

Lake County Redevelopment Successor Agencies Oversight Board

AGENDA

Monday, May 9, 2022

4:00 PM

Join Zoom Meeting

<https://lakecounty.zoom.us/j/92029442348?pwd=WIIta0E2bTNpMjExbERVYUJlQjZGZz09>

Meeting ID: 920 2944 2348

Passcode: 794676

Dial by your location

+1 669 900 6833

Any member of the public may submit written comments to the Oversight Board through the Lake County Auditor's Office, 255 N. Forbes St., Lakeport, CA, or by email to the Oversight Board at auditor@lakecountycalifornia.gov. Please submit written comments no later than 8:00 AM on May 9, 2022.

1. Call to order.
2. (a) Consideration of Acceptance of the Resignation from Vanessa Mayer, Employee Organization Representative; and (b) Discussion of Replacement for the Employee Organization Representative.
3. Consideration of Minutes from the February 28, 2022 and March 7, 2022 meeting.
4. (Continued and revised from the January 26, 2022, February 7, 2022, February 14, 2022, February 28, 2022 and March 7, 2022 meetings) (a) Discussion, Consideration and Adoption of Resolution OB-2022-__ of the Oversight Board to the Lake County Redevelopment Agency reconfirming its prior determination to allow the Collier Avenue Affordable Housing Project to go forward, consideration of amendments to the renegotiated agreement with the Rural Communities Housing Development Corporation, and consideration of acceptance of said agreement.
5. Public input relative to items not on today's agenda.
6. Adjourn.

Oversight Board members:

*Moke Simon, Lake County Board of Supervisors
Alan Flora, City Selection Committee representative
Christine Flora, Independent Special Districts representative
Brock Falkenberg, County Superintendent of Schools
Dr. Cirilo Cortez, Community Colleges representative
John Carlisi, Public Member appointed by County Board of Supervisors
Vanessa Mayer, Employee Organization representative*

Supporting documents for this meeting are available for public inspection in the Office of the Lake County Auditor-Controller, Courthouse, Second Floor, 255 N. Forbes St., Lakeport, CA.

A request for a disability-related modification or accommodation necessary to participate in the Oversight Board meeting should be made in writing to the County Auditor-Controller at least 48 hours in advance of the meeting.

Carolyn Purdy

Subject: Withdrawal from the RDA Oversight Board

Importance: High

From: Vanessa Mayer

Subject: Withdrawal from the RDA Oversight Board

Importance: High

Good afternoon,

I am writing to advise that I have accepted a position as Program Manager for Behavioral Health Services effective 5/1/2022. This means that I will not be able to attend the RDA Oversight Board Meeting on 5/9/2022 as a representative for LCEA. The union won't be meeting until 5/17/2022 where they can vote on a replacement. Please accept my apologies for the short notice, and for LCEA's absence at the next meeting. The position I've accepted has been vacant for some time and so things have been moving fast on this appointment.

Please let me know if you have any questions or concerns. Hopefully LCEA will have a replacement appointed on or after their meeting on 5/17/2022.

Thank you!

Vanessa Mayer

(she/her)

Compliance Program Manager

Lake County Behavioral Health Services

Phone: (707) 533-7901

Fax line: 707-274-9192

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Item 3

**Minutes of the February 28, 2022 Meeting of the Lake County Redevelopment
Successor Agencies Oversight Board**

Oversight Board members:

Moke Simon, Lake County Board of Supervisors
Alan Flora, City Selection Committee representative
Christine Flora, Independent Special Districts representative
Brock Falkenberg, County Superintendent of Schools
Dr. Cirilo Cortez, Community Colleges representative
John Carlisi, Public Member appointed by County Board of Supervisors
Vanessa Mayer, Employee Organization representative

1. Call to order: Vice-Chair Brock Falkenberg, sitting as Chair, opened the meeting of the Lake County Redevelopment Successor Agencies Oversight Board at 2:00 p.m. on February 28, 2022 and determined that a quorum did not exist. The following Board members were present via Zoom video conference: Brock Falkenberg, Alan Flora and Vanessa Mayer. Board members (Chair) Moke Simon, John Carlisi, Dr. Cirilo Cortez and Christine Flora were absent. It was decided the Board would wait to see if an additional members would arrive. At 2:15 pm, Board Member John Carlisi was able to join the meeting after experiencing technical difficulties.

Also present via Zoom were Anita Grant, Susan Parker, Todd Metcalf, Ryan La Rue, Angelina Figueroa, Jessica Johnson, Elizabeth Matsumoto, William De Camillo, Jenavive Herrington and Carolyn Purdy.

Chair Falkenberg asked for a motion to approve the agenda. On motion of Board member Mayer, seconded by Board member Carlisi, approved the agenda as presented (4 ayes).

