

## County Counsel Review Form

Date: November 6, 2006

To: Duane Bay  
Marina Yu

From: Lee Thompson

Subject: Amendment Review and Approval

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Contractor: BRIDGE Regional Partners, Inc. ; Northpoint Housing, Inc.

Maximum Amount: Amendment adds \$1,500,000 to an existing \$500,000 agreement

Rate of Payment: Loan proceeds disbursed as set forth in Agreