



RESOLUTION NO. 19-127

OF THE BOARD OF SUPERVISORS OF THE COUNTY OF NEVADA

A RESOLUTION APPROVING THE MODIFICATION OF TERMS OF THE COMMUNITY DEVELOPMENT BLOCK GRANT PROMISSORY NOTE BETWEEN NEVADA COUNTY HOUSING DEVELOPMENT CORPORATION AND THE COUNTY OF NEVADA RELATED TO THE 42 UNIT AFFORDABLE HOUSING RENTAL COMPLEX LOCATED AT 10533 BROKEN OAK COURT, PENN VALLEY, CA 95946

WHEREAS, on December 2, 1997, Nevada County agreed to lend \$195,000 in Community Development Block Grant (CDBG) Program Income funds to the Nevada County Housing Development Corporation (NCHDC), a local non-profit, to purchase property at 10533 Broken Oak Court, Penn Valley, CA 95946, in furtherance of an affordable housing rental complex ("Project") located at 10533 Broken Oak Court, Penn Valley, CA; and

WHEREAS, the \$195,000 loan of CDBG funding to NCHDC is secured by a Promissory Note between the County and NCHDC; and

WHEREAS, in addition to CDBG funding, completion of the Project was made possible through the use of tax exempt bond financing, and equity raised from the syndication of Low Income Housing Tax Credits (LIHTC) which has reached the end of the initial tax credit compliance period; and

WHEREAS, the preservation of the low-income affordability restrictions tied to the Project are greatly dependent upon the restructuring of the financing of the Project and re-syndication of the LIHTC; and

WHEREAS, in furtherance of the Project providing continued affordable housing within the County, an acquisition and rehabilitation proposal has been submitted to the current Project in which ownership would be transferred to Penn Valley 2, LP; and

WHEREAS, NCHDC has requested a modification the terms of the Promissory Note, in which the maturity date would be extended to December 31, 2039, and allow for continued forgiveness of the loan indebtedness upon the date of maturity so long as the housing units remain qualified as low-income housing under CDBG guidelines; and

WHEREAS, with approval of the proposed modification to the Promissory Note, NCHDC will remain obligated under the terms and conditions of the County's CDBG loan, and the new Project owner will sign an acknowledgement that the Project shall remain encumbered by the County's Deed of Trust and agree to comply with the terms of the County's CDBG loan and regulatory agreement relating to operating the project for affordable housing; and

WHEREAS, the request to extend the terms of the CDBG Promissory Note has been reviewed and is supported by the Nevada County HCS Loan Committee.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Board of Supervisors of the County of Nevada, State of California, that the modification of the Promissory Note between Nevada County and NCHDC, is approved in substantially the same form attached hereto.

BE IT FURTHER RESOLVED that the Director of Nevada County Housing and Community Services or his designee is hereby authorized to execute the Modification to the Promissory Note and other required documentation in furtherance thereof on behalf of Nevada County.

PASSED AND ADOPTED by the Board of Supervisors of the County of Nevada at a regular meeting of said Board, held on the 26th day of March, 2019, by the following vote of said Board:

Ayes: Supervisors Heidi Hall, Edward Scofield, Dan Miller, Susan K. Hoek and Richard Anderson.

Noes: None.

Absent: None.

Abstain: None.

ATTEST:

JULIE PATTERSON HUNTER
Clerk of the Board of Supervisors

By: 



Richard Anderson, Chair

3/26/2019 cc: Housing*
AC*(hold)

4/8/2019 cc: Housing*
AC*(release)



COUNTY OF NEVADA HEALTH & HUMAN SERVICES AGENCY

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Nevada City, California
95959

HHS Agency Director
Michael Heggarty

Telephone (530) 265-1627
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Department Directors
Phebe Bell, Behavioral Health
Jill Blake, MPA, Public Health
Mike Dent, MPA, Child Support Services/Collections and
Housing & Community Services
Tex Ritter, JD, Social Services

PROMISSORY NOTE MODIFICATION AGREEMENT

This Promissory Note Modification Agreement is made and entered into on 3/26/19, by and between Nevada County Housing Development Corp. (the "Borrower(s)), and the County of Nevada (the "County").

Whereas, the County agreed to lend to the borrower(s) the sum of One Hundred Ninety-Five Thousand dollars, (\$195,000.00), evidenced by a Promissory Note dated November 14, 1997, and secured under that certain Deed of Trust dated November 14, 1997 and recorded on December 10, 1997 in the office of the Recorder of County of Nevada, State of California, as #097034045 of Official Records:

WHEREAS, the parties hereto desire to modify said Promissory Note as hereinafter provided.


NOW, THEREFORE, it is hereby agreed upon by and between the parties herein above named that the obligation under said above described Note be modified as follows:


- 1) The maturity date shall be extended to December 31, 2039;
- 2) If at maturity, the project has maintained complete compliance with retaining rents within the allowable annual low and very low income categories limits set under the Community Development Block Grant guidelines, the loan including principal and interest shall be forgiven;
- 3) The borrower shall annually certify to the County that compliance with the above rent limitations were met;
- 4) That in all other respects, the terms and conditions under said Note, Deed of Trust and loan agreement shall remain the same and in full effect.

This agreement has been duly executed by the undersigned as of this date.

Nevada County Housing Development Corp.

County of Nevada


By: Jennifer Price
Chief Executive Officer


By: Mike Dent,
Director Housing and Community
Services

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of PLACER

On 4/4/2019 before me, HANSON YEE LOUIE, NOTARY PUBLIC
(insert name and title of the officer)

personally appeared JENNIFER PRICE, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal. Hanson Yee Louie



ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Nevada

On 4/8/2019 before me, Sue Piscatella
(Insert name and title of the officer)

personally appeared Mike Dent, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

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