



Legislation Text

File #: 21-211, Version: 1

Memorandum

Date: April 6, 2021

To: The Honorable Bruno Sabatier, Chair, Lake County Board of Supervisors

From: Carol J. Huchingson, County Administrative Officer

Subject: Consideration of Resolution of the Board of Supervisors of the County of Lake, State of California Confirming the Prior Transfer from the Former Lake County Redevelopment Agency to the Lake County Housing Agency of Certain Real Property Liens, and Authorizing Assignments of Deeds of Trust to Reflect that Transfer

Executive Summary: (include fiscal and staffing impact narrative): In 2005, the former Lake County Redevelopment Agency entered into an Owner Participation Agreement (OPA) with Rural Communities Housing Development Corporation (RCHDC) for a 50 unit affordable housing project to be located at 6853 Collier Avenue in Nice, California.

The former Lake County Redevelopment Agency (RDA) had set aside twenty percent of its tax increment revenues to improve and increase the supply of affordable housing and, pursuant to the OPA, it agreed to use a portion of said monies to provide a loan to RCHDC to assist in the development of the Project.

The Owner's Participation Agreement was first amended in 2009 to increase the financial amount of the former Lake County Redevelopment Agency's participation. The initial loan amount of two hundred fifty thousand dollars (\$250,000) which was secured by a Deed of Trust and Assignment of Rents recorded against the property located at 6853 Collier Avenue, Nice, California on April 7, 2005, was followed by an additional loan amount of nine hundred ninety-eight thousand dollars (\$998,000), which was secured by an additional Deed of Trust against the Collier Avenue Property on June 8, 2009. Subsequently, six hundred and twenty-six thousand eight hundred and seventy-two dollars (\$626,872) of the total loan amount was expended for pre-development costs.

As a result of Bx1 26 and the California Supreme Court case, California Redevelopment Association v. Matosantos, redevelopment agencies were dissolved effective February 1, 2012. On January 24, 2012, the Lake County Board of Supervisors adopted Resolution No. 2012-10 whereby the County of Lake elected to serve as the successor agency to the Lake County Redevelopment Agency and to assume the responsibilities, rights, and power of a successor agency pursuant to Health and Safety Code section 34177.

The County of Lake further elected not to retain housing assets and functions and pursuant to Health and Safety Code section 34176 and transfer to the Lake County Housing Authority all rights, powers, assets, liabilities, duties and obligations associated with housing activities to the Lake County Housing Authority. This transfer specifically included the loan receivable from Rural Communities Housing Development Corporation in the amount of \$626,872 with the condition if the housing units were used for low income pursuant to the

affordable Housing Covenant of the Owner Participation Agreement the loan is deferred and forgiven after 55 years.

To facilitate the winding down of redevelopment agencies, the State required that successor agencies to the redevelopment agencies be assigned to manage redevelopment projects underway when dissolution happened, make payments on outstanding debts, and dispose of the former redevelopment agency's non-housing assets. Each such successor agency has a seven-member Oversight Board that is responsible for overseeing the wind-down of former redevelopment agency's business and is comprised of representatives of local agencies that serve in the former redevelopment project areas.

On February 13, 2012 the Oversight Board of the successor Agency to the Lake County Redevelopment Agency directed the termination of the Owner Participation Agreement and the transfer of housing assets and obligations, including the encumbered amount in the housing fund to the Lake County Housing Authority.

On March 5, 2012, the Oversight Board of the Successor Agency to the Lake County Redevelopment Agency reconsidered the termination of the Owner Participation Agreement and instead made an order which included the following: 1) The County Housing Authority would cease distribution of any loan funds, 2) Repayment of money already disbursed would not be required at the time, 3) The County Housing Authority would retain second and third deeds of trust on the Collier Avenue Property; 4) the balance would be due and payable in five (5) years unless the Project is completed or substantial progress was made.

Although the transfer of all rights and obligations related to the Project was duly ordered by the Oversight Board of the Successor Agency to the Lake County Redevelopment Agency, no formal action was taken to assign to the County Housing Authority as the beneficiary of the deeds of trust securing the subject loan(s) by the former Lake County Redevelopment Agency.

This Resolution affirms the determination described in Lake County Resolution 2012-10 and includes the necessary actions needed to formally assign the deeds of trust securing the loans from the Lake County Redevelopment Agency to the Lake County Housing Authority.

If not budgeted, fill in the blanks below only:

Estimated Cost: _____ Amount Budgeted: _____ Additional Requested: _____ Future Annual Cost: _____

Consistency with Vision 2028 and/or Fiscal Crisis Management Plan (check all that apply):

- | | | | |
|----------------------------------------------------------|------------------------------------------------------|-------------------------------------------|----------------------------------------------|
| <input type="checkbox"/> Well-being of Residents | <input type="checkbox"/> Public Safety | <input type="checkbox"/> Infrastructure | <input type="checkbox"/> Not applicable |
| <input checked="" type="checkbox"/> Economic Development | <input type="checkbox"/> Disaster Recovery | <input type="checkbox"/> County Workforce | <input type="checkbox"/> Technology Upgrades |
| <input type="checkbox"/> Community Collaboration | <input type="checkbox"/> Business Process Efficiency | <input type="checkbox"/> Clear Lake | <input type="checkbox"/> Revenue Generation |
| | | | <input type="checkbox"/> Cost Savings |

If request for exemption from competitive bid in accordance with County Code Chapter 2 Sec. 2-38, fill in blanks below:

Which exemption is being requested?
How long has Agreement been in place?

When was purchase last rebid?
Reason for request to waive bid?

Recommended Action: Adopt Resolution confirming the prior transfer from the former Lake County Redevelopment Agency to the Lake County Housing Authority of certain real property liens, and authorizing Chair to sign assignments for each of the deeds of trust to reflect that transfer.