



# Monterey County

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## Board Report

Legistar File Number: 15-0718

July 07, 2015

Introduced: 6/19/2015

Current Status: Agenda Ready

Version: 1

Matter Type: General Agenda Item

- a. Approve a Renewal and Amendment #1 to the Management Agreement with Eden Housing Management, Inc. to provide for continuous management of the Kents Court affordable housing project through September 30, 2015; and
- b. Authorize the Director of the Economic Development Department to make minor changes as needed to execute the Renewal and Amendment #1 to the Management Agreement.

### **RECOMMENDATION:**

It is recommended that the Board of Supervisors:

- a. Approve a Renewal and Amendment #1 to the Management Agreement with Eden Housing Management, Inc. to provide for continuous management of the Kents Court affordable housing project through September 30, 2015; and
- b. Authorize the Director of the Economic Development Department to make minor changes as needed to execute the Renewal and Amendment #1 to the Management Agreement.

### **SUMMARY:**

The Housing Successor Agency to the Redevelopment Agency of the County of Monterey owns the Kents Court affordable housing project located in Pajaro. In July 2010, the County entered into a Management Agreement (Agreement) with South County Property Management (SCPM) to manage the units on a day-to-day basis. When SCPM ceased operations, the Agreement was assigned to Eden Housing Management, Inc. (Eden) effective January 1, 2014. The Agreement expired on May 25, 2015. The recommended action will renew and extend the Agreement through September 30, 2015 to allow the County to enter into a Property Management Agreement with a new property manager.

### **DISCUSSION:**

In 2005, the Redevelopment Agency of the County of Monterey (Agency) made a loan to South County Housing (SCH) to purchase and install 19 manufactured homes at Kents Court in Pajaro. The units were used as temporary housing for tenants displaced by SCH's redevelopment of the 15-17-19 Salinas Road Project known as Nuevo Amanacer. After the completion of Nuevo Amanacer, SCH continued operating the units as affordable housing for very low and low income households.

In July 2010, the Agency accepted the 19 manufactured homes in-lieu of loan repayment by SCH. Simultaneous with the transfer of title, the Agency entered into a Management Agreement with SCPM to continue day-to-day management of the property as affordable housing. When SCPM ceased operations, the Agreement was assigned to Eden on January 1, 2014. The Agreement expired, by its terms, on May 25, 2015. Eden indicated that it was not interested in entering into a new property management agreement for Kents Court.

Accordingly, the County issued a Request for Proposal, has received a response from a qualified property manager, and is currently in negotiation on a new property management agreement for Kents Court. Eden has agreed to continue managing the property under the terms of the former Agreement. Authorizing renewal of the expired Agreement and Amendment No. 1 which extends the term of the Agreement through September 30, 2015 will provide for continuity of property management at Kents Court.

**OTHER AGENCY INVOLVEMENT:**

County Counsel has reviewed the Agreement as to form.

**FINANCING:**

There is no impact on the General Fund. Operating income from Kents Court is used to pay property expenses. The net income is deposited into Fund 175 (Castroville-Pajaro Housing Set-Aside) and may only be used for affordable housing projects.

Prepared by: \_\_\_\_\_  
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Approved by: \_\_\_\_\_  
David Spaur, CEcD, EDFP, Economic Development Director, 5387

Attachments:

Renewal and Amendment #1 to the Management Agreement  
Assignment and Assumption of the Management Agreement  
Management Agreement

(Attachments are on file with the Clerk of the Board)