2. (a) (Continued and revised from the February 14, 2022 meeting) Approval of minutes of the meetings of January 26, 2022 and February 7, 2022; and (b) Approval of minutes of the meeting of February 14, 2022: Chair Falkenberg presented the item and asked that each set of minutes be voted on separately. (a) On motion of Board member Mayer, seconded by Board member Carlisi, and by a roll call vote (3 ayes - 1 abstain), the minutes of the January 26, 2022 Oversight Board meeting were approved. On motion of Board member Carlisi, seconded by Board member Flora, and by a roll call vote (4 ayes) the minutes of the February 7, 2022 Oversight Board meeting were approved. (b) On motion of Board member Flora, seconded by Board member Mayer, and by a roll call vote (4 ayes) the minutes of the February 14, 2022 meeting were approved.

3. (Continued and revised from the January 26, 2022, February 7, 2022 and February 14, 2022 meetings) (a) Discussion and Consideration of the Lake County Counsel's response to the Oversight Board's question related to forgiving monies loaned by the former Lake County Redevelopment Agency for the Collier Avenue Affordable Housing Project; and (b) Discussion, Consideration and Adoption of Resolution OB-2022-XX of the Oversight Board to the Lake County Redevelopment Agency reconfirming its prior determination to allow the Collier Avenue Affordable Housing

Project to go forward and ratifying and/or directing amendments to the New Agreement with the Rural Communities Housing Development Corporation: Chair Falkenberg introduced the item. County Counsel Anita Grant gave an overview of the Oversight Board authority to forgive a loan. Ms. Grant stated the Board of Supervisors adopted a resolution effectuating the transfer of this obligation, with assets to the Housing Authority in 2012. The Oversight Board now has some question of this project moving forward, and at the same time there is still a commitment to move ahead with this type of affordable housing project. In March 2012, the Oversight Board did determine the Collier Avenue project could go forward, directing the Housing Authority to retain the liens securing the Redevelopment loans. These loans, pursuant to the agreement as it exists, would be forgivable after 55 years. According to the minutes from March 5, 2012, the Oversight Board also directed staff to make amendments to the agreements with Rural Communities Housing Development Corporation (RCHDC), including that the Housing Authority would not disburse any more money. Remaining funds would be disencumbered, repayment of money already disbursed would not be required at this time. RCHDC would also retain ownership of the engineered drawing plans. The Housing Authority would retain its 2nd and 3rd Deeds of Trust on the property and the balance owing would be due and payable in 5 years, until the project was completed or substantial progress had been made. There were several references by the Oversight Board at this time stating the item would come back if the project was not complete within 5 years, which did not occur. Since that time, affordable housing opportunities have changed. RCHDC is able to move forward with the project and the need for affordable housing in Lake County has not diminished. The Housing Authority and RCHDC did renegotiate the agreement, to cancel and forgive both notes dated Nov 1, 2004 and June 5, 2005. The County Board of Supervisors Resolution #2021-38 reflects \$600,872 of total funds expended. Meeting minutes of March 5, 2012 reflect the amendments that the Oversight Board considered at the time and housing assets had all been transferred by then to the Housing Authority. The Oversight Board was concerned about the use of these monies toward an agreement, if the agreement did not come to fruition. The Board was worried about what was going to secure the agreement moving forward. This is why the Oversight Board wanted to see what kind of progress was going to be made in 5 years, although this is not standard procedure for an Oversight Board to make this type of projection. Health & Safety Code 34177 does require Oversight Boards to enforce all former RDA rights to the benefit of the tax entities. In March 2012, there was a determination that no further monies had to be paid. Determinations of the Oversight Board were to call the project in February 2012 and then in March 2012 decided to rethink that. What has happened since that time has been a more secured agreement with a quitclaim deed to be executed in favor of the Housing Authority. This is not a question of the Oversight Board having to forgive the loan, the circumstance is of the Oversight Board allowing the project to go forward.

Board member Flora had a question regarding the comment about the decision being compared to the decision made in 2012. Health & Safety Code 34177 and some sections to the Health and Safety codes stated were not in effect at that time, they were added in 2015. Ms. Grant replied with Health and Safety code information and provisions for consideration. This agreement secures funds in a way that is much more defined from a

