posed by the public. In addition, they may, on their own initiative or in response to questions posed by the public, ask a question for clarification, provide a reference to staff or other resources for factual information, or request staff to report back to them at a subsequent meeting. Furthermore, a member of the Housing Authority or the Board itself may take action to direct staff to place a matter of business on a future agenda.

Future Agenda Items

If Members of the Housing Authority have items for consideration at the next Housing Authority meeting, please state the agenda item to provide direction to the Executive Director.

Adjournment

Adjourn to the next scheduled meeting for considerations of items placed on that agenda.

Staff reports and other disclosable public records related to open session agenda items are available at the City Clerk’s Office or at the public counter located at 445 E. Florida Avenue during normal business hours.
MINUTES
REGULAR MEETING OF THE HEMET HOUSING AUTHORITY
December 13, 2011

REGULAR SESSION

7:00 p.m.
City of Hemet Council Chambers
450 E. Latham Avenue

Call to Order
Chairperson Krupa called the meeting to order at 11:37 p.m.

Roll Call
PRESENT: Board Members Foreman, Franchville and Smith, Vice Chairperson Youssef and Chairperson Krupa
ABSENT: None

Reorganization

1. Agency Secretary to Call for Nominations for Chairperson
   Secretary McComas, called for nominations for Chairperson.
   Board Member Smith nominated Board Member Krupa and Board Member Foreman seconded the nomination. Motion carried 5-0.

2. Chairperson to Call for Nominations for Vice Chairperson
   Chairperson Krupa, called for nominations for Vice Chairperson.
   Board Member Youssef nominated Board Member Smith and Chairperson Krupa seconded the nomination. Motion carried 5-0.

Consent Calendar

3. Approval of minutes - April 26, 2011
   Vice Chairperson Smith moved and Board Member Foreman seconded a motion to approve the Consent Calendar as presented. Motion carried 5-0.

Communications From the Public
There were no communications from the public at this time.

Future Agenda Items
There were no future agenda items requested at this time.

Adjournment
Adjourned at 11:38 p.m.
MINUTES
REGULAR MEETING OF THE HEMET HOUSING AUTHORITY
January 10, 2012

REGULAR SESSION
7:00 p.m.
City of Hemet Council Chambers
450 E. Latham Avenue

Call to Order
Chairperson Krupa called the meeting to order at 8:46 p.m.

Roll Call
PRESENT: Board Members Foreman, Franchville and Youssef, Vice Chairperson Smith and Chairperson Krupa
ABSENT: None

Communications From the Public
There were no communications from the public at this time.

Discussion/Action Items

1. Assuming the Assets of the Hemet Redevelopment Agency’s Affordable Housing Program - Community Investment Director Jansons
   a. Adopt a resolution electing to have the Hemet Housing Authority of the City of Hemet assume the assets and responsibilities of the Hemet Redevelopment Agency’s affordable housing program in service to the City of Hemet as the Successor Agency to the Hemet Redevelopment Agency pursuant to Health & Safety Code Section 34173(d)(1).
   (Resolution No. 0015)
John Jansons, Community Investment Director, this is a companion to the item that was presented to the City Council. The next question will be what to do with the Affordable Housing Program which used 20% of the previous Redevelopment tax increment. Staff is recommending adoption of the resolution.
Rita Conrad, Finance Director, last year the City received $6.3 million in Housing and RDA funds. The Redevelopment Agency currently has $9.3 million will be used as the Oversight Committee decides. Some property tax increments will be given to the City, the amount will increase as the RDA debt decreases.
Chairperson Krupa, the elimination of Low & Mod Housing Funds does not eliminate our requirement to meet RHNA obligations.

Eric Vail, Agency Attorney, that is the catch with AB26, the Cities assume the requirement to fund Low & Mod Housing. It is important that the City becomes the Successor Agency, since there are Housing Authority assets that were purchased with RDA funds.

Board Member Youssef moved and Vice Chairperson Smith seconded a motion to approve this item as presented. Motion carried 5-0.

Future Agenda Items
There were no future agenda items requested at this time.

