



# COUNTY OF NEVADA HEALTH & HUMAN SERVICES AGENCY

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## NEVADA COUNTY BOARD OF SUPERVISORS Board Agenda Memo

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**MEETING DATE:** February 11, 2020

**TO:** Board of Supervisors

**FROM:** **Mike Dent – Housing & Community Services**

**SUBJECT:** Resolution authorizing an Assignment and Assumption of the “OPTION TO GROUND LEASE AGREEMENT” by and between the County of Nevada, jointly the Regional Housing Authority and Pacific West Communities, Inc., and Grass Valley PSH Associates, LLP pertaining to County-owned property located at 936 Old Tunnel Rd., Grass Valley, CA (APN NO 035-400-054) designated as the location of the proposed Brunswick Commons affordable housing complex (Resolution No. 19-358).

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**RECOMMENDATION:** Approve the execution of the Assignment and Assumption of the “OPTION TO GROUND LEASE AGREEMENT,” by and between the County of Nevada and Pacific West Communities for the Brunswick Commons housing complex.

**FUNDING:** There is no impact on the General Fund.

**BACKGROUND:** The County owns a 5.0+/- acre parcel located at 936 Old Tunnel Road, Grass Valley, CA 95945, (APN# 035-400-054). The property was purchased with the intent to utilize a portion of it for the development of the proposed Brunswick Commons affordable housing project for homeless persons and persons with psychiatric disabilities who are homeless, or at risk of homelessness, and their families to achieve permanent supportive housing and self-sufficiency by promoting the integration of affordable housing and appropriate supportive services (“Project”). This Project is in furtherance of the Nevada County Board of Supervisors “A” Priority to established affordable housing in an effort to reduce homelessness.

On January 8, 2019, per Resolution 19-203, the Nevada County Board of Supervisors approved a Memorandum of Understanding (“MOU”) between the County of Nevada, Hospitality House, and the Regional Housing Authority (“RHA”) regarding the intent to work cooperatively on pre-development activities related to the construction of affordable housing, transitional housing, and a navigation center on the Property. Subsequently, on January 22, 2019, per Resolution 19-044, the Nevada County Board of Supervisors approved Amendment No. 1 to the MOU to clarify site control over the Property for purposes of No Place Like Home (“NPLH”) funding, and to provide County with the exclusive right to negotiate with the RHA, as Developer, for the acquisition of the Property for purposes of constructing the Project.

The RHA has since contracted with Pacific West Communities, Inc. (“PWC”), a developer of low-income housing projects, to be co-Developer, operator, and manager of the Brunswick Commons project, with the intent to utilize 9% Low Income Housing Tax Credits and other funding sources in addition to No Place Like Home funding. On June 25, 2019, per Resolution 19-358, the Nevada County Board of Supervisors approved an exclusive Option to Ground Lease Agreement the Property by and between the County of Nevada, and jointly RHA and PWC in order to apply for said funding and perform pre-development activities related to the Project. Should funding be secured and the Option to Ground Lease exercised, the lease will have a term of up to 99 years. If not exercised, the term of the Option to Ground Lease will expire on June 30, 2020, unless extended at the County’s discretion for a period not to exceed one year.

RHA and PWC have notified the County that in order to act as both borrower and operator of the Project, RHA and PWC were required to form the Grass Valley PSH Associates, a California Limited Liability Partnership (“PSH”), of which they are the two partners. As a result, the parties desire to enter into an Assignment and Assumption of the Option to Ground Lease, whereby Regional Housing Authority and PWC, as “Optionee/Assignors” will assign all right, title, and interest under the Option to Ground Lease to PSH, and PSH shall assume all liabilities and perform all obligations under the Option to Ground Lease as “Assignee.”

**Item Initiated and Approved by:** Mike Dent, Director – Housing and Community Services