legal perspective. Chair Falkenberg asked Ms. Grant if the summary of her legal review would be that the Oversight Board has the ability to move forward with this project. Ms. Grant stated the Board could further amend the agreement or allow the project to go forward given its current status, without changing it as a Housing Asset. Chair Falkenberg asked Susan Parker if she had anything to add. Ms. Parker spoke and readdressed the recommended action to adopt the resolution to reconfirm the Boards prior determination. Chair Falkenberg asked if Mr. La Rue if he had anything to add. Mr. La Rue stated this there is approximately \$1,100,000 of State funds committed to the project. RCHDC has also applied for \$6,000,000 in State funds and feel very confident to be competitive for low income tax credits in the amount of \$12,500,000 through the low income tax credit committee and Federal tax credits. Board member Carlisi asked what the funding sources would be. Mr. La Rue responded that there would be \$12,500,000 Federal tax credits and funding from No Place Like Home, the State of California and Federal Home Loan Bank of S.F. The Collier Avenue units will be multi-family rentals. Behavioral Health Director Todd Metcalf added that the Mental Health Services Act will also be a funding source. Board member Flora stated he struggles with whether or not this project is consistent with the original intent. The Oversight Board represents the taxing agencies to maximize the value. The only way to support this agreement would be with some changes. Board member Flora stated the 55 year covenant needs to stay in place and default provisions need to be strengthened up. The agreement relies on the County to initiate default if this were to happen. County Counsel Anita Grant stated if default were to occur, the 55 year provision would protect, as the loans were non-recourse. Mr. La Rue said the original intent was to support a housing project, which would been tax exempt as well. RCHDC Attorney William Di Camillo spoke and stated the original OPA would be exempt from property taxes. If the land comes back to the County, the monies would go into the housing asset and could not be disbursed into the taxing agencies. That designation cannot change. Board member Carlisi asked about converting to a soft 2nd mortgage, cash flow reliant and not recorded, with 55 year provision. Ms. Grant stated that the solutions may lie with beefing up and bringing clarity to the default provisions, to provide a stronger recourse throughout. Board member Flora said three things need to happen; a 55 year covenant, strengthen default provisions, and if a default happens with sale by the Housing Authority, proceeds go to taxing entities. Ms. Grant stated that deed restrictions and beefing up the default provisions will give better recourse than in 2012. Chair Falkenberg asked if the Successor Agency could move forward with the plan. Action has already taken place by the Board of Supervisors and the Oversight Board could make amendments to the agreement. Adjustments made with greater clarity and the property transferring back to the Successor Agency. Ms. Grant will address changes and being the item back with two options.

The date of Monday, March 7, 2022 @ 4pm was decided by consensus for a special meeting, if Board members are available.

4. Public input relative to items not on today's agenda: The Chair asked if any members of the public wished to speak on any matter not on the posted agenda. No one present wished to speak.

5. Adjournment: There being no further business the meeting was adjourned at 3:16 pm. Motion by Board member Vanessa Mayer, second by Board member John Carlisi. All in favor (4 ayes).

Carolyn Purdy
Board Secretary

Chair

DRAFT

Item 3

**Minutes of the March 7, 2022 Meeting of the Lake County Redevelopment
Successor Agencies Oversight Board**

Oversight Board members:

Moke Simon, Lake County Board of Supervisors
Alan Flora, City Selection Committee representative
Christine Flora, Independent Special Districts representative
Brock Falkenberg, County Superintendent of Schools
Dr. Cirilo Cortez, Community Colleges representative
John Carlisi, Public Member appointed by County Board of Supervisors
Vanessa Mayer, Employee Organization representative

- 1. Call to order:** Vice-Chair Falkenberg acting as Chair, convened the meeting of the Lake County Redevelopment Successor Agencies Oversight Board at 4:01 p.m. The following Board members were present via Zoom video conference: Brock Falkenberg, Alan Flora, John Carlisi and Vanessa Mayer. Board members (Chair) Moke Simon, Dr. Cirilo Cortez and Christine Flora were absent.

Also present via Zoom were Carol Huchingson, Anita Grant, Susan Parker, Todd Metcalf, Ryan La Rue, Jessica Johnson, Angelina Figueroa, William De Camillo, Elizabeth Matsumoto, Elizabeth Larson, Peter Bazzano, Jenavive Herrington and Carolyn Purdy.

- 2. (Continued and revised from the January 26, 2022, February 7, 2022, February 14, 2022 and February 28, 2022 meetings) Discussion, Consideration and Adoption of Resolution OB-2022-XX of the Oversight Board to the Lake County Redevelopment Agency reconfirming its prior determination to allow the Collier Avenue Affordable Housing Project to go forward, consideration of amendments to the renegotiated agreement with the Rural Communities Housing Development Corporation, and consideration of ratification of said agreement:** Chair Falkenberg introduced the item to the Board. County Counsel Anita Grant presented materials to strengthen the default provisions; Use and affordability restrictions and improving upon the provision for the Housing Authority to take the Collier Avenue property for \$1. Redevelopment law had a major focus on affordable housing, which was protected throughout the dissolution of redevelopment. What has been attempted with the inclusion of the language for this agreement is to ensure that housing assets that were transferred to the Housing Authority from 2012 would remain as housing assets. The goal of the Oversight Board to protect assets as housing assets is reached by those provisions. The overall intent of Oversight Board when changing their minds from February 2012 to March 2012 was to protect those assets and give the project opportunity to go forward.

