

set aside for the Program.

On June 12, 2012, the Board of Supervisors approved the submittal of the MHSA Housing application for Rockrose Gardens to the California Housing Finance Agency (CalHFA), the state entity that administers the Program. On January 31, 2013, CalHFA gave Interim, Inc. a commitment summary of MHSA Program Funds in the amount of \$932,645 for permanent financing connected with the nine (9) MHSA Housing Program units. While the application to CalHFA noted the borrower as Interim Inc., the Interim Board of Directors has subsequently formed and authorized Rockrose Housing Corporation to serve as its sole member for the purpose of owning, constructing, and operating the Project. This action is consistent with MHSA Housing Program requirements. The MOU is the formalization and final agreement among Interim, Rockrose Gardens and the County of Monterey (through the Health Department's Behavioral Health Bureau, and is required for loan closing by CalHFA. The associated MHSA Subordination Agreement and MHSA Assignment Agreement are also required for closing. Through these agreements, the County is assuming the rights and obligations of CalHFA with respect to managing and monitoring the Project. These agreements were negotiated with the State in order to meet requirements of the various funding sources and to achieve the maximum amount of efficiencies and efficacies.

Because the Assignment and Assumption Agreement and the Subordination Agreement are related to the closing of the financing for the Project, the documents are not truly "final" but they are essentially final in substance.

OTHER AGENCY INVOLVEMENT:

This project was included in the Board of Supervisor's approved 2011 County Annual Housing Plan. Consistent with the MHSA requirements, on July 28, 2011, the Monterey County Mental Health Commission conducted a public hearing on this project. On February 26, 2013, the Board of Supervisor's approved a Neighborhood Stabilization Program 3 (NSP3) Loan Agreement (Agreement) for \$325,000 for the Rockrose project. The Agreement provides for the conversion of the NSP3 loan to a grant upon the purchase of the land and the construction loan close. With approval of the above actions and close of escrow for the property, the loan will convert to a grant. Also, on June 6, 2013, the Board of Supervisor's approved a Housing and Financing Regulatory Agreement and Declaration of Restrictive Covenants for the Rockrose Gardens Housing project. The Economic Development Department (ED) has agreed to provide asset management duties during construction of Rockrose Gardens and assist with annual monitoring of the project. The Memorandum of Understanding, the MHSA Subordination Agreement, and the MHSA Assignment and Assumption Agreement are on file with the Clerk of the Board.

FINANCING:

The County of Monterey's original MHSA housing allocation was \$4,615,100. Rockrose Gardens is the third and last MHSA housing project to be funded through this allocation in the amount of \$932,645. Other sources of funding for Rockrose Gardens include HUD 811, HOME, and the HUD Neighborhood Stabilization Program 3 grant (NSP3) in the amount of \$325,000 administered by the Economic Development Department. There are no County general funds in the proposed project.

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Approved by: Ray Bullick, Director of Health, 4526

Attachments:

Memorandum of Understanding is on file with the Clerk of the Board

MHSA Subordination Agreement is on file with the Clerk of the Board

MHSA Assignment and Assumption Agreement is on file with the Clerk of the Board