



# 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:** October 27, 2020

**TO:** Board of Supervisors

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

**SUBJECT:** Resolution approving a Reciprocal Maintenance and Use Agreement with Penn Valley Pacific Associates and AMG & Associates for the development of additional low income housing and the shared use of common areas of the Penn Valley Lone Oak Senior Apartment Complex.

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**RECOMMENDATION:** Approve the attached resolution.

**FUNDING:** No funding impact.

**BACKGROUND:** This item relates to the 2019 Board Objectives A Priority, “Coordinate with local jurisdictions, developers and other partners to maximize leveraging opportunities with new state funding for affordable and workforce housing development.” On March 16, the Board approved two loans for the development of the Lone Oak Senior Apartments, having secured tax credit funding, per Resolutions 20-068 and 20-069. The Lone Oak Senior Apartments are being constructed on approximately 2 acres of land in Penn Valley, CA. The project will create 31 new units of affordable senior housing, including 24 one-bedroom, and 7 two-bedroom units. The project will house low-income seniors earning between 30-60% of the area median income for Nevada County. Construction is estimated at 12 months and started in April of 2020 with a projection of completion in April of 2021.

The owner and developer of the Lone Oak Senior Apartments, Penn Valley Pacific Associates and AMG & Associates own the adjacent parcel and wish to develop additional affordable housing units on this property. In order to pursue financing and maximize the feasibility and

number of housing units, the owner and developer are seeking the approval of a Reciprocal Maintenance and Use Agreement (RMUA). The RMUA requires consent of the County of Nevada, as a Beneficiary of a March 23, 2020, recorded Deed of Trust pertaining to the County's loan of \$304,000 of Home Program funding to the developer, Penn Valley Pacific Associates, LP, of the Lone Oak Senior Apartments (Resolution 10-068), and agreement that the Deed of Trust be subject and subordinate to the Reciprocal Maintenance and Use Agreement. The RMUA will allow the two Apartment complexes to share all common areas and amenities. Approval of this agreement will bring an increase in much needed affordable housing units to the community.

The Housing and Community Services Department recommends the approval of this resolution.

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