



HOUSING COMMISSION AGENDA
Regular Meeting: December 8, 2010

Time: 8:00 a.m.

HACA Board Room, 22941 Atherton Street, Hayward, CA 94541-6633

The public is welcome at all Housing Commission meetings. If you wish to speak on a matter NOT on the Agenda, please file a Public Comment card with the Commission Clerk. Upon recognition by the Chairperson during Public Comment, state your name, comments and/or questions. Anyone wishing to address the Commission on an agenda item or on business introduced by the Housing Commission may do so when the Chairperson calls for comments on the agenda item. Please be brief and limit your comments to the specific subject under discussion. NOTE: Only matters within the Housing Commission's jurisdiction may be addressed.

To allow the opportunity for all to speak, a time limit of 3 minutes has been set for public speakers wishing to address the Housing Commission.

The Housing Commission Secretary of the Housing Authority of the County of Alameda has, on Thursday, December 2, 2010, duly distributed this Agenda to the Clerk of the Board of Supervisors for posting in the office of the Alameda County Administration Building and has posted it on the bulletin board of the Housing Authority of the County of Alameda.

AMERICANS WITH DISABILITIES: *In compliance with the Americans with Disabilities Act, if special assistance to participate in this meeting is needed, please contact the Housing Authority office at (510)727-8511. Notification at least 48 hours prior to the meeting will enable the Housing Authority to make reasonable arrangements.*

1. CALL TO ORDER / ROLL CALL

2. PUBLIC COMMENT
On matters not on the Agenda

3. NEW BUSINESS

- 3-1. Resolution Approving Consolidation Activities with Dublin Housing Authority, Assumption of Property and Asset Transfer

ACTION

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4. ADJOURNMENT

NEW BUSINESS

December 8, 2010

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

AGENDA STATEMENT

Meeting: December 8, 2010

Subject: Resolution Approving Consolidation Activities with Dublin Housing Authority, Assumption of Property and Asset Transfer

Exhibits Attached: Resolution 19-10

Recommendation: Adopt Resolution

BACKGROUND

The Dublin Housing Authority (DHA) owns only one public housing project: Arroyo Vista, a 150-unit apartment development. DHA plans to sell the project to Eden Housing and Citation Homes, who will demolish the units and redevelop the site with 130 affordable family rental units, 50 affordable senior rental units and 198 for-sale homes. The redevelopment of the Arroyo Vista project has, from inception, included the plan for DHA to merge with the Housing Authority of the County of Alameda (HACA), since once the redeveloped Arroyo Vista is owned by another entity there would be no need for DHA to exist. The project is at the point where the merger process needs to begin.

DISCUSSION and ANALYSIS

Funding Status. Eden Housing, the non-profit corporation selected by DHA to redevelop the rental portion of Arroyo Vista, applied to the State for tax-exempt bonds and 4% Low Income Housing Tax Credits on November 3rd. Unlike the 9% Tax Credit, which is very competitive and for which Eden was skipped over in September on a technicality, the tax-exempt bonds/4% Tax Credit is not, and Eden expects to receive awards for Tax Credits in December and tax-exempt bonds in January. This financing structure has been made possible primarily by the recent increase in price that investors are willing to pay for Tax Credits.

Construction Timing. Eden has combined the family and senior projects in its applications so that both will be funded at the same time. Previously, Eden had planned to apply for funding for the family project first and then apply for the senior project the following year. There are economies of scale in building both at the same time and, combined with the price increase for Tax Credits, constructing the two projects simultaneously is now viable. *Very preliminarily*, if actions take place as planned, demolition is expected to begin in March/April 2011 and construction of the units in July 2011.

HUD Requirements. In its approval of DHA's disposition application, HUD required that DHA and HACA merge *before* the property is transferred to Eden Housing and Citation Homes. Staff, their attorneys and the developers have been meeting to discuss timing, City of Dublin and Housing Commission approvals, Final Subdivision Map approval, developer purchase of the property, State deadlines for start of construction and a myriad of other scheduling matters that must be met on a project as complex as this. One of the first actions that must be taken is the approval of resolutions by HACA, DHA and the City of Dublin about the merger (which HUD refers to as a "consolidation").

Resolution Summary and Submittal. HUD and state housing authority law require that HACA's Housing Commission approve a resolution agreeing to accept the merger with DHA. DHA's Commission must approve a resolution authorizing the divestiture of the housing authority and its assets to HACA. The City of Dublin must approve a resolution allowing HACA to operate within the City. The DHA and City of Dublin resolutions are scheduled for December 7 and the HACA resolution for December 8.

The resolution before your Commission today recites the legal requirements to effect the consolidation, indicates that HACA is willing to accept the rights and obligations of DHA and resolves that, upon HUD approval, DHA's activities will be consolidated with those of HACA. It also gives HACA's executive director the authority to execute any documents that may be required.

Note that the *actual* merger/consolidation will not occur until DHA is ready to sell the property to Eden and Citation. Thus, any land use, etc. approvals still required will be made by DHA or the City of Dublin, as applicable—not HACA.

HUD requires that the three resolutions be submitted 90 days before the merger and that the merger occur on the first day of a month. Staff has stressed to HUD the need to merge on March 1, 2011 in order to meet the State funding deadlines and HUD has agreed to process the merger in time for a March 1 close, even though, technically, we will be short one week of the 90-day requirement. Staff is very pleased that HUD agreed to fast track this.

