

The County of Yuba

Community Development and Services Agency



TO: Board of Supervisors

FROM: Community Development and Services Agency, Kevin Perkins

SUBJECT: Approve Subordination Agreement for Cedar Lane Permanent Supportive Housing, and authorize Chair to sign upon review and approval of agreement by County Counsel

DATE: November 28, 2023

NUMBER: 568/2023

Recommendation

Approve Subordination Agreement for Cedar Lane Permanent Supportive Housing, and authorize Chair to sign upon review and approval of agreement by County Counsel

Background

The Cedar Lane Permanent Supportive Housing Project (PSH), a 41 unit multifamily located in the community of West Linda, was developed by Regional Housing Authority and AMG & Associates, LLC, (collectively, the "Developer") for individuals who are experiencing homelessness and who are living with a mental health or developmental disability.

Cedar Lane PSH was awarded both Tax Credit Allocation Committee and private construction financing and the Developers were able to finalize the purchase of the Cedar Lane PSH property pursuant to the 2021 Development Agreement which included the Acquisition Loan Agreement, Fee Deferral Loan Agreement, Purchase and Sale Agreement, and the original Subordination Agreement- an agreement between Yuba County and Umpqua Bank, the construction financing lender, that acknowledged Umpqua Bank as the Senior Lender and the County as the Subordinate Lender.

Discussion

The Subordination Agreement before you today names the California Department of Housing and Community Development (HCD) as the sole senior lender, by replacing Umpqua Bank's construction loan with HCD's No Place like Home (NPLH) loan as permanent financing for the project. The State, RHA, and tax credit investor funding will cover the Umpqua construction loan. This change in senior

lender and permanent financing does not compromise or impair the County's security as Subordinate Lender.

Committee Action

Due to time constraints with closing all project funding with the state, this item is being presented directly to the full Board for consideration.

Budget

General Fund - None

Non-General Fund- None

Attachments

568-2023-Cedar Lane PSH Subordination Agreement