



# RESOLUTION NO. 20-032

## OF THE BOARD OF SUPERVISORS OF THE COUNTY OF NEVADA

**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 035-400-054), DESIGNATED AS THE LOCATION OF THE PROPOSED BRUNSWICK COMMONS AFFORDABLE HOUSING PROJECT (RESOLUTION 19-358)**

WHEREAS, the Nevada County Board of Supervisors has established homelessness and affordable housing as a legislative priority A; and

WHEREAS, the County is the owner of a 5.0+ acre parcel of real property located at 936 Old Tunnel Rd., Grass Valley, CA 95945, APN No. 035-400-054 ("Property"); and

WHEREAS, the County intends to retain ownership of the Property 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"); and

WHEREAS, 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; and

WHEREAS, 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; and

WHEREAS, the Regional Housing Authority has contracted with Pacific West Communities ("PWC") to be co-Developer, operator, and manager of the Project, with the intent to develop the Property utilizing 9% Low Income Housing Tax Credits and other funding sources in addition to NPLH funding; and

WHEREAS, on June 25, 2019, per Resolution 19-358, the Nevada County Board of Supervisors approved that certain exclusive Option to Ground Lease Agreement 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; and

WHEREAS, the term of the Option to Ground Lease expires on June 30, 2020, unless extended at the County's discretion for a period not to exceed one year; and

WHEREAS, in order to act as both borrower and operator of the Project, RHA and PWC have created the Grass Valley PSH Associates, a California Limited Liability Partnership ("PSH"), of which they will remain the two partners; and

WHEREAS, the parties desire to enter into an Assignment and Assumption of the Option to Ground Lease, whereby Regional Housing Authority and PWC, as "Optionee/Assignor" 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."

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of the County of Nevada, State of California, approves the Assignment and Assumption of the Option To Ground Lease Agreement in substantially the same form attached hereto, 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 95945, APN 035-400-054, designated for the construction and operation of the Brunswick Commons Affordable Housing Project, and authorizes the Chair of the Board of Supervisors to execute said Assignment and Assumption and all other related documents 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 11th day of February, 2020, 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: 

  
Heidi Hall, Chair

2/11/2020 cc: Housing\*  
AC\* (hold)

2/20/2020 cc: Housing\*  
AC\* (Release)  
RHA

**ASSIGNMENT AND ASSUMPTION  
OF OPTION TO GROUND LEASE AGREEMENT**

This Assignment and Assumption of the Option to Ground Lease Agreement (the "Assignment") dated as of June 27, 2019 (the "Effective Date"), is entered into by and between the Regional Housing Authority, Pacific West Communities, Inc. ("Optionee/Assignors"), Grass Valley PSH Associates, a California Limited Partnership ("Assignee"), and the County of Nevada, a political subdivision of the State of California ("Optionor"), collectively the "Parties," with reference to the following:

**RECITALS:**

- A. Optionee/Assignors and Optionor entered into that certain Option to Ground Lease Agreement, as authorized by the Nevada County Board of Supervisors on June 25, 2019, per Resolution No. 19-358 (the "Option"), related to certain vacant land located at 936 Old Tunnel Road, Grass Valley, California, 95945 (APN 35-400-54-000), as more particularly described in the Option (the "Property"). Unless otherwise defined herein, all initially capitalized terms used herein shall have the same meaning as set forth in the Option.
- B. Pursuant to the terms and conditions set forth in the Option, Optionor granted Optionee/Assignors the exclusive option to enter into a long-term Ground Lease of up to 2.40 acres of the Property.
- C. Assignee is Grass Valley PSH Associates, a California Limited Partnership, of which Optionee/Assignors are the two partners. Assignee will act as borrower and operator of the development, thus the reason for the assignment. Regional Housing Authority's (RHA) instrumentality entity, Building Better Partnerships, Inc. (BBP) will create a Limited Liability Company (LLC) that will be the Managing General Partner. Pacific West Communities, Inc. (PWC) has an established entity, TPC Holdings VII, LLC, that will be the Administrative General Partner. PWC and RHA through their respective legal entities, or third party contracted companies will perform the roles of lessee, developer, and manager of the property.
- D. Optionee/Assignors desire to transfer these Option rights to Assignee along with all of Assignors' right, title and interest in and to, and obligations thereunder, and Assignee desires to accept such assignment from Optionor/Assignors and to assume and be bound by all of the terms and conditions of the Option.