Merger Documents. There are a number of documents that HUD requires to implement the merger, including a Consolidation Plan and a Master Agreement that must be approved by your Commission and HACA. Undoubtedly, there will be other documents as well. These will be brought to your Commission in January and February 2011, after counsel has prepared them and vetted them with HUD.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

RESOLUTION NO. 19-10

APPROVING CONSOLIDATION ACTIVITIES WITH DUBLIN HOUSING AUTHORITY, ASSUMPTION OF PROPERTY AND ASSET TRANSFER

WHEREAS, the Housing Authority of the County of Alameda (the "Authority") is a public body, corporate and politic of the State of California (the "State") incorporated pursuant to the provisions of Chapter 1 of Part 2 of Division 24 (commencing with Section 34200) of the California Health and Safety Code), as amended (the "Act"); and

WHEREAS, the Authority is vested with the responsibilities set forth in Division 24, Part 2, Article 4 (Sections 343310-34334) and Article 5 (Sections 34350-34379) of the California Health and Safety Code, which includes providing affordable housing and administering housing programs within its jurisdiction; and

WHEREAS, the Dublin Housing Authority ("DHA") has determined that, given the administrative and legal requirements necessary to operate low-income public housing and the limited amount of funds available to DHA to administer the program, it would be more efficient to transfer responsibility for operating the low income public housing program in the City of Dublin to the Authority; and

WHEREAS, the Authority is willing to accept responsibility for operation of DHA's low income public housing program in the City of Dublin; and

WHEREAS, the City of Dublin ("City") has indicated it will consent to the Authority's acceptance of responsibility to operate the Authority's low income housing program in the City of Dublin; and

WHEREAS, subject to the review and approval of the United States Department of Housing and Urban Development ("HUD"), the Authority and DHA will adopt a Consolidation Plan which provides for the consolidation of the activities of the two agencies; and

WHEREAS, to effect the consolidation of the activities of the two agencies, the Authority desires to accept from DHA all of DHA's rights, title and interest in the real property commonly known as Arroyo Vista (the "Project"), as well as any other real property owned by DHA; and

WHEREAS, to effect the consolidation of the activities of the two agencies, the Authority desires to accept from DHA all of DHA's assets in the form of accounts, reserves, contract rights, insurance proceeds, warranties and personal property, including those which may be unknown or its existence currently unanticipated (collectively, the "Assets"); and

WHEREAS, to effect the consolidation of the activities of the two agencies, the Authority desires to accept from DHA all professional and service agreements with third party contractors (the "Service Contracts"); and

WHEREAS, to effect the consolidation of the activities of the two agencies, the Authority desires to accept assignment of the Cooperation Agreement between DHA and the City dated as of October 31, 1986 ("the Cooperation Agreement"); and

WHEREAS, pursuant to California Health and Safety Code Section 34314, the Authority may arrange or contract with any public agency to furnish services in connection with housing projects; and

WHEREAS, pursuant to California Health and Safety Code Section 34315.3, the Authority may accept financial or other assistance from any public or private source; and

WHEREAS, pursuant to California Health and Safety Code Section 34280, the Authority may delegate to one or more agents or employees those powers and duties it deems proper; and

WHEREAS, the Commissioners of DHA previously approved a resolution to dispose of the Project for redevelopment pursuant to a Disposition and Development Agreement dated as of July 25, 2007, as amended by the First Amendment to Disposition and Development Agreement entered into as of January 26, 2010 (collectively, the "DDA"); and

WHEREAS, the Authority desires to accept all the rights, title and interest of DHA under the DDA, and desires to undertake all the duties and obligations of DHA under the DDA, including, but not limited to, the obligation to use Eleven Million Dollars (\$11,000,000) in net sales proceeds from the disposition of the Project to provide a loan to Eden Housing, Inc., or its affiliate, to assist in the development and construction of an affordable senior housing rental project and an affordable family housing rental project, such loan to be evidenced by, among other things, a promissory note, loan agreement, deed of trust and regulatory agreement; and

WHEREAS, DHA has received approval from HUD in a letter dated May 22, 2009 for the disposition of the Project, as amended by the letter dated May 29, 2009 (collectively, the "HUD Approval Letter"); and

WHEREAS, the Authority desires to assume all the rights and obligations of DHA under the HUD Approval Letter; and

WHEREAS, the Authority determines that the following actions would be in the best interests of the Authority;

NOW, THEREFORE BE IT RESOLVED, that the Authority finds and determines as follows:

1. Upon the approval of HUD, the activities of DHA shall be consolidated with those of the Authority. The Authority's Executive Director is hereby authorized to execute such documents as may be necessary and/or required by HUD to implement this resolution, including but not limited to, assignment agreements, a master agreement, and/or a use agreement.

2. All signatory responsibility for all bank accounts and other financial documents shall be transferred from DHA's Executive Director to the Authority's Executive Director.

PASSED, APPROVED AND ADOPTED by the Commissioners of the Housing Authority of the County of Alameda this _____ day of _____, 2010, by the following vote:

AYES:

NOES:

ABSTAIN:

EXCUSED:

ABSENT:

Christine Steiner
Chairperson

ATTEST:

Christine Gouig
Executive Director/Secretary

Adopted: _____