



Monterey County

Item No.

Board Report

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

Legistar File Number: A 22-037

February 01, 2022

Introduced: 1/21/2022

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Agreement

- a. Approve an Assignment and Assumption Agreement for Lots M2.14 and M2.15 of Tract No. 1519, Pursuant to the Disposition and Development Agreement and Agency Deed, East Garrison Project by and among UCP and CHISPA for the Phase Two Rental Affordable Housing Development; and
- b. Authorize the Director of the Housing and Community Development Department to sign the Assignment and Assumption Agreement.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve an Assignment and Assumption Agreement for Lots M2.14 and M2.15 of Tract No. 1519, Pursuant to the Disposition and Development Agreement and Agency Deed, East Garrison Project by and among UCP and CHISPA for the Phase Two Rental Affordable Housing Development; and
- b. Authorize the Director of the Housing and Community Development Department to sign the Assignment and Assumption Agreement.

SUMMARY/DISCUSSION:

Community Housing Improvement and Planning Associates, Inc. (CHISPA) is the non-profit developer selected for the Phase Two Rental Affordable Housing Project (Project). The Project consists of 65 affordable rental units - 29 very low and 36 low-income - plus one non-income restricted manager's unit. Pursuant to the Memorandum of Disposition and Development Agreement (DDA) by and between the Redevelopment Agency of the County of Monterey (now Successor Agency, referred hereto as Agency) and the developer (now UCP East Garrison, LLC, referred hereto as UCP) for the development at East Garrison, UCP entered into a Memorandum of Agreement (MOA) with CHISPA on January 16, 2007, to: 1) designate and obtain approval of CHISPA as the non-profit developer to build the 65 very low and low-income units Phase 2; 2) set forth obligations prior to entering into a Purchase Agreement and Assignment and Assumption Agreement; and 3) provide for development of basic business terms to be elaborated in the Rental Affordable Housing Financing and Budget referenced in the Purchase Agreement (MOA -Attachment 2). CHISPA has secured all funding and permits for the Project and must close escrow by or before February 21, 2022.

UCP has acquired all of the rights, title, and interest to the Project site, and to satisfy the DDA provision requiring the Project's 65 rental affordable units, UCP desires to convey and assign to CHISPA its interests under the DDA as to the Project site. CHISPA desires to assume UCP's obligations of the Project and to take title to the Project site. The Assignment and Assumption

Agreement effectuates these desires (Attachment 1). In its approval of this Agreement, the County has determined that this Agreement satisfies the requirements pertaining to the transfer and assignment of the Project site parcels under the Development Agreement (the "DA") between the Master Developer, now UCP, and the County, dated as of October 4, 2005, and recorded in the Official Records of the Monterey County Recorder on May 16, 2006, as Instrument No. 2006044223.

Staff requests that the Board of Supervisors approve the Assignment and Assumption Agreement to enable CHISPA to meet its closing date and begin construction on Project immediately after closing.

OTHER AGENCY INVOLVEMENT:

The Office of County Counsel has reviewed the Assignment and Assumption Agreement as to form. CHISPA is the non-profit affordable housing developer identified in the DDA for the Project. Staff is also presenting the Assignment and Assumption Agreement on February 1, 2022, to the Board of Supervisors acting as Board of Directors to the Successor Agency for the Redevelopment Agency of the County of Monterey (Successor Agency) for approval and consent.

FINANCING:

Staff time to negotiate, develop and process the extension request to the Board will be reimbursed by the East Garrison Developer Reimbursements, Appropriation Unit HCD080, Fund 182. The DDA obligates the (now) Successor Agency to use tax revenues ("tax increment") generated from the East Garrison project to provide financial assistance for affordable housing. The total Agency obligation for Phase Two affordable apartments is \$6,051,106 as of November 30, 2021. CHISPA has secured all necessary funding for the Project in addition to the Agency obligation.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Approving the Assignment and Assumption Agreement supports the following Board of Supervisors' Strategic Initiatives. *Economic Development* by helping to reduce poverty and economic hardships of very low and low-income residents. *Health and Human Services* by providing affordable housing opportunities at East Garrison, designed to be a walkable community with many acres of parks and open space designed within it, and located adjacent to the habitat and open space lands of the former Fort Ord.

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

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Reviewed by: Craig Spencer, Chief of Planning

Approved by: Erik V. Lundquist, AICP, Director of Housing and Community Development *El*

The following attachments are on file with the Clerk of the Board:

Attachment 1 - Assignment and Assumption Agreement

Attachment 2 - Memorandum of Agreement for Phase Two Rental Affordable Housing

