**RESOLUTION NO. 2558-09 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**

**WHEREAS,** on July 16, 2008, the Redevelopment Agency of the Town of Windsor (the "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 the $1,300,000 million Agency Loan which is secured by a fourth trust deed and is funded with $1,300,000 million from Agency low- and moderate-income housing set-aside funds and a $1,800,000 acquisition loan from the Low Income Investment Foundation (the "Lender") which is secured by a first trust deed; 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 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; and

**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 21st day of October 2009, by the following vote:**

**AYES:** **MEMBERS ALLEN, FUDGE, SALMON, SCHOLAR AND CHAIR GOBLE**
**NOES:** **NONE**
**ABSTAIN:** **NONE**
**ABSENT :** **NONE**

**ROBIN R. GOBLE, CHAIR**

**ATTEST:**

**MARIA DE LA O, SECRETARY**