Chair Falkenberg asked if Mr. La Rue for any input regarding the memo provided by Ms. Grant. Mr. La Rue stated the provisions were fine moving forward. Board member Carlisi asked if there was prior documentation with provisions of a time to develop housing or was that open ended. Mr. La Rue stated it was 5 years in the original

document. Board member Carlisi commented, if the property gets transferred over it seems like it is restricting the Housing Authority on using it for special needs housing. Could the Housing Authority use be for any affordable housing needs at that time? Ms. Grant stated you could broaden the agreement to state that but it would not be a requirement. Chair Falkenberg felt it could be either/or. County Administrative Officer Carol Huchingson said this model was common where there is mixed housing usage. Funding sources are available such as No Place Like Home funds. Board member Carlisi asked if the project does not develop, could the Housing Authority be restricted to the same model. Director of Behavioral Services Todd Metcalf said the project was resurrected due to the Behavioral Health monies that are available for low income and mental illness. Ms. Grant added this will not fall apart by default, the Housing Authority can use this as affordable housing. The Oversight Board was for affordable housing only, keeping consistent with prior language. There is not a need to put specific project conditions in. Chair Falkenberg asked Mr. Metcalf about the language, it says low, very low income households, including persons with mental or substance use disorders. Mr. Metcalf said it would not be limited to those clients with mental or substance use disorders. Board member Carlisi said if the Board agreed with the language as proposed, that includes people that need affordable housing as well as special needs housing, this was fine with him. Mr. La Rue agrees with the wording, a common model with inclusion of individuals at risk for homelessness. He added that the deadline for applying for the final round of funds is July 1st. Board member Mayer had no comments and felt that all issues were covered. Board member Flora agrees to remove reference to the persons that suffer from mental and substance use disorders from the language. Board member Flora also directed some questions to Ms. Grant; he asked if the use and affordability restrictions with these changes, would last for no more than 5 years with RCHDC. He does not see anything else in the language that would put any restrictions on RCHDC. Recorded documents that exist now would be eliminated and there would be no recorded documents, just this agreement. Ms. Grant stated this agreement would be the gravamen of the action because of the beefing up of the default provisions and allowing a direct route to acquisition of the property. Board member Flora stated he thought the restrictions need to remain the same; 55 years, he appreciates the improvements in the default provision and does not like the fact that nothing is recorded against the property. Mr. La Rue added that RHCDC did responded to an RFP issued by Lake County for No Place Like Home funds through the State of California. RHCDC were awarded those dollars, which will come through the County to the project, with a recorded deed and 55 year required affordability through the State of California. Lake County is a co-applicant for those funds, so is vested in this project as well.

Chair Falkenberg asked Ms. Grant if the best way to move forward is to refer this item back to the Successor Agency and then back to the Oversight Board for action. Ms. Huchingson suggested taking the item back to Housing Authority for language and bring back to this Board for consideration. Ms. Grant will move forward to shore up the strength of the agreement. Ms. Huchingson replied that the item would go before the Board of Supervisors, to be heard by the Housing Authority within two weeks to revise as necessary. Board member Carlisi asked if there were any time constraints.

Behavioral Health Director Todd Metcalf stated the timeframe was open ended at this time. By consensus, this item will go before the Housing Authority and return to this Board for further consideration.

3. **Public input relative to items not on today's agenda:** The Chair asked if any members of the public wished to speak on any matter not on the posted agenda. No one present wished to speak.
4. **Adjournment:** There being no further business the meeting was adjourned at 4:35 pm. Motion by Board member Vanessa Mayer, second by Board member John Carlisi. All in favor (4 ayes).

Carolyn Purdy
Board Secretary

Chair

Oversight Board to Lake County Successor Agencies

STAFF REPORT	
RE: 6853 Collier Avenue Affordable Housing Project	MEETING DATE: 5/9/2022
SUBMITTED BY: Susan Parker, Interim County Administrative Officer	
PURPOSE OF REPORT: <input type="checkbox"/> Information only <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Item	

WHAT IS BEING ASKED OF THE BOARD: Continued and revised from the January 26, 2022, February 7, 2022, February 14, 2022, February 28, 2022 and March 7, 2022 meetings, (a) Discussion, Consideration and Adoption of Resolution OB-2022-__ of the Oversight Board to the Lake County Redevelopment Agency reconfirming its prior determination to allow the Collier Avenue Affordable Housing Project to go forward, consideration of amendments to the renegotiated agreement with the Rural Communities Housing Development Corporation, and consideration of acceptance of said agreement.

