



Legislation Details (With Text)

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Title: Chief Administrative Office, Housing, Community and Economic Development Programs, recommending the Board, acting as the Board of Directors for the El Dorado County Public Housing Authority consider the following:

- 1) Approve request for Assumption and Assignment Agreement for CalHFA HELP Loan 022607-02 to transfer loan from Mercy Housing California to Mercy Housing California 55 for the Sunset Lane/Trailside Terrace Apartments in Shingle Springs, California; and
- 2) Authorize the Assistant Chief Administrative Officer, acting as the authorized official of the El Dorado County Public Housing Authority, to execute the documents necessary for the transfer.

FUNDING: California Housing Finance Authority Housing Enabled by Local Partnerships Funds.

Sponsors:

Indexes:

Code sections:

Attachments: 1. A - Blue Route 2-25-14, 2. B - ASSIGN-HELP 022607-02 Loan 2-25-14, 3. C - Mercy-Executed CalHFA Loan Agreement 12.29.09 2-25-14

Date	Ver.	Action By	Action	Result
2/25/2014	1	Board of Supervisors	Approved	Pass

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Fiscal Impact/Change to Net County Cost

No fiscal impact, no change to Net County Cost. The loan was approved for Mercy Housing California in 2009 and all funds have been disbursed per the terms of the agreement. This item reassigns the loan to Mercy Housing California 55, a California Limited Partnership formed by Mercy Housing California to develop the Sunset Lane/Trailside Terrace Apartments project.

Background

The Chief Administrative Office, Housing Community and Economic Development Programs, on behalf of the El Dorado County Public Housing Authority (PHA), recommending the Board approve a request from Mercy Housing California to transfer a California Housing Finance Authority (CalHFA) Housing Enabled by Local Partnerships (HELP) loan from Mercy Housing California (Mercy) to Mercy Housing California 55 (MHC55).

On December 29, 2009, a loan agreement between the PHA and Mercy was executed for a \$100,000 pre-development loan from the California Housing Finance Authority (CalHFA) Housing Enabled by Local Partnerships (HELP) funds for the Sunset Lane Apartments project, a 40-unit affordable rental housing project, now called the Trailside Terrace Apartments. The terms of the loan agreement are 3.5 percent per annum simple interest for a period of 60 months. Authorized uses of the funds include architectural, engineering, and building and planning permits and fees. Mercy fully expended the \$100,000 per the terms of the agreement. The loan is due and payable no later than December 29, 2014, or earlier if certain conditions are met. The Sunset Lane/Trailside Terrace Apartments project was completed in August 2013.

Mercy formed MHC55, a California Limited Partnership, to develop the Sunset Lane/Trailside Terrace Apartments project. MHC55 is organized under Section 501(c)(3) of the Internal Revenue Code.

This loan was originally administered through the Health and Human Services Agency and HCED on behalf of the PHA. On November 5, 2013, the Board of Supervisors approved Resolution 167-2013 (Legistar 13-1395, agenda item 27) appointing the Assistant Chief Administrative Officer, or designee, as the authorized official to execute and administer HCED State and federal grant programs.

Reason For Recommendation:

Construction is complete on the Sunset Lane/Trailside Terrace Apartments and Mercy is requesting County approval for an Assignment and Assumption Agreement to reassign the pre-development loan obligation from Mercy to MHC55 to finalize the permanent financing for the development partnership.

Clerk of the Board Follow Up Actions

No action required by the Clerk of the Board. Upon approval, the Assistant Chief Administrative Officer, acting as authorized official of the El Dorado County Public Housing Authority, will execute Assignment and Assumption Agreement and all other documents necessary transfer the loan from Mercy Housing California to MHC55.

Contact

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Concurrences

County Counsel and Risk Management