Adjournment
Adjourned at 8:57 p.m. to Tuesday, January 24, 2012 at 7:00 p.m.
TO:       Honorable Chair and Members of the Hemet Housing Authority
FROM:    Brian S. Nakamura, Executive Director
DATE:    June 12, 2012

RE:       Consideration of Hemet Housing Authority Resolution Bill No. 12-046 to authorize the Executive Director of the Hemet Housing Authority to execute any and all documents necessary to perfect subordination of a former Redevelopment Agency loan made to Hemet Leased Housing Associates I for the rehabilitation of Village Meadows Apartments and accompanying Estoppel Certificate(s).

RECOMMENDATION:
Adopt Hemet Housing Authority Resolution Bill No. 12-046 (Attachment 1) acting in its capacity as Successor Agency to the former Hemet Redevelopment Agency for housing functions and authorize the Executive Director of the Hemet Housing Authority to execute any and all documents necessary to perfect subordination of a former Redevelopment Agency loan to Hemet Leased Housing Associates I, a Limited Partnership, for the rehabilitation of Village Meadows Apartments, a 68-unit multifamily residential rental development, and accompanying Estoppel Certificate(s).

BACKGROUND:
On December 29, 2011, in California Redevelopment Association v. Matosantos, Case No. S194861, the California Supreme Court upheld AB 1x26, which dissolves all of the redevelopment agencies in California, and struck down AB 1x27. Pursuant to Health & Safety Code section 34173(d)(1), the City of Hemet Housing Authority elected to assume the assets, projects, programs and responsibilities of the dissolved Hemet Redevelopment Agency's affordable housing program in service to the City of Hemet by adopting Hemet Housing Authority Resolution No. 0015 on January 10, 2012 (Attachment 2). In doing so, the Hemet Housing Authority assumed control of a loan made to Hemet Leased Housing Associates I, for the rehabilitation of Village Meadow Apartments, as the most junior lender in the amount of $500,000.

With remodeling and refurbishment completed on November 23, 2011, Hemet Leased Housing Associates I is now requesting a new Subordination Agreement and Estoppel Certificate (Exhibit A to draft Resolution HHA 12-046) of the loan to their new permanent lender, the Department of Housing and Community Development. This is because the Department of
Housing and Community Development is requiring this subordination agreement and estoppel certificate as a condition of its loan.

**DISCUSSION:**
It is customary to request subordination to senior lender(s) in projects with layered financing. For the Village Meadows Apartments, Hemet Housing Authority's loan would be subordinate to the senior lender, Department of Housing and Community Development. When the loan agreement was approved by the Agency on November 9, 2010, it approved subordination to the acquisition and construction loans at the time and agreed to further subordination requests, as long as there was no equity cashed-out, and only for the purpose of Hemet Leased Housing Associates I, converting construction and acquisition debt to permanent financing once the project was completed as is now the case.

**FISCAL IMPACT:**
There is no negative fiscal impact associated with approving the recommended action. Hemet Housing Authority is already the most junior lender for Village Meadows Apartments. Approving the subordination and estoppel documents could actually improve Hemet Housing Authority's financial position by improving the financial position of Hemet Leased Housing Associates I.

**COORDINATION AND REVIEW:**
This recommendation was prepared and coordinated with the Finance Department, City Attorney’s Office, and the Department of Community Investment: Redevelopment Successor Agency and Housing Authority.

**INTEGRATION OF GOALS / STRATEGIC PLAN:**
As a 68-unit multifamily residential rental development, Village Meadows Apartments, is an important rehabilitation project. Resolution Bill No. 12-046, which will allow further financing for the Village Meadow Apartments, supports Hemet Housing Authority’s goals of improving the housing stock, leveraging resources and revitalizing neighborhoods.

**CONCLUSION:**
It is respectfully recommended that the Hemet Housing Authority adopt Resolution Bill No. 12-046 acting in its capacity as successor agency to the former Hemet Redevelopment Agency housing functions and authorize the Executive Director of the Hemet Housing Authority to execute any and all documents necessary to perfect subordination of former Redevelopment Agency loan to Hemet Leased Housing Associates I, a Limited Partnership, for the rehabilitation of Village Meadows Apartments, and accompanying Estoppel Certificate(s).