DISCUSSION: In March of 2012, this Board decided to provide an opportunity for the Collier Avenue Affordable Housing Project to move forward and provided a five-year time period within which at least substantial progress toward completion of the project was to be made. Unfortunately, that five-year period lapsed. Despite the lapse of the five-year deadline, the project has been revitalized and presents a significant opportunity for the development of a viable housing asset.

We are all well aware that affordable housing continues to be a matter of critical need and that the Collier Avenue Affordable Housing Project is now poised to move forward and it is the intention of the Lake County Housing Commission that it do so.

On February 28, 2022, your Board requested the Lake County County Counsel to recommend certain amendments to the 2021 renegotiated Agreement for the Collier Avenue Affordable Housing Project to strengthen the agreement's default provisions and secure the housing asset.

On March 7, 2022, after reviewing these amendments, your Board asked that they be presented to the Lake County Housing Commission for consideration.

On April 12, 2022, the Lake County Housing Commission adopted the first Amendment to the 2021 Agreement to develop affordable housing by and between the Lake County Housing Authority and the Rural Communities Housing Development Corporation. The Housing Commission approved the language previously reviewed by your Board, with the following changes to Section 2.1.8 of the Agreement to read as follows:

2.1.8. In the event the HOUSING AUTHORITY should obtain ownership of the Property due to default pursuant to Section 4 herein, the HOUSING AUTHORITY hereby covenants and agrees that it shall use the Property solely for residential occupancy by low income and very low income households which *may* include persons suffering from mental disorders or substance abuse disorders who are at risk of becoming homeless in compliance with the requirements set forth in this Agreement. *Provided that the HOUSING AUTHORITY has secured the necessary funding for an affordable housing project for low income and very low income households, the HOUSING AUTHORITY agrees to use good faith, commercially reasonable efforts to complete construction of said project, and obtain a certificate of occupancy for said project on or before five (5) years after obtaining ownership of the Property through the default provisions described in Section 4 herein. If for any reason the HOUSING AUTHORITY should*

sell the Property, any monies it realizes from that sale shall be returned to the Successor Agency for the Lake County Redevelopment Agency for distribution by the Lake County Successor Agencies Oversight Board to the taxing entities.

We are presenting this item to request that your Board adopt this Resolution so that the Collier Avenue Affordable Housing Project can move forward.

Please review and consider the attached document(s).

FISCAL IMPACT: None Budgeted Item? Yes No

Budget Adjustment Needed? Yes No If yes, amount of appropriation increase:

Affected fund(s): General Fund Water OM Fund Sewer OM Fund Other: Redevelopment Private Purpose Trust Fund (Successor Agency)

SUGGESTED MOTIONS:

Move to Adopt Resolution OB-2022-XX of the Oversight Board to the Lake County Redevelopment Agency reconfirming its prior determination to allow the Collier Avenue Affordable Housing Project to go forward and ratifying the first Amendment to the New Agreement with the Rural Communities Housing Development Corporation or take other action.

Attachments:

ATTACHMENT A: FIRST AMENDMENT TO THE 2021 AGREEMENT TO DEVELOP AFFORDABLE HOUSING BY AND BETWEEN THE LAKE COUNTY HOUSING AUTHORITY AND THE RURAL COMMUNITIES HOUSING DEVELOPMENT CORPORATION

ATTACHMENT B: RESOLUTION OB-2022 _____

Item 4
Attachment A

FIRST AMENDMENT TO THE 2021 AGREEMENT TO DEVELOP AFFORDABLE HOUSING BY AND BETWEEN THE LAKE COUNTY HOUSING AUTHORITY AND THE RURAL COMMUNITIES HOUSING DEVELOPMENT CORPORATION

This first amendment to the 2021 Agreement to Develop Affordable Housing is made this 12th day of April, 2022, by and between the Lake County Housing Authority (hereinafter referred to as "HOUSING AUTHORITY") and the Rural Communities Housing Development Corporation (hereinafter referred to as "RCHDC").

RECITALS

WHEREAS, an Agreement to Develop Affordable Housing was approved by the Lake County Housing Commission on or about September 28, 2021 (hereinafter, the "2021 Agreement"); and

WHEREAS, subsequent to several public meetings with the Oversight Board of the Successor Agency for the Lake County Redevelopment Agency relating to the authority of the Lake County Housing Authority to move forward with the 2021 Agreement, the Oversight Board recommended that provisions to strengthen the 2021 Agreement be considered by the Lake County Housing Commission.

