

RESOLUTION NO. 1966

RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RICHMOND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A MEMORANDUM OF UNDERSTANDING WITH RHA PROPERTIES TO OUTLINE THE TERMS REGARDING THE USE OF PROCEEDS OF THE SALE OF WESTRIDGE AT HILLTOP APARTMENTS

WHEREAS, RHA Properties is a component unit of the Housing Authority of the City of Richmond, and it was created by and between the Housing Authority and the City of Richmond for the expressed purpose of acquiring and operating rental properties in order to increase cash flow, and establish a non-federal reserve for the development and maintenance of affordable housing; and

WHEREAS, towards this end, on August 22, 2003, RHA Properties acquired Westridge at Hilltop, a 401-unit complex (200 studios and 201 1-bedrooms) located at 2490 Lancaster Drive, just off Hilltop Drive, and to facilitate this acquisition, there were two bond issuances; one for \$23 million, which was credit enhanced, and another for \$12 million, which was not credit enhanced, but guaranteed by the City of Richmond up to \$1 million per year; and

WHEREAS, there is now approximately \$30,000,000 of debt outstanding on this property, and the last appraisal was completed on April 5, 2012 indicating that the property now has an estimated (as is) value of \$38,200,000, and a sales comparison value of \$40,100,000; and

WHEREAS, the RHA Properties Board of Directors authorized the Housing Authority Executive Director to conduct a bid process to secure the services of a listing agent, to review and analyze the recently completed appraisal, create a marketing plan and recommend a property disposition strategy; and

WHEREAS, a listing Agent was secured, the property was listed and the best offer was submitted by Menlo Capital for \$40 million and accepted, and the anticipated sources and uses of the proceeds of sale are identified in Attachment A affixed to this resolution; and

WHEREAS, staff is requesting authorization to execute an MOU between RHA and RHAP, affixed to this resolution as Attachment B, to memorialize the terms regarding the use of the proceeds of sale, specifically regarding retiring the RHA debt to the City of Richmond and satisfying the financial sanctions levied against the RHA from a HUD OIG procurement audit, and a companion item is being brought before the RHAP Board of Directors requesting the same.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RICHMOND, COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA, THAT:

The Executive Director is authorized to execute a Memorandum of Understanding with RHA Properties to outline the terms regarding the use of proceeds of the sale of Westridge At Hilltop Apartments, and the Executive Director is hereby further authorized to take all actions necessary to implement the foregoing resolution.

The foregoing resolution was passed and adopted by the Commissioners of the Housing Authority of the City of Richmond at a special meeting thereof held on April 16, 2013, by the following vote:

AYES: Commissioners Bates, Beckles, Butt, Rogers, Myrick, Vice Chairperson Boozé, Housing Tenant Commissioners Hall, Thompson, and Chairperson McLaughlin.

NOES: None.

ABSTENTIONS: None.

ABSENT: None.

GAYLE MCLAUGHLIN

Chairperson

[SEAL]

ATTEST:

DIANE HOLMES

Secretary

Approved as to form:

BRUCE GOODMILLER

Attorney

State of California }
County of Contra Costa : ss.
City of Richmond }

I certify that the foregoing is a true copy of **Resolution No. 1966** finally passed and adopted at a Special Housing Authority Meeting held on April 16, 2013.