



County of Monterey

Board Report

Legistar File Number: 26-009

Item No.

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

January 13, 2026

Introduced: 12/22/2025

Current Status: Agenda Ready

Version: 1

Matter Type: General Agenda Item

- a. Adopt a Resolution approving a not to exceed loan increase of \$550,000 from the Monterey County Local Housing Trust Fund to Greenfield Commons EAH, L.P.;
- b. Adopt a Resolution approving a not to exceed loan increase of \$9,982 from the Permanent Local Housing Allocation grant to Greenfield Commons EAH, L.P.;
- c. Adopt a Resolution approving the original loan of \$1,929,046 to be separated out to \$1,028,833 from the Monterey County Local Housing Trust Fund and \$900,213 from the Permanent Local Housing Allocation grant;
- d. Adopt a Resolution correcting the loan origination fee in Resolution 23-112 from 2% to 0.5% of the total loan;
- e. Adopt a Resolution correcting the loan origination fee in Resolution 23-116 from 2% to 0.5% of the total loan;
- f. Authorize and direct the Auditor-Controller to amend the Fiscal Year 2025-26 Adopted Budget for the Housing and Community Development, Community Development Reuse, Fund 013, Unit 8545, Appropriation Unit HCD004 to increase revenues and appropriations by \$550,000; and
- g. Authorize the Director of Housing and Community Development or their designee to execute the Loan Agreements on behalf of the County.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Adopt a Resolution approving a not to exceed loan increase of \$550,000 from the Monterey County Local Housing Trust Fund to Greenfield Commons EAH, L.P.;
- b. Adopt a Resolution approving a not to exceed loan increase of \$9,982 from the Permanent Local Housing Allocation grant to Greenfield Commons EAH, L.P.;
- c. Adopt a Resolution approving the original loan of \$1,929,046 to be separated out to \$1,028,833 from the Monterey County Local Housing Trust Fund and \$900,213 from the Permanent Local Housing Allocation grant;
- d. Adopt a Resolution correcting the loan origination fee in Resolution 23-112 from 2% to 0.5% of the total loan;
- e. Adopt a Resolution correcting the loan origination fee in Resolution 23-116 from 2% to 0.5% of the total loan;
- f. Authorize and direct the Auditor-Controller to amend the Fiscal Year 2025-26 Adopted Budget for the Housing and Community Development, Community Development Reuse, Fund 013, Unit 8545, Appropriation Unit HCD004 to increase revenues and appropriations by \$550,000; and
- g. Authorize the Director of Housing and Community Development or their designee to execute the Loan Agreements on behalf of the County.

SUMMARY:

In November 2022, the Board of Supervisors (Board) authorized the establishment of the Monterey County Local Housing Trust Fund (MCLHTF) and an application to the California Local Housing Trust Fund (LHTF) Matching Grant Program. When the County submitted its application to the state to establish the MCLHTF, it committed to funding the Greenfield Commons EAH, L.P. (Greenfield Commons) and Lightfighter Village, L.P. (Lightfighter Village) affordable housing projects. Greenfield Commons is a 100-unit, permanently affordable rental housing project in the city of Greenfield built by EAH Housing (a non-profit housing developer). Lightfighter Village is a 71-unit affordable housing apartment development in the City of Marina that was co-developed by EAH Housing and the Veterans Transition Center of California. Loans were approved by the Board in the amounts of \$500,115 for Lightfighter Village from the MCLHTF and \$1,929,046 for Greenfield Commons from the MCLHTF (\$1,028,833) and Permanent Local Housing Allocation (PLHA) funds (\$900,213).

The proposed actions recommended by staff address: 1) Updates to documentation associated with the original loans for the two projects that are needed for grant administration purposes; and 2) A proposed modification to the loans to address a funding gap on the Greenfield Commons project. See Discussion Below for details.

DISCUSSION:

Documentation Updates for Original Loans

In the Fall of 2024, the State Housing and Community Development Department (State HCD) determined that the loan documents utilizing the PLHA funds were not sufficient because the total amount of the loan for Greenfield Commons (\$1,929,046) was reported to State HCD after the loan was given. The state requires the specific amount of that total coming from the PLHA funds (\$900,213) be reported separately. Additional documentation associated with this loan requested by State HCD has been provided by staff. This action will help the County clear the loans that have already been provided for the Greenfield Commons project through State HCD. Staff is also requesting that as part of this action, an error is corrected in the Lightfighter Village and Greenfield Commons Board Resolutions. The loan documents for both projects have a loan origination fee of 0.5% of the original loan amount. However, the Board Resolutions 23-112 and 23-116 reference a loan origination fee of 2%. Staff is recommending a resolution correcting the amounts to be 0.5% consistent with the loan documents.

New Loan Modification Requested

In September 2025, EAH Housing contacted the County about the two projects. EAH Housing informed the County that they can pay back the \$500,115 loan on Lightfighter Village, but that Greenfield Commons has funding shortages of \$698,189 (see Attachment A). To address the funding shortage for Greenfield Commons, EAH Housing requests that the repaid loan amount for Lightfighter Village be reallocated to the Greenfield Commons project. If the loan for Lightfighter Village is paid back with principal, interest, and the 0.5% loan origination fee, the repaid loan amount would be approximately \$542,500.

The staff recommendation is to provide a loan increase to EAH Housing for the Greenfield Commons project at an amount of approximately \$552,552 but not to exceed \$559,982. This amount is equal to the approximate loan repayment for Lightfighter Village (\$542,570) plus \$9,982 that can still be

allocated from PLHA funds into an affordable housing project. This would leave EAH Housing a balance of approximately \$138,207 of the funding shortage on the Greenfield Commons project. EAH Housing would seek funding from other sources to address the shortage.

The County's loans will have 55-year terms, accrue interest at 3% per annum, and be repaid out of residual receipts. The County will assess a loan origination fee equal to 0.5% of the modified loan amount and an annual monitoring fee equal to 0.1% of the original loan amount. These are standard terms the County has used on loans for affordable housing projects. The County did not receive Regional Housing Needs Allocation credit for these units because building permits were issued by the cities of Marina and Greenfield.

OTHER AGENCY INVOLVEMENT:

County Counsel and State HCD Legal Counsel will review the Loan Agreements, Promissory Notes, Deed of Trusts, and Regulatory Agreement for consistency as to form and legality prior to the documents being executed by the Director of Housing and Community Development or his designee.

FINANCING:

The revenue and appropriation increase for Fund 013 (Community Development) shall use incoming Lightfighter Village loan repayment funds of an amount not to exceed \$550,000 and PLHA funding of approximately \$9,982, Unit 8545, Appropriations Unit HCD004.

There is no impact to the General Fund for this action.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Management of grant funds and loans that support the development of affordable housing in Monterey County supports the Boards strategic initiatives by improving the well-being and quality of life for low-income households and Veterans. Additionally, both projects have been designed with sustainability provisions included which promotes the Board's sustainable infrastructure goals.

Check the related Board of Supervisors Strategic Plan Goals:

- Well-Being and Quality of Life
- Sustainable Infrastructure for the Present and Future
- Safe and Resilient Communities
- Diverse and Thriving Economy
- Administrative

Link to the Strategic Plan:

[<https://www.countyofmonterey.gov/home/showdocument?id=139569>](https://www.countyofmonterey.gov/home/showdocument?id=139569)

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Approved by: Craig Spencer, Director of Housing & Community Development, x5233

The following attachment(s) are on file with the Clerk of the Board:

Attachment A - Greenfield Commons Cost Overruns, Development Budget