NOW, THEREFORE, based on the foregoing recitals, and in consideration of the mutual promises, covenants, terms, and conditions, it is agreed between the parties to amend the 2021 Agreement as follows:

1. Section 2.1.8 is hereby added to Section 2.1 "Housing Authority Responsibilities" to read as follows:

2.1.8. In the event the HOUSING AUTHORITY should obtain ownership of the Property due to default pursuant to Section 4 herein, the HOUSING AUTHORITY hereby covenants and agrees that it shall use the Property solely for residential occupancy by low income and very low income households which may include persons suffering from mental disorders or substance abuse disorders who are at risk of becoming homeless in compliance with the requirements set forth in this Agreement. Provided that the HOUSING AUTHORITY has secured the necessary funding for an affordable housing project for low income and very low income households, the HOUSING AUTHORITY agrees to use good faith, commercially reasonable efforts to complete construction of said project, and obtain a certificate of occupancy for said project on or before five (5) years after obtaining ownership of the Property through the default provisions described in Section 4 herein. If for any reason the HOUSING AUTHORITY should sell the Property, any monies it realizes from that sale shall be returned to the Successor Agency for the Lake County Redevelopment Agency for distribution by the Lake County Successor Agencies Oversight Board to the taxing entities.

2. Section 2.2.7 of Section 2.2 "RCHDC Responsibilities" is hereby modified to read as follows:

2.2.7 In the event of default by RCHDC and a demand by the HOUSING AUTHORITY as described in Section 4.2(a) herein, RCHDC agrees to convey the Property to the HOUSING AUTHORITY for one dollar (\$1.00) In such event, RCHDC shall execute a quitclaim deed in favor of the HOUSING AUTHORITY (the "Quitclaim Deed"), and the HOUSING AUTHORITY shall accept the Property in its "as is" condition without any representation or warranty from RCHDC pursuant to the Quitclaim Deed.

3. Section 2.2.9 is hereby added to Section 2.2 "RCHDC Responsibilities" to read as follows:

2.2.9. Use and Affordability Restrictions. RCHDC hereby covenants and agrees that throughout the Term of this Agreement, (as defined in Section 3 herein) the Property shall be used solely for residential occupancy by low income and very low income households which shall include persons suffering from mental disorders or substance abuse disorders who are at risk of becoming homeless in compliance with the requirements set forth in this Agreement. RCHDC represents and warrants that it has not entered into any agreement that would restrict or compromise its ability to comply with the occupancy and affordability restrictions set forth in this Agreement and covenants that it shall not enter into any agreement that is inconsistent with such restrictions without the express written consent of the HOUSING AUTHORITY.

4. Section 4 "Default" is hereby modified to read as follows:

4.1. Event of Default. Each of the following shall constitute a "Default" by RCHDC under this Agreement:

(a) Breach of Covenants. Failure of RCHDC to duly perform, comply with, or observe any of the conditions, terms, or covenants of the Agreement and/or any Addenda thereto, and such failure having continued uncured for ninety (90) days after receipt of written notice thereof from the HOUSING AUTHORITY TO RCHDC.

(b) Insolvency. A court having jurisdiction shall have made or entered any decree or order: (i) adjudging RCHDC to be bankrupt or insolvent; (ii) approving as properly filed a petition seeking reorganization of RCHDC or seeking any arrangement for RCHDC under the bankruptcy law or any other applicable debtor's relief law or statute of the United States or any state or other jurisdiction; (iii) appointing a receiver, trustee, liquidator, or assignee of RCHDC in bankruptcy or insolvency or for any of their properties; (iv) directing the winding up or liquidation of RCHDC, if any such decree or order described in clauses (i) to (iv), inclusive, shall have continued unstayed or undischarged for a period of ninety (90) days; or (v) RCHDC shall have admitted in writing its inability to pay its debts as they fall due or shall have voluntarily submitted to or filed a petition seeking any decree or order of the nature described in clauses (i) to (iv), inclusive.

(c) Assignment or Attachment. RCHDC shall have assigned its assets for the benefit of its creditors or suffered a sequestration or attachment of or execution on any substantial part

of its property, unless the property so assigned, sequestered, attached or executed upon shall have been returned or released within ninety (90) days after such event or, if sooner, prior to sale pursuant to such sequestration, attachment, or execution.

(d) Suspension; Dissolution. RCHDC shall have voluntarily suspended its business or the dissolution of RCHDC.

(e) Liens on Property and the Development. There shall be filed any claim of lien (other than liens approved in writing by the HOUSING AUTHORITY) against the Development, or any part thereof, or any interest or right made appurtenant thereto, for a period of twenty (20) days without discharge or satisfaction thereof or provision therefore (including, without limitation, the posting of bonds) satisfactory to the HOUSING AUTHORITY.

(f) Failure of RCHDC to meet its obligations pursuant to Section 2.2.8 and/or 2.2.9 of the Agreement.