**Attachments:**
1) HHA draft Resolution Bill No. 12-046, including Exhibit A, Subordination and Estoppel documents.
2) HHA Resolution No.0015 Assuming Housing Functions

**Recommended by:**

John Jansons, Director
Department of Community Investment

**Reviewed by:**

Eric S. Vail, Esq., City Attorney /
Housing Authority General Counsel
CITY OF HEMET HOUSING AUTHORITY
Hemet, California

RESOLUTION BILL NO. 12-046

A RESOLUTION OF THE HEMET HOUSING AUTHORITY
OF THE CITY OF HEMET, CALIFORNIA, ACTING IN ITS
CAPACITY AS SUCCESSOR AGENCY TO THE FORMER
HEMET REDEVELOPMENT AGENCY FOR HOUSING
FUNCTIONS, APPROVING SUBORDINATION AND
ESTOPPEL DOCUMENTS AND AUTHORIZING THE
EXECUTIVE DIRECTOR TO EXECUTE ANY AND ALL
DOCUMENTS NECESSARY TO PERFECT
SUBORDINATION AND ESTOPPEL DOCUMENTS FOR A
FORMER REDEVELOPMENT LOAN MADE TO HEMET
LEASED HOUSING ASSOCIATES I FOR VILLAGE
MEADOW APARTMENTS

WHEREAS, the Hemet Housing Authority is a public corporation organized and
existing pursuant to California Housing Authorities law (Health & Safety Code §§ 34200
et seq.; and

WHEREAS, the City of Hemet ("City") is a municipal corporation under the
Constitution of the State of California; and

WHEREAS, on December 29, 2011, in California Redevelopment Association v.
Matosantos, Case No. S194861, the California Supreme Court upheld AB 1x26, which
dissolves all of the redevelopment agencies in California, and struck down AB 1x27; and

WHEREAS, pursuant to Health & Safety Code Section 34176, the City could
either opt to retain the housing assets and functions previously performed by the Hemet
Redevelopment Agency or, by default, allow those assets and functions to be assigned
to and assumed by the Hemet Housing Authority; and

WHEREAS, in Resolution No. 0015, the City expressed its intention to have the
Hemet Housing Authority assume all rights, powers, assets, liabilities, duties, and
obligations associated with the housing activities of the Hemet Redevelopment Agency; and

WHEREAS, approving subordination and estoppel documents for a former loan
made to Hemet Leased Housing Associates I for Village Meadow Apartments, a 68-unit
multifamily residential rental development, is necessary in order to have the Department
of Housing and Community Development make an additional loan to Hemet Leased
Housing Associates I; and
WHEREAS, approving the subordination and estoppel documents will improve the Hemet Housing Authority’s financial position by improving the financial position of Hemet Leased Housing Associates I; and

WHEREAS, approving the subordination and estoppel documents will support the Hemet Housing Authority’s goals of improving the housing stock, leveraging resources, and revitalizing neighborhoods.

NOW, THEREFORE, BE IT RESOLVED, by the Hemet Housing Authority of the City of Hemet, California, as follows:

SECTION 1. The above recitals are true and correct and are adopted as the findings of the City Council.

SECTION 2. The Hemet Housing Authority hereby elects to approve the subordination and estoppel documents for a former Redevelopment Agency loan made to Hemet Leased Housing Associates I.

SECTION 3. The Executive Director is hereby authorized and directed to take such other and further actions, and sign such other and further documents, as is necessary and proper in order to implement this Resolution on behalf of the Hemet Housing Authority.

