

RESOLUTION NO. 2021-___

A RESOLUTION OF THE GARDEN GROVE HOUSING AUTHORITY APPROVING THE HOME INVESTMENT PARTNERSHIP AFFORDABLE HOUSING AND LOAN AGREEMENT (11742 STUART DRIVE); AUTHORIZING THE AUTHORITY DIRECTOR TO IMPLEMENT THE HOME AGREEMENT AND PROJECT DOCUMENTS; FINDING AND DETERMINING THE PROJECT IS CATEGORICALLY EXEMPT UNDER CEQA; AND, MAKING CERTAIN OTHER FINDINGS IN CONNECTION THEREWITH

WHEREAS, the City of Garden Grove, a California municipal corporation (“City”), is a participating jurisdiction with the United States Department of Housing and Urban Development (“HUD”) that has received funds (“HOME Funds”) pursuant to Title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12701 12839) and the HOME Program regulations codified at 24 CFR Part 92, as amended by the 2013 HOME Final Rule (together, “HOME Program”). The HOME Program has, among its purposes, the strengthening of public-private partnerships to provide more affordable housing, and particularly to provide decent, safe, sanitary, and affordable housing, with primary attention for this Project to provide housing to qualified Extremely Low Income Households and a Very Low Income Household in accordance with the HOME Program and this Agreement. The HOME Funds are used by the City, as a participating jurisdiction, to carry out multi-year housing strategies through acquisition, rehabilitation, and new construction of housing for target income persons and families; and

WHEREAS, the Garden Grove Housing Authority (“Authority”) is a California housing authority acting under the California Housing Authorities Law, Part 2 of Division 24, Section 34200, *et seq.*, of the Health and Safety Code (“HAL”); and

WHEREAS, further, the Authority serves as the “housing successor” to the former Garden Grove Agency for Community Development, a dissolved redevelopment agency (“Former Agency”) pursuant to Part 1.85 of Division 24 of the Health and Safety Code, in particular Sections 34176 and 34176.1 (“Dissolution Law” or “Housing Successor Law”) and the Dissolution Law references and incorporates certain affordable housing laws set forth in Health and Safety Code Section 33000, *et seq.* that survived the dissolution of all California redevelopment agencies and remain effective as to housing successors, including the Authority (“CRL”); and

WHEREAS, state law statutory references in this Agreement are to the California Health and Safety Code (“HSC”) unless otherwise stated; and

WHEREAS, American Family Housing is a California nonprofit public benefit corporation, (“Developer”) that is experienced in the ownership, operation, management and maintenance of affordable housing developments, including permanent supportive housing projects in Orange County and other parts of California; and

WHEREAS, Developer is the current owner of that certain property located at 11742 Stuart Drive, City of Garden Grove, California (“Property”), which is improved with ten (10) residential rental apartments (each, a “Housing Unit”) in one (1) two-story building with appurtenant amenities and improvements; and

WHEREAS, Developer desires to cause the substantial rehabilitation of the Property, and then operate, maintain, and manage the Property, long-term, as a permanent supportive affordable housing Project. Nine of the ten apartments will be made available to and occupied by qualified and eligible tenants including (i) one (1) Very Low Income Household as to a one 1-bedroom unit, (ii) eight (8) Extremely Low Income Households as to five 2-bedroom units and three 1-bedroom units (together, nine “Housing Units” and each a “Housing Unit”), and (iii) one (1) Manager’s Unit that is unrestricted as to income and rent, with the nine (9) restricted apartments operated and leased at an Affordable Rent pursuant that certain HOME Investment Partnership Affordable Housing and Loan Agreement (11742 Stuart Drive) (“HOME Agreement”); and

WHEREAS, capitalized terms used in this resolution are as defined in the HOME Agreement unless otherwise defined herein; and

WHEREAS, under the HOME Agreement the Authority commits to provide certain Authority Assistance, including a subordinate HOME Loan of \$1,400,000 sourced solely from the HOME Program and eight Mainstream PBVs, to facilitate Developer’s substantial rehabilitation, and operation, management and maintenance of the Property and Housing Units as a permanent supportive housing project to be made available to and occupied by qualified and eligible Extremely Low and Very Low Income Households at an Affordable Rent pursuant to the HOME Agreement and the Regulatory Agreement appended thereto; and