4.2. Remedies. The occurrence of any Default hereunder following the expiration of all applicable notice and cure periods will, either at the option of the HOUSING AUTHORITY or automatically where so specified, shall give the HOUSING AUTHORITY the right to proceed with any and all remedies set forth in this Agreement and any Addenda thereto. The occurrence of any of the events of Default in Section 4.1 shall act to accelerate automatically, without the need for any action by the HOUSING AUTHORITY.

(a) Surrender of the Property. RCHDC acknowledges and agrees that should it for any reason default as defined herein, the affordable housing project described in this Agreement will be imperiled, requiring immediate action to be taken by the HOUSING AUTHORITY to secure this housing asset. RCHDC acknowledges and agrees that the HOUSING AUTHORITY has undertaken significant responsibilities, including divesting itself of certain rights and entitlements, pursuant to Section 2.1 of this Agreement as consideration in effectuating the goals of the Agreement and the fruition of this affordable housing project. In light of the foregoing, RCHDC agrees that following its default, it shall convey the Property to the HOUSING AUTHORITY in the manner more particularly described in Section 2.2.7 herein for the sum of one dollar \$1.00 and shall do so within ten (10) days of its receipt of written notice from the HOUSING AUTHORITY demanding such conveyance.

(b) Specific Performance. The HOUSING AUTHORITY shall have the right to mandamus or other suit, action or proceeding at law or in equity to require RCHDC to perform its obligations and covenants under the Agreement and any Addenda thereto or to enjoin acts or things which may be unlawful or in violation of the provisions of the Agreement and any Addenda thereto.

4.3. Right to Contest. RCHDC shall have the right to contest in good faith any claim, demand, levy, or assessment the assertion of which would constitute a Default hereunder.

Any such contest shall be prosecuted diligently and in a manner unprejudicial to the HOUSING AUTHORITY or the rights of the HOUSING AUTHORITY hereunder.

4.4. Remedies Cumulative. No right, power, or remedy given to the HOUSING AUTHORITY by the terms of this Agreement and any Addenda thereto is intended to be exclusive of any other right, power, or remedy; each and every such right, power, or remedy shall be cumulative and in addition to every other right, power, or remedy given to the HOUSING AUTHORITY by the terms of this Agreement and any Addenda thereto, or by any statute or otherwise against RCHDC and any other person. Neither the failure nor any delay on the part of the HOUSING AUTHORITY to exercise any such rights and remedies shall operate as a waiver thereof, nor shall any single or partial exercise by the HOUSING AUTHORITY of any such right or remedy preclude any other or further exercise of such right or remedy, or any other right or remedy.

Except as specifically modified herein, all other terms and conditions of the 2021 Agreement shall remain in full force and effect.

Executed at Lakeport, California, the day and year first written above.

HOUSING AUTHORITY
LAKE COUNTY HOUSING COMMISSION



By: 
Eddie Crandell (Apr 27, 2022 15:26 PDT)
Chair, Board of Commissioners

RURAL COMMUNITIES HOUSING DEVELOPMENT CORPORATION

By: _____

Printed Name: _____

Position: _____

ATTEST:
Carol J. Huchingson
Clerk of the Board of Lake County Housing
Commissioners

APPROVED AS TO FORM:

Anita L. Grant
County Counsel

By: Johanna DeLong
Johanna DeLong (Apr 27, 2022 15:08 PDT)

By: _____

ITEM 4
ATTACHMENT B

**RESOLUTION OF THE OVERSIGHT BOARD TO THE
LAKE COUNTY REDEVELOPMENT AGENCY**

Resolution OB-2022- ____

RECONFIRMING ITS PRIOR DETERMINATION TO ALLOW THE COLLIER AVENUE AFFORDABLE HOUSING PROJECT TO GO FORWARD AND ACCEPTING THE 2021 AGREEMENT WITH THE RURAL COMMUNITIES HOUSING DEVELOPMENT CORPORATION AS AND THE FIRST AMENDMENT THERETO ADOPTED BY THE LAKE COUNTY HOUSING COMMISSION ON APRIL 12, 2022 TO EFFECTUATE THAT DETERMINATION

WHEREAS, in accordance with Assembly Bill X 1 26, as amended by Assembly Bill Number 1484 (the "Dissolution Act"), the Lake County Redevelopment (the "RDA") as well as all other redevelopment agencies in the State of California, were dissolved as of February 1, 2012 and the Successor Agency to the RDA was formed and succeeded to all of the authority, rights, powers, duties, and obligations previously vested in the RDA; and

WHEREAS, the Oversight Board of Successor Agencies to the RDA ("Oversight Board") has fiduciary responsibilities to the holders of enforceable obligations and to the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of the Dissolution Law; and

WHEREAS, the considerable importance given to affordable housing under the Community Redevelopment Law continued to be recognized and protected when redevelopment agencies throughout the State of California were dissolved; and