PASSED, APPROVED and ADOPTED at a regular meeting of the Hemet Housing Authority, of the City of Hemet, California held on this 12th day of June 2012, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

__________________________
Linda D. Krupa, Chairperson

ATTEST:  
APPROVED AS TO FORM:

__________________________
Sarah McComas, City Clerk
__________________________
Eric S. Vail, City Authority Attorney
State of California )
County of Riverside )
City of Hemet )

I, Sarah McComas, City Clerk of the City of Hemet, do hereby certify that the foregoing Resolution is the actual Resolution adopted by the Hemet Housing Authority of the City of Hemet and was passed at a regular meeting of the Hemet Housing Authority on the 12th day of June, 2012 by the following vote:

AYES: 
NOES: 
ABSTAIN: 
ABSENT:

Sarah McComas, City Clerk
"EXHIBIT A"

FREE RECORDING IN ACCORDANCE
WITH CALIFORNIA GOVERNMENT
CODE SECTION 27383

RECORDING REQUESTED BY, AND
WHENRecorded, MAIL TO:

Multifamily Housing Program
Department of Housing and
Community Development
P. O. Box 952052
Sacramento, CA 94252-2052
Attn: Documents Coordinator
07-MHP-4060

SUBORDINATION AGREEMENT AND ESTOPPEL CERTIFICATE

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

THIS SUBORDINATION AGREEMENT AND ESTOPPEL CERTIFICATE (this "Agreement") is dated as of June 1, 2012, for reference purposes only, and is entered into by and among the Hemet Housing Authority, a public corporation organized and existing pursuant to the California Housing Authorities Law (the "Junior Lienholder"), Hemet Leased Housing Associates I, Limited Partnership, a Minnesota limited partnership (the "Borrower"), and the Department of Housing and Community Development, a public agency of the State of California (the "Senior Lender").

RECITALS

A. The Borrower is the owner of the fee simple interest in that real property described in Exhibit A attached hereto and made a part hereof (the "Property"). The Borrower has acquired and has developed a 68-unit multifamily residential rental development on the Property (the "Improvements"). The Property and the Improvements are sometimes referred to collectively as the "Development."

B. The Junior Lienholder has made a loan to the Borrower in the principal sum of Five Hundred Thousand and no/100 Dollars ($500,000.00) (the "Junior Lienholder Loan"). The Junior Lienholder Loan is evidenced by a certain promissory note (the "Junior Lienholder Loan Note").
Note”), secured by a certain deed of trust (the “Junior Lienholder Deed of Trust”) recorded in the Official Records of Riverside County, California (the “Official Records”), on December 20, 2010, as Instrument No. 2010-608998. The Junior Lienholder and Borrower have also entered into a document entitled Notice of Affordability Restrictions on Transfer of Property and Regulatory Agreement affecting the use of the Development, recorded in the Official Records on December 20, 2010, as Instrument No. 2010-0608997 (the “Junior Lienholder Notice of Affordability Restrictions on Transfer of Property and Regulatory Agreement”). The Junior Lienholder Deed of Trust, the Junior Lienholder Notice of Affordability Restrictions on Transfer of Property and Regulatory Agreement, and all other documents evidencing or securing the Junior Lienholder Loan are collectively referred to herein as the “Junior Lienholder Documents.”

C. In order to finance the Improvements, the Senior Lender has agreed to loan the Borrower a sum not to exceed Two Million Two Hundred Seven Thousand and No/100 Dollars ($2,207,000.00), (the “MHP Loan”), subject to the terms and conditions of: (i) a regulatory agreement restricting the use and occupancy of the Development and the income derived therefrom which shall be dated as of even date herewith and recorded as an encumbrance on the Property in the Official Records (the "MHP Regulatory Agreement"), and (ii) other loan documents. The MHP Loan will be evidenced by a promissory note (the "MHP Note"), the repayment of which will be secured by, among other things, a deed of trust by Borrower as trustor, to Senior Lender as beneficiary recorded as an encumbrance on the Property in the Official Records (the "MHP Deed of Trust") and by such other security as is identified in other loan documents.

