



# Monterey County

Item No.

## Board Report

Board of Supervisors  
Chambers  
168 W. Alisal St., 1st Floor  
Salinas, CA 93901

Legistar File Number: 20-643

August 18, 2020

Introduced: 8/5/2020

Current Status: Agenda Ready

Version: 1

Matter Type: General Agenda Item

- a. Approve the transfer of interest from Salinas Road Associates, a California Limited Partner, L.P. (the "Partnership") to Baywood Apartments, Inc., a California nonprofit public benefit corporation, that is purchasing the entire interest of the Partnership's limited partner, NEF Assignment Corporation's Limited Partnership, in connection with the Nuevo Amanecer Apartments in Pajaro; and
- b. Authorize staff to provide written notification to the California Tax Credit Allocation Committee ("TCAC") and undertake any other actions necessary to effect this.

### **RECOMMENDATION:**

It is recommended that the Board of Supervisors:

- a. Approve the transfer of interest from Salinas Road Associates, a California Limited Partner, L.P. (the "Partnership") to Baywood Apartments, Inc., a California nonprofit public benefit corporation, that is purchasing the entire interest of the Partnership's limited partner, NEF Assignment Corporation's Limited Partnership, in connection with the Nuevo Amanecer Apartments in Pajaro; and
- b. Authorize staff to provide written notification to the California Tax Credit Allocation Committee ("TCAC") and undertake any other actions necessary to effect this.

### **SUMMARY/DISCUSSION:**

On June 7, 2005, the County of Monterey made a HOME loan in the amount of \$3,400,000 to Salinas Road Associates, a California Limited Partnership, whose General Partner was South County Housing Corporation (SCHC) to construct the Nuevo Amanecer Apartments in Pajaro. The loan was made to assist the construction of 26 of 63 units of housing affordable to low- and very-low income households. The Limited Partner is now ready to exit the partnership and sell its entire interest in the partnership to an affiliate of Eden Housing, Baywood Apartments, Inc.

On June 7, 2005, the County of Monterey made a HOME loan in the amount of \$3,400,000 to Salinas Road Associates. Section 4.14 (b) of the HOME Loan Agreement states:

"No Transfer shall be permitted without the prior written consent of the County, which the County may withhold in its sole discretion. The Loan shall automatically accelerate and be due in full upon any unauthorized Transfer."

Subsequently, on June 23, 2015 the Board approved the Assignment and Substitution Agreement and Third Amendment to Amended and Restated Limited Partnership Agreement of Salinas Road Associates. Subsequently, on February 1, 2017, SCHC assigned its general partnership interest in the

Partnership to Nuevo Amanecer, a California Limited Liability Company, whose sole member/manager is Eden South Bay, Inc. a CA nonprofit public benefit corporation.

NEF, the Limited Partner, is now ready to exit the partnership and sell its entire interest in the partnership to Baywood Apartments, Inc, an affiliate of Eden Housing. The California Tax Credit Allocation Committee approved the transfer of Limited Partnership Interest on April 28, 2020.

Based upon Section 4.14(b) of the HOME Loan Agreement, Eden Housing, on behalf of Salinas Road Associates, requests consent for the transfer of the Limited Partner interest. The price for the buyout of the limited partner interest is \$1. This is not a transfer event as defined in TCAC Regulation Section 10302(qq), as the reserves will remain with the project and the debt encumbering the project will not be increased, refinanced or modified. The proposed transaction is expected to close on December 31, 2020.

The purchase will not change the name of the Partnership, nor will it affect day to day operations of the Partnership, which will continue to be managed by Eden Housing Management, Inc. The General Partner will remain Nuevo Amanecer LLC, an affiliate of Eden Housing, Inc.

**OTHER AGENCY INVOLVEMENT:**

None

**FINANCING:**

Approving the limited partnership transfer creates no fiscal impact on the General Fund or on revenues.

**BOARD OF SUPERVISORS STRATEGIC INITIATIVES:**

The housing program priorities and objectives advance the Board of Supervisors Strategic Initiatives that promote the production of diverse, safe, healthy and affordable housing opportunities for all residents of Monterey County.

Mark a check to the related Board of Supervisors Strategic Initiatives

Economic Development

Administration

Health & Human Services

Infrastructure

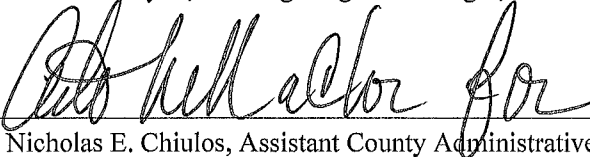
Public Safety

Prepared by:



Anastacia Wyatt, Housing Program Manager, Ext. 5387

Approved by:



Nicholas E. Chiulos, Assistant County Administrative Officer, Ext. 5145

Attachments:

Board Report

HOME Loan Agreement

MC BOS Board Order approval 2015-6-23 Salinas Road

Assignment and Substitution Agreement

Nuevo Amanecer Org Chart

Letter from Eden Housing - Notification of Transfer - April 24, 2020

Letter from Eden Housing - Notification of Transfer - June

Nuevo Amanecer TCAC letter 2020.04.2816, 2020