



Legislation Text

File #: 19-1634, **Version:** 1

Planning and Building Department, Long Range Planning, Housing, Community and Economic Development Program, recommending the Board:

- 1) Adopt and authorize the Chair to sign Resolution **004-2020** approving a loan approval transfer from CoreCare Foundation to SNO Foundation Trust, a private not-for-profit 501(c)(3) Private Foundation with funding from the Affordable Housing Trust Fund Revolving Predevelopment Loan Program to be used for predevelopment expenses associated with the Diamond Springs Village Apartments, an 81-unit affordable rental housing development in Diamond Springs; and
- 2) Authorize the Director of Planning and Building, or designee, to sign the Loan Agreement, Promissory Note, Deed of Trust, and any related documents on behalf of the County that do not increase the maximum dollar amount or term of the Agreement, contingent upon approval by County Counsel and Risk Management.

FUNDING: Affordable Housing Trust Fund Revolving Predevelopment Loan Program within the Housing, Community and Economic Development Program Funds. (100% - Local)

DISCUSSION / BACKGROUND

On January 7, 2002, a petition for Writ of Mandate was filed by the Measure Y Committee and others to stop the development of the Valley View Specific Plan in El Dorado Hills. The result of the petition was a settlement agreement that reduced the size of the development and required a \$150,000 contribution from the El Dorado Hills Investors to the County's affordable housing efforts.

On April 16, 2002, the Board adopted Resolution 101-2002 which approved a loan of \$150,000 at 1% simple interest per annum to Mercy Housing California for predevelopment costs associated with the 168-unit affordable workforce rental housing complex known as White Rock Village Apartments. Mercy Housing California repaid the loan, including accrued interest of \$4,438.44, on July 31, 2005, following completion of White Rock Village.

On March 3, 2009, the Board adopted Resolution 048-2009 approving a loan of \$130,000 at 1% simple interest per annum to El Dorado Habitat for Humanity, Inc., for predevelopment costs associated with a 25-unit affordable single-home development in Diamond Springs (Agenda Item 13, Legistar File 09-0137). The project was cancelled and funds were never distributed. The funds are available within a designated Special Revenue Fund as the Affordable Housing Trust Fund Revolving Predevelopment Loan Program within the HCED Program for developers of affordable housing.

On June 27, 2017, the Board adopted Resolution 101-2017 approving a loan of up to \$150,000 at 1% simple interest per annum to CoreCare Foundation, Inc. a private not-for-profit 501(c)(3) Corporation for predevelopment costs associated with an 81-unit affordable rental housing development, known as the Diamond Springs Village Apartments (the Project). (Agenda Item 24, Legistar File 17-0587). CoreCare Foundation, Inc. subsequently transferred assets, specifically the Project and its property, to SNO Foundation, a not-for-profit 501(c)(3) Private Foundation.

The Board is asked to approve a resolution transferring the predevelopment loan approval from

CoreCare Foundation to SNO Foundation Trust, a private not-for-profit 501(c)(3) Private Foundation, of up to \$150,000 at 1% per annum simple interest, with deferred payment for a period of up to 60 months.

The predevelopment costs include but are not limited to: architectural plans and specs; market research consultants; preliminary financial applications; legal fees; reasonable and customary costs of obtaining firm construction loan commitments; engineering studies; and other costs reasonably associated with activities prior to development of the property. Predevelopment costs do not include administrative and staff costs.

The loan transfer, if approved, will be formalized by a Promissory Note and Deed of Trust with the property serving as security for the full amount of the loan, pending County Counsel and Risk Management approval of the documents.

ALTERNATIVES

The Board may reject the transfer of the affordable predevelopment loan funds.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

County Counsel and Risk Management.

CAO RECOMMENDATION

It is recommended that the Board approve this item.

FINANCIAL IMPACT

No change to net County cost is associated with this item. Funds are available in the Affordable Housing Trust Fund Revolving Predevelopment Loan Program from proceeds received from prior predevelopment loan repayments plus interest accrued. The current fund balance is approximately \$163,000 and available to encourage safe, decent, affordable housing for people with lower incomes.

CLERK OF THE BOARD FOLLOW UP ACTIONS

- 1) The Clerk of the Board will secure the Chair's signature on the original copy of the Resolution; and
- 2) The Clerk of the Board will provide two (2) certified Resolution copies to Planning and Building Department, attention of C.J. Freeland, HCED Program.

STRATEGIC PLAN COMPONENT

Economic Development - workforce housing

CONTACT

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