D. The Senior Lender is willing to make the MHP Loan provided the MHP Deed of Trust and the MHP Regulatory Agreement are liens, claims or charges upon the Development prior and superior to the Junior Lienholder Documents, and provided that the Junior Lienholder specifically and unconditionally subordinates and subjects the Junior Lienholder Documents to the liens, claims or charges of the MHP Deed of Trust and the MHP Regulatory Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in order to induce the Senior Lender to make its MHP Loan, it is hereby declared, understood and agreed as follows:

1. The MHP Regulatory Agreement and the MHP Deed of Trust securing the MHP Note in favor of the Senior Lender, and any and all renewals, modifications, extensions or advances thereunder or secured thereby (including interest thereon) shall unconditionally be and remain at all times liens, claims, or charges on the Development prior and superior to the
Junior Lienholder Documents, and to all rights and privileges of the Junior Lienholder thereunder; and the Junior Lienholder Documents together with all rights and privileges of the Junior Lienholder thereunder are hereby irrevocably and unconditionally subject and made subordinate to the liens, claims or charges of the MHP Deed of Trust and the MHP Regulatory Agreement.

2. This Agreement shall be the whole and only agreement with regard to the subordination of the Junior Lienholder Documents, together with all rights and privileges of the Junior Lienholder thereunder, to the liens, claims or charges of the MHP Deed of Trust and the MHP Regulatory Agreement, and this Agreement shall supersede and cancel any prior agreements to subordinate the claims, liens or charges of the Junior Lienholder Documents to the MHP Deed of Trust and the MHP Regulatory Agreement including, but not limited to, those provisions, if any, contained in the Junior Lienholder Documents which provide for the subordination of the lien or charge thereof to another lien or charge on the Property or the Improvements.

3. The Junior Lienholder declares, agrees and acknowledges that:

(a) The Junior Lienholder consents and approves (i) all provisions of the MHP Note, the MHP Deed of Trust and the MHP Regulatory Agreement, and (ii) all agreements among the Junior Lienholder, Borrower and Senior Lender for the disbursement of the proceeds of the MHP Loan, including without limitation any loan escrow agreements which have been provided to the Junior Lienholder for review;

(b) The Senior Lender, in making disbursements of the MHP Loan pursuant to the MHP Note or any other agreement, is under no obligation or duty to, nor has the Senior Lender represented that it will, see to the application of such proceeds by the person or persons to whom the Senior Lender disburses such proceeds, and any application or use of such proceeds for purposes other than those provided for in such agreement or agreements shall not defeat the subordination herein made in whole or in part;

(c) None of the execution, delivery or recordation of any of the MHP Note, MHP Deed of Trust, or MHP Regulatory Agreement, or the performance of any provision, condition, covenant or other term thereof, will conflict with or result in a breach of the Junior Lienholder Deed of Trust, Junior Lienholder Note, or Junior Lienholder Regulatory Agreement; and

(d) The Junior Lienholder intentionally and unconditionally waives, relinquishes, subjects and subordinates the claims, liens or charges upon the Development of
the Junior Lienholder Documents, all present and future indebtedness and obligations secured thereby, in favor of the claims, liens or charges upon the Development of the MHP Deed of Trust and the MHP Regulatory Agreement, and understands that in reliance upon, and in consideration of, this waiver, relinquishment, subjection, and subordination, the MHP Loan and advances thereof are being and will be made and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment, subjection and subordination.

4. Senior Lender hereby agrees, but only as a separate and independent covenant of the Senior Lender and not as a condition to the continued effectiveness of the covenants and agreements of the Borrower and the Junior Lienholder as set forth herein, as follows:

(i) (a) Following a notice from the Senior Lender to the Borrower that a default or breach exists under the terms of the Senior Lender Documents and each of them, the Lender shall promptly (but in no event later than the following business day) send a copy of such notice to the Junior Lienholder and the Junior Lienholder shall have the right, but not the obligation, to cure the default within ninety (90) days, prior to exercise of remedies by Senior Lender under the Senior Lender Documents, or such longer period of time as may be specified in the Senior Lender Documents.

In no event shall Senior Lender be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a default or the default is not cured within ninety (90) days after the first notice of default is given, or such longer period of time as may be specified in the Senior Lender Documents.

Nothing in this subparagraph a is intended to modify any covenant, term or condition contained in the Senior Lender Documents, including, without limitation, the covenant against creating or recording any liens or encumbrances against the Property without the prior written approval of the Senior Lender.

(b) The provisions of this paragraph 4 are intended to supplement, and not to limit, waive, modify or replace, those provisions of law pertaining to notice and cure rights of junior lenders including, without limitation, those set forth in California Civil Code sections 2924b and 2924c.

