



COUNTY OF NEVADA
HEALTH & HUMAN SERVICES AGENCY
Housing & Community Services Division

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NEVADA COUNTY BOARD OF SUPERVISORS
Board Agenda Memo

MEETING DATE: April 23, 2024

TO: Board of Supervisors

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

SUBJECT: Resolution authorizing the execution of a Lease Rider Agreement to the Ground Lease Agreement between Nevada County and Grass Valley PSH Associates to comply with terms and conditions of an allocation authorized by the California Tax Credit Allocation Committee as it pertains to County-owned property located at 936 Old Tunnel Rd., Grass Valley, CA (APN NO 035-400-054), designated as the location of the Brunswick Commons affordable housing project (Resolution No. 19-358), and authorizing the Nevada County Facilities Director to execute further riders or amendments to the Ground Lease Agreement.

RECOMMENDATION: Approve the attached resolution.

FUNDING: There is no impact on the General Fund and no budget amendment is required.

BACKGROUND: The County owned 5.0+/- acre parcel located at 936 Old Tunnel Road, Grass Valley, CA 95945, (APN# 035-400-054), is the current site of Brunswick Commons, a 51 unit affordable housing development for homeless persons and persons with psychiatric disabilities who are homeless, or at risk of homelessness, and their families. The project aims to achieve permanent supportive housing and self-sufficiency by promoting the integration of affordable housing and appropriate supportive services (“Project”). Grass Valley PSH Associates (“PSH”), comprised of Regional Housing Authority (“RHA”) and the developer, Pacific West Communities (“PWC”), act as borrower and operator of the project through the Memorandum of Understanding (“MOU”) and Option to Ground Lease approved by this board on August 19, 2020, through Resolution 20-399, and by Resolution 19-044, approved on January 22, 2019. No Place Like Home (“NPLH”) funding through California Department of Housing and Community Services and Tax Credit Allocations (“TCAC”) through the California Tax Credit Allocation Committee contributed to the construction of the project.

Per Resolution 19-203, approved on January 2, 2022, and Resolution 19-044, approved on

January 22, 2019, the Nevada County Board of Supervisors approved and amended a MOU between the County of Nevada, Hospitality House, and 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, to clarify site control over the Property for purposes of NPLH funding, and to provide County with the exclusive right to negotiate with RHA, as Developer, for the acquisition of the Property for purposes of constructing the Project.

RHA 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 2.32+/- acres of the 5-acre parcel to RHA and PWC, jointly, in furtherance of said funding and performance of pre-development activities related to the Project. Funding has since been secured through TCAC allocation of Tax Credits in June of 2020.

In order to act as both borrower and operator of the Project, RHA and PWC formed the Grass Valley PSH Associates, a California Limited Liability Partnership (“PSH”), of which they are the two partners. The parties entered into an Assignment and Assumption of the Option to Ground Lease, whereby RHA and PWC, as “Optionee/Assignors” assigned all right, title, and interest under the Option to Ground Lease to PSH, and PSH assumed all liabilities and obligations under the Option to Ground Lease as “Assignee.” The Assignment and Assumption of the Option to Ground Lease Agreement was authorized by the Nevada County Board of Supervisors on February 11, 2020, per Resolution 20-032. PSH exercised its Option to Ground Lease, which was approved by the Board per Resolution 20-399.

Tax credits for the Project were secured in June of 2020. Upon completed construction of a project and prior to the issuance of a low-income housing tax credit form to Developer for Internal Revenue Services purposes, a placed in-service package must be approved by the California Tax Credit Allocation Committee, which includes a Lease Rider Agreement, before the Board for approval, for any project constructed or operated under a Ground Lease Agreement. Nevada County and Grass Valley PSH Associates wish to execute the Lease Rider Agreement to the Ground Lease Agreement as required by the California Tax Credit Allocation Committee to ensure intended use of the Project according to TCAC requirements, and to authorize the Board Chair or the Nevada County Facilities Director to execute further riders or amendments to the Ground Lease Agreement as required, for the purpose of continued collaboration on funding sources and affordable housing development as directed by the Board.

Item Initiated by: Angela Masker, Senior Administrative Analyst, Housing and Community Services

Approved by: Mike Dent, MPA, Director of Child Support, Housing and Community Services