WHEREAS, on February 13, 2012, the Oversight Board gave County Administrative staff direction to terminate an Owner Participation Agreement with Rural Communities Housing Development Corporation to provide funding for the Collier Avenue Affordable Housing Project (the "Agreement") and disburse the remaining funds to the taxing entities; and

WHEREAS, on March 5, 2012, County Administrative staff presented the Oversight Board with a proposal to amend the Agreement, rather than terminate it and the Oversight Board directed staff to amend the Agreement to include the following provisions: The County Housing Authority, as successor agency to the RDA's housing assets and obligations, would not disburse any more money; repayment of money already disbursed would not be required at that time; Rural Communities Housing Development Corporation would retain ownership of completed engineering drawings, architectural plans, etc.; the County Housing Authority would retain its second and third deeds of trust on the property; and the balance owing would be due and payable in five years unless the project is completed or substantial progress was made; and

WHEREAS, on March 26, 2012, County Administrative staff issued a memorandum to the County Auditor-Controller wherein staff stated that, as the successor agency to the former Lake County Redevelopment Agency and pursuant to law, they were remitting to the Auditor-Controller via an attached IDC/IDS form, the unencumbered balance in the Low and Moderate Income Housing Funds to be distributed to the taxing entities in the total amount of \$1,512,449.84; and

WHEREAS, in May of 2012, the Lake County Board of Supervisors, sitting as the Lake County Housing Commission, took action to cancel further disbursements for the Collier Avenue Affordable

Housing Project and Rural Communities Housing Development Corporation was duly noticed that no further funds would be disbursed; and

WHEREAS, both the distribution to the taxing entities and cancelation of further disbursements to Rural Communities Housing Development Corporation achieved the fiscal accountability required by the Oversight Board; however, no further action was taken to complete this project within the five- year time frame; and

WHEREAS, in 2020, the Collier Avenue Affordable Housing Project was able to be revitalized through additional funding opportunities for affordable housing and discussions with Rural Communities Housing Development Corporation were renewed; and

WHEREAS, in September of 2021, the Board of Supervisors sitting as the Lake County Board of Housing Commissioners considered and approved an agreement with Rural Communities Housing Development Corporation which replaced the above-described Agreement with that same entity and included the legal instruments required to grant and convey deeds of trust and formally cancelled and forgave the Lake County Rural Development Agency loans (hereinafter, the “2021 Renegotiated Agreement”); and

WHEREAS, the funding provided by the State of California imposed upon Rural Communities Housing Development Corporation a requirement to use the Collier Avenue property for affordable housing for a period of 55 years, at which time it is anticipated that the repayment of the State funding would not be required, or would otherwise be restructured in order to ensure the project remains as affordable housing; and

WHEREAS, in April of 2022, the Board of Supervisors sitting as the Lake County Board of Housing Commissioners considered and approved the first Amendment to the 2021 Renegotiated Agreement incorporating language to strengthen the existing default provisions and to ensure either the use of the Collier Avenue property for affordable housing or, failing such use, to ensure any monies realized from the sale of this property would be returned to the Successor Agency for the Lake County Redevelopment Agency for distribution by the Lake County Successor Agencies Oversight Board to the taxing entities.

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD OF SUCCESSOR AGENCY TO LAKE COUNTY REDEVELOPMENT AGENCY AS FOLLOWS:

1. Recitals. The Recitals set forth above are true and correct.
2. That this Board finds that despite the dissolution of redevelopment agencies in California, the dissolution process intends the continued protection of affordable housing assets.
3. That this Board finds that the 2021 Renegotiated Agreement to Develop Affordable Housing By and Between the Lake County Housing Authority and the Rural Communities Housing Development Corporation and the First Amendment thereto will provide the opportunity for the creation of critical affordable housing while strengthening the protections which will ensure that the Project contemplated by the 2021 Renegotiated Agreement and First Amendment will come to fruition within a reasonable period of time as specified. However, this Board further finds that, should this Project fail and the Housing Commission be unable to develop an alternate affordable housing project upon its acquisition of the Collier Avenue property consequent to RCHDC's default within the

period of time specified, any monies realized from the sale of the Collier Avenue property will be distributed by this Board to the taxing entities.

4. This Board therefore reconfirms its determination of March 5, 2012, allowing the Collier Avenue Affordable Housing Project to go forward and accepts the 2021 Renegotiated Agreement with Rural Communities Housing Development Corporation as approved by the County of Lake on September 28, 2021, and as amended on April 12, 2022, to effectuate that purpose.

PASSED AND ADOPTED this 9th day of May, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chair, Oversight Board to the Lake County Redevelopment Agency

ATTEST:

Secretary to the Oversight Board