

Attachment 1

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**Before the Monterey County Board of Supervisors, acting as the Board of Directors for
Successor Agency to the Redevelopment Agency for the County of Monterey, in and for the
State of California**

Resolution 19-0_____

Resolution by the Board of Directors for the Successor
Agency to the Redevelopment Agency for the County of Monterey

- a. Approve Completion Guarantees by Casa Acquisition Corp.)
for East Garrison Phase 2 and Phase 3 very low and low-)
income rental affordable housing units, guaranteeing a)
completion date for Phase 2 and Phase 3 affordable units by)
no later than March 31, 2025 and providing a surety)
performance bond in the amount of \$17,500,000 for each of)
the Phase 2 and Phase 3 affordable housing units;)
- b. Authorize the Chair to execute the Completion Guarantees)
for Phase 2 and Phase 3; and)
- c. Authorize the Director of the Resource Management Agency)
to accept the Performance Bonds upon receipt and subject to)
approval by County Counsel as to form.)

WHEREAS, the Disposition and Development Agreement (DDA) for the East Garrison Project includes timing “triggers” or milestones by which the affordable housing apartments must be completed in Phase 2 and Phase 3 of the development, and since fall of 2017 there has been concern by the developer, Union Community Partners East Garrison, LLC (UCP) and the Successor Agency that the construction of the affordable units would not meet the timing requirements established by the DDA; and

WHEREAS, the sixty-five (65) unit-Phase 1 very low and low-income affordable housing apartments, was developed by non-profit partner MidPen Housing, per the DDA were to be completed and occupied prior to the issuance of building permits for the 89th and above market rate units which occurred this year 2019. The Phase 1 affordable housing project, Manzanita Place, was complete for occupancy in 2013, approximately six (6) years ahead of the DDA timing requirement; and

WHEREAS, UCP, the Successor Agency, and non-profit partners for Phase 2 Community Housing Improvement Systems and Planning Association, Inc. (CHISPA) and Phase 3 Artspace Projects, Inc. (Artspace) worked diligently to find solutions to ensure that the DDA milestones are timely met. However, notwithstanding the best efforts of CHISPA and Artspace, and through no fault of UCP and or the Successor Agency, it is infeasible to meet the milestones for the Phase 2 and Phase 3 very low and low-income affordable housing requirements due to the lack of availability of local, state and/or federal funds to pay for the construction of the affordable units; and

WHEREAS, to enable the continued building and sale of market rate units in light of the affordable housing funding challenges, UCP has requested that the Successor Agency accept a guarantee by Casa Acquisition Corporation (a parent company of UCP) to complete the Phase 2 and Phase 3 rental affordable housing units by March 31, 2025 and provide a surety performance bond in the amount of \$17,500,000 for each of the Phase 2 and Phase 3 affordable housing units; and

WHEREAS, subsequent to the Successor Agency's consideration of this action, the County of Monterey shall consider whether to acknowledge the Successor Agency is accepting the Completion Guarantees for Phases 2 and 3 per the terms stated therein; and

WHEREAS, by approving the Completion Guarantees, the Successor Agency agrees to modify the timing for the completion of the very low and low-income affordable rental units for Phases 2 and 3, making the construction completion date for those units to occur no later than March 31, 2025, and enable the County to continue issuing building permits and certificates of occupancy for the market rate units.

NOW, THEREFORE, the Monterey County Board of Supervisors, acting as the Board of Directors for the Successor Agency to the Redevelopment Agency for the County of Monterey, hereby resolves to approve the following:

- a. Approve Completion Guarantees by Casa Acquisition Corp. for the East Garrison Phase 2 and Phase 3 very low and low-income rental affordable housing units, guaranteeing a completion date for Phase 2 and Phase 3 affordable units by no later than March 31, 2025 and providing a surety performance bond in the amount of \$17,500,000 for each of the Phase 2 and Phase 3 affordable housing units;
- b. Authorize the Chair to execute the Completion Guarantees for Phase 2 and Phase 3; and
- c. Authorize the Director of the Resource Management Agency to accept the Performance Bonds upon receipt and subject to approval by County Counsel as to form.

PASSED AND ADOPTED upon motion of Supervisor _____, seconded by Supervisor _____ and carried this _____ day of _____ 2019, by the following vote, to wit:

AYES:

NOES:

ABSENT:

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original resolution of said Board of Supervisors duly made and entered in the minutes thereof Minute Book ____ for the meeting on _____, 2019.

Dated: _____
File Number: _____

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

By _____
Deputy