



Monterey County

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Board Report

Legistar File Number: 15-0614

June 23, 2015

Introduced: 6/2/2015

Current Status: Agenda Ready

Version: 1

Matter Type: General Agenda Item

- a. Approve the Assignment and Assumption of the HOME loan, made by the County to South County Housing Corporation, from South County Housing Corporation to Jardines LLC; and,
- b. Authorize the Director of Economic Development to consent, on behalf of the County, to the Assignment and Assumption Agreement between South County Housing Corporation and Jardines LLC.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve the Assignment and Assumption of the HOME loan, made by the County to South County Housing Corporation, from South County Housing Corporation to Jardines LLC; and,
- b. Authorize the Director of Economic Development to consent, on behalf of the County, to the Assignment and Assumption Agreement between South County Housing Corporation and Jardines LLC.

SUMMARY:

In 2003, the County received a grant of HOME funds from the California Department of Housing and Community Development. The HOME funds were lent to South County Housing Corporation (SCHC) to provide financing for 15 affordable apartments in Boronda. The recommended actions will allow a new general partner to assume responsibility for SCHC's interest and liabilities, including the County's HOME loan, as SCHC winds up its business operations.

DISCUSSION:

SCH is an affordable housing developer and currently has eight affordable housing complexes in Monterey County, including the 15-unit Jardines de Boronda development in Boronda. SCHC is in the process of closing down all operations by June 30, 2015. SCHC has chosen Eden South County, Inc. to assume responsibility for this affordable housing development after SCHC ceases operation.

The Jardines de Boronda is a 15-unit farm worker housing rental project in Boronda. The County, utilizing State HOME funds, loaned SCH \$685,174 to help finance construction of the project. The loan is due in 2039 with annual repayment from cash flow on a residual receipts basis. The recommended action will allow Jardines LLC, established by Eden Housing, to assume the County's HOME loan and responsibility for continuing to manage the development as affordable farm worker housing.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed the Agreement as to form.

FINANCING:

There is no impact on the General Fund. Because the loan was funded using HOME Program funds, any repaid principal and interest will be deposited into Fund 013 (Community Development) and may only be used for other HOME Program eligible activities.

Prepared by: Jane Royer Barr, Housing Program Manager, x5389

Approved by: David Spaur, CEcD, EDFP, Director of Economic Development, x5387

Attachments:

Jardines de Boronda Assignment and Assumption Agreement