WHEREAS, the Authority is investing in the Project and providing the Authority Assistance to Developer to cause and qualify all Housing Units as long-term affordable housing for Extremely Low and Very Low Income Households, including the HOME Units under the HOME Program during the HOME Compliance Period, and all Housing Units for the Affordability Period, and that all Housing Units qualify as replacement housing to meet replacement housing obligations, if any, of the Authority as housing successor under the Dissolution Law, as and if applicable under those certain *Limon* Judgments (defined in the HOME Agreement) and under applicable federal or state laws, as, if and when necessary for the Authority (and/or City); and

WHEREAS, under the California Environmental Quality Act, California Public Resources Code Section 21000, *et seq.*, and the implementing regulations at Title 14 California Code of Regulations Section 15000, *et seq.*, in particular Sections 15301, 15326, 15354 and 15374 (together, “CEQA”), provide that certain existing facilities and affordable housing projects establish that the Project are categorically exempt from CEQA; and

WHEREAS, the Project meets the categorical exemption set forth in Section 15301 (Class 1 Facilities) that consist of the operation, repair, maintenance, permitting, leasing, licensing, or alteration of existing public or private structures, and Section 15326 (Class 26: Acquisition of Housing for Housing Assistance Programs) that consist of actions by a housing authority implementing an affordable housing project; and

WHEREAS, in connection with the HOME Agreement, the Authority prepared an environmental assessment in accordance with the National Environmental Policy Act and determined that the Project is categorically excluded thereunder, including 24 CFR 58.35; and

WHEREAS, the Authority's participation and subsidy to the Project will be in the public interest in that it will increase the number of affordable housing units in the community and carry out the objectives of the City's Housing Element of its General Plan; and

WHEREAS, the Authority desires by this Resolution to approve the HOME Agreement for implementation of the Project and provision of affordable housing and replacement housing under federal and state laws.

NOW THEREFORE, THE GARDEN GROVE HOUSING AUTHORITY RESOLVES:

1. The foregoing recitals are true and correct and are a substantive part of this resolution.

2. As the lead agency under CEQA, the Authority finds and determines that the HOME Agreement and the Project to be implemented by the Project documents meet the categorical exemptions under CEQA and categorical exclusion under NEPA as cited in the above recitals, including Class 1 Existing Facilities: operation, repair, maintenance, permitting, leasing, licensing, or alteration of existing public or private structures, and Class 26: Acquisition of Housing for Housing Assistance Programs: actions by a housing authority implementing an affordable housing project.

3. The Authority's participation in the financing of the Project and the provision of replacement housing units meet statutory exceptions to, and do not constitute development, construction or acquisition of a low-rent housing project within the meaning of, Article XXXIV of the State Constitution; in any event, this resolution is intended to and constitutes an approval within the meaning of California Health and Safety Code Section 36005 of a development that may result in housing assistance benefiting persons of low income.

4. The Authority hereby approves the HOME Agreement with such changes as may be mutually agreed upon by the Authority Director, and his duly authorized representative(s), the general and/or special counsel, as are minor and in substantial conformance with the form of the HOME Agreement (Attachment 1) submitted herewith. The Authority Chair, Authority Director, and their duly authorized representatives (together, "Authorized Officers") are hereby authorized, as applicable, to execute and attest the HOME Agreement, including any related attachments and implementing documents, on behalf of the Authority. In such regard, the Authorized Officers are authorized to sign or attest the final version of the HOME Agreement after completion of any such non-substantive, minor revisions. Copies of the final form of the HOME Agreement, when duly executed and attested, shall be placed on file in the office of the Authority Secretary (City Clerk). Further, the Authorized Officers are authorized to implement the HOME Agreement and take all further actions and execute all documents referenced therein or necessary and appropriate to carry out the transaction contemplated by the

HOME Agreement. The Authorized Officers are also authorized to the extent necessary during the implementation of the HOME Agreement to make technical or minor changes and interpretations thereof after execution, as reasonably necessary to properly implement and carry out the HOME Agreement, including all exhibits thereto, provided any and all such changes shall not in any manner materially affect the rights and obligations of the Authority under the HOME Agreement.

5. The Authority Secretary shall certify to the adoption of this Resolution.

PASSED and ADOPTED this 14th day of September 2021.

Chair

ATTEST:

AUTHORITY SECRETARY

Teresa Pomeroy, CMC, or Authorized Designee

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF GARDEN GROVE)

I, Teresa Pomeroy, Secretary of the Garden Grove Housing Authority, do hereby certify that the foregoing Resolution No. _____ was duly and regularly adopted by vote of the Authority at its regular meeting held on the 14th day of September 2021 by the following vote.

AYES:

NOES:

ABSENT:

Teresa Pomeroy, Authority Secretary

ATTACHMENT NO. 1
HOME AGREEMENT
(ATTACHED)

Attachment No. 1