5. Senior Lender agrees that upon Junior Lienholder’s initiation of receivership and/or judicial foreclosure proceedings or foreclosure by private right of sale, Senior Lender will not exercise its right to accelerate the amounts due under the MHP Promissory Note or the
Senior Lender Documents if:

(a) Junior Lienholder is the successful bidder at its own foreclosure sale, or if Junior Lienholder institutes a receivership and/or actions for specific performance; and

(b) Borrower's obligations to Senior Lender, including without limitation, the obligation to make timely payment of principal and interest and property taxes and to maintain insurance as required by the Senior Lender are met despite such foreclosure, receivership or action for specific performance.

The provisions of this paragraph 5 are not intended to waive, limit, modify or replace Senior Lender's remedies under the Senior Lender Documents, including without limitation, Senior Lender's right to accelerate the amounts due under the Senior Lender Documents or the MHP Promissory Note by reason of nonpayment of principal or interest or property taxes or the failure to maintain insurance as required by the Senior Lender.

6. The Senior Lender would not make the MHP Loan without this Agreement.

7. This Agreement shall be binding on and inure to the benefit of the legal representatives, heirs, successors and assigns of the parties.

8. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

9. In the event that any party to this Agreement brings an action to interpret or enforce its rights under this Agreement, the prevailing party in such action shall be entitled to recover its costs and reasonable attorneys' fees as awarded by the court in such action.

10. This Agreement may be signed by different parties hereto in counterparts with the same effect as if the signatures to each counterpart were upon a single instrument. All counterparts shall be deemed an original of this Agreement.

[Signatures follow on page 6 of this Subordination Agreement and Estoppel Certificate. The remainder of this page is intentionally left blank.]
NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON (OR ENTITY) OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above and agree to be bound hereby:

BORROWER:  
Hemet Leased Housing Associates 1,  
Limited Partnership, a Minnesota limited Partnership

By: Central Valley Coalition for  
   Affordable Housing, a California  
   nonprofit public benefit corporation
Its: Managing General Partner

By: ________________  
   Christina Alley  
   Chief Executive Officer

By: Hemet Leased Housing Associates, LLC,  
a Minnesota limited liability company
Its: Co-General Partner

By: ________________  
   Jeff Huggett  
   Vice President

JUNIOR LIENHOLDER:  
Hemet Housing Authority, a public corporation organized and existing pursuant to the California Housing Authorities Law

By: ________________________
Name: ________________________
Its: ________________________

APPROVED AS TO FORM:

BY: ________________________
NAME: ________________________
ITS: ________________________

SENIOR LENDER:  
Department of Housing and Community Development, a public agency of the State of California

By: ________________________
Regi Fletcher, Manager  
Multifamily Housing Program

[Signatures must be acknowledged.]
EXHIBIT A
Legal Description of the Property

All that real property in the City of Hemet, County of Riverside, State of California, described as follows:

LOTS 1 THROUGH 68, INCLUSIVE AND LOTS A, B AND C OF TRACT 18594, IN THE CITY OF HEMET, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 126, PAGES 79 THROUGH 82, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ASSESSOR'S PARCEL NO. 456-201-001-3.
CITY OF HEMET HOUSING AUTHORITY
Hemet, California
RESOLUTION NO. 0015

A RESOLUTION OF THE HEMET HOUSING AUTHORITY
OF THE CITY OF HEMET, CALIFORNIA ASSUMING THE
ASSETS AND RESPONSIBILITIES OF THE HEMET
REDEVELOPMENT AGENCY’S AFFORDABLE HOUSING
ASSETS AND RESPONSIBILITIES PURSUANT TO
CALIFORNIA HEALTH & SAFETY CODE SECTION 34173
AND ELECTING TO HAVE THE HEMET HOUSING
AUTHORITY RETAIN THE HOUSING ASSETS AND
HOUSING FUNCTIONS PREVIOUSLY PERFORMED BY
THE HEMET REDEVELOPMENT AGENCY PURSUANT
TO HEALTH & SAFETY CODE SECTION 34176

WHEREAS, the Hemet Redevelopment Agency ("Agency") is a public body,
corporate and politic, organized and existing under the California Community
Redevelopment Law (Health & Safety Code § 33000 et seq. ("CRL"); and

WHEREAS, the City of Hemet is a municipal corporation under the Constitution
of the State of California ("City"); and

WHEREAS, on December 29, 2011, in California Redevelopment Association v.
Matosantos, Case No. S194861, the California Supreme Court upheld AB 26x1, which
dissolves all of the redevelopment agencies in California, and struck down AB 27x1,
which allowed redevelopment agencies to remain in existence if the opted in to the
"Voluntary Alternative Redevelopment Program" ("VARP"); and

WHEREAS, The City had considered "opting in" to the VARP by adopting an
Ordinance, but was prevented by doing so when the Supreme Court stayed portions of
AB1X 26 and stayed AB 1X27 in its entirety during the dependency of the matter which
halted any actions by the Redevelopment Agency prior to a decision in this case by Janu-
ary 13, 2012 which again, was decided on Dec 29, 2011; and

WHEREAS, because the Agency was going to remain in existence, the City was
not required to decide whether it wished to be the Successor Agency to the Agency;
and

WHEREAS, now that the VARP program has been stricken by the Court, the City
has the option of deciding whether or not it wishes to serve as the Successor Agency to
the Agency; and

WHEREAS, in footnote 25 of the Supreme Court’s decision, the Court extended
the deadline for making the election only to January 13, 2012; and

WHEREAS, the City Council has determined that it is in the best interest of the
City of Hemet for the City to serve as the Successor Agency; and
WHEREAS, pursuant to Health & Safety Code Section 34173(d)(1), the City would automatically become the Successor Agency unless it affirmatively elected not to serve as the Successor Agency by Resolution, but the City wishes to express its intention to serve as the Successor Agency to the Hemet Redevelopment Agency; and

WHEREAS, pursuant to Health & Safety Code Section 34176, the City could either opt to retain the housing assets and functions previously performed by the Hemet Redevelopment Agency or, by default, allow those assets and functions to be assigned to and assumed by the Hemet Housing Authority;

WHEREAS, the City wishes to express its intention to have the Hemet Housing Authority assume all rights, powers, assets, liabilities, duties, and obligations associated with the housing activities of the Hemet Redevelopment Agency.

NOW, THEREFORE, BE IT RESOLVED, by the Hemet Housing Authority of the City of Hemet, California, as follows:

SECTION 1. The above recitals are true and correct and are adopted as the findings of the City Council.

SECTION 2. The City Council has affirmatively elected pursuant to Health & Safety Code Section 34173(d)(1) to serve as the Successor Agency to the Hemet Redevelopment Agency.

SECTION 3. The Hemet Housing Authority, pursuant to Health & Safety Code Section 34173(d)(1) hereby elects to have the Hemet Housing Authority assume all rights, powers, assets, liabilities, duties, and obligations associated with the housing activities of the Hemet Redevelopment Agency in accordance with Health & Safety Code Section 34176.

SECTION 4. The Executive Director is hereby authorized and directed to take such other and further actions, and sign such other and further documents, as is necessary and proper in order to implement this Resolution on behalf of the Hemet Housing Authority.

PASSED, APPROVED and ADOPTED at a regular meeting of the Hemet Housing Authority, of the City of Hemet, California held on this 10th day of January 2012.

ATTEST:  
Sarah McComas, Secretary

APPROVED AS TO FORM:  
Eric S. Vail, Agency Attorney

Linda Krupa, Chairperson
I, Sarah McComas, City Clerk of the City of Hemet, do hereby certify that the foregoing Resolution is the actual Resolution adopted by the Hemet Housing Authority of the City of Hemet and was passed at a regular meeting of the Hemet Housing Authority on the 10th day of January, 2012 by the following vote:

AYES: Board Members Foreman, Franchville and Youssef, Vice Chairperson Smith and Chairperson Krupa

NOES:

ABSTAIN:

ABSENT:

[Signature]
Sarah McComas, City Clerk