



COUNTY OF LAKE

255 North Forbes Street
Lakeport, CA 95453

Memorandum

1/10/2023

Item#: 7.4

Memorandum

Date: January 10, 2023

To: The Honorable Lake County Board of Supervisors

From: Todd Metcalf, Behavioral Health Services Director

Subject: Consideration of the PLHA Loan Agreement, PLHA Deed of Trust, PLHA Promissory Note, PLHA Regulatory Agreement, MHSA/HHAP Loan Agreement, MHSA/HHAP Deed of Trust, MHSA/HHAP Promissory Note, Chase/County Subordination Agreement, County/Sponsor Subordination Agreement, County/DDS Subordination Agreement for the Collier Avenue Housing Project.

Executive Summary:

The attached documents represent the final step in executing the Collier Avenue Housing project, prior to breaking ground. The Department and project partners will present the project and these documents. Of note, the County Housing Authority's loan is a non-recourse loan. A non-recourse loan permits the lender to seize only the collateral specified in the loan agreement, even if its value does not cover the entire debt. Here, the collateral is the Collier Avenue property. If there is a balance due after selling the asset collateralized with the loan, the lender must take the loss. It has no claim on the borrower's other funds, possessions, or income.

If not budgeted, fill in the blanks below only:

Estimated Cost: N/A Amount Budgeted: N/A Additional Requested: N/A Future Annual Cost: N/A

Purchasing Considerations (check all that apply):

☒ Not applicable

☐ Fully Article X. <https://library.municode.com/ca/lake_county/codes/code_of_ordinances?nodeId=COOR_CH2AD_ARTXPU_S2-38EXCOBI>- and/or Consultant Selection Policy <[http://lcnet.co.lake.ca.us/Assets/Intranet/Policy/Policies+\\$!26+Procedures+Manual/Ch4_2021v2.pdf](http://lcnet.co.lake.ca.us/Assets/Intranet/Policy/Policies+$!26+Procedures+Manual/Ch4_2021v2.pdf)>-Compliant (describe process undertaken in "Executive Summary")

☐ Section 2-38 <https://library.municode.com/ca/lake_county/codes/code_of_ordinances?nodeId=COOR_CH2AD_ARTXPU_S2-38EXCOBI> Exemption from Competitive Bidding (rationale in "Executive Summary," attach documentation, as needed)

☐ For Technology Purchases: Vetted and Supported by the Technology Governance Committee <<http://lcnet.co.lake.ca.us/Assets/Intranet/Intranet+Forms/Information+Technology/AdvPlan.pdf>> ("Yes," if checked)

☐ Other (Please describe in Executive Summary)

Consistency with Vision 2028 <<http://www.lakecountyca.gov/Government/Directory/Administration/Visioning/Vision2028.htm>>

(check all that apply):

- ☒ Well-being of Residents
- ☒ Economic Development
- ☒ Community Collaboration

☐ Not applicable

- ☐ Public Safety
- ☐ Infrastructure
- ☐ Business Process Efficiency

- ☐ Disaster Prevention, Preparedness, Recovery
- ☐ County Workforce
- ☐ Clear Lake

Recommended Action: Approve the PLHA Loan Agreement, PLHA Deed of Trust, PLHA Promissory Note, PLHA Regulatory Agreement, MHSA/HHAP Loan Agreement, MHSA/HHAP Deed of Trust, MHSA/HHAP Promissory Note, Chase/County Subordination Agreement, County/Sponsor Subordination Agreement, County/DDS Subordination Agreement for the Collier Avenue Housing Project.