**AGREEMENT:**

NOW, THEREFORE, in consideration of the foregoing recitals and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

- 1. Assignment. As of the Effective Date, Optionee/Assignor hereby assigns, conveys, transfers and sets over unto Assignee, any and all right, title and interest of Optionee/Assignor in and to, and all obligations of Optionee/Assignor under, the Option.
- 2. Assumption. By its execution of this Assignment, Assignee agrees to, as of the Effective Date, assume all liabilities and perform all obligations of Optionee/Assignor under the Option.
- 3. Estoppel. Optionee/Assignor and Assignee, by executing below, both acknowledge to Optionor and agree that the Option is in full force and effect and that Optionor is not now in default under the terms of the Option.

4. Governing Law. This Assignment shall be construed under and forced in accordance with the laws of the State of California.
5. Further Assurance. Assignors and Assignee each agree to execute and deliver to the other party, upon demand, such further documents, instruments and conveyances, and shall take such further actions, as are reasonably necessary or desirable to effectuate this Assignment.
6. Successors and Assigns. This Agreement shall inure to the benefit of, and be binding upon, the successors, executors, administrators, legal representatives and assigns of the parties hereto. No amendments to this Assignment, or subsequent assignment, shall be enforceable except upon the written authorization of all Parties hereto.
7. No Third-Party Beneficiaries. This Assignment creates rights and duties only between the Optionor, Optionee/Assignor, and Assignee, and no other party, or third party, is intended to have or be deemed to have any rights under this Assignment as an intended third-party beneficiary, except as expressly set forth herein.
8. Indemnification. Nothing herein shall be construed as a limitation of Optionee/Assignor's and Assignee's liability, and Optionee/Assignor and Assignee, their officers, officials, employees, and agents shall indemnify, defend, and hold harmless Optionor and its officers, officials, employees, agents and volunteers from any and all liabilities, claims, demands, damages, losses and expenses (including, without limitation, defense costs and attorney fees of litigation) which result from the negligent act, willful misconduct, or error or omission of Optionee/Assignor and/or Assignee, except such loss or damage which was caused by the sole negligence or willful misconduct of Optionor or its officers, officials, employees, agents or volunteers.

IN WITNESS WHEREOF, Assignors and Assignee have executed this Assignment on the date first set forth above.

**OPTIONEE/ASSIGNORS:**

Pacific West Communities

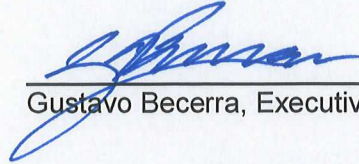


\_\_\_\_\_  
Caleb Roope, President

Dated: 02/14/2020

Signatures continue on next page

Regional Housing Authority


  
\_\_\_\_\_  
Gustavo Becerra, Executive Director

Dated: 2-13-2020

**ASSIGNEE:**

Grass Valley PSH Associates,  
a California Limited Partnership

Dated: 02/14/2020

  
\_\_\_\_\_  
Caleb Roope, Manager,  
TPC Holdings VII, LLC, General Partner

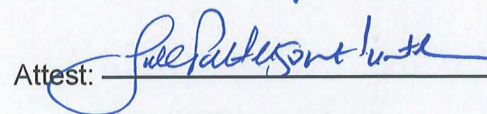
**OPTIONOR:**

County of Nevada

  
\_\_\_\_\_

Heidi Hall,  
Chair of the Board of Supervisors

Dated: 2/19/2020

Attest:   
\_\_\_\_\_  
Julie Patterson-Hunter  
Clerk of the Board of Supervisors

APPROVED AS TO FORM

  
\_\_\_\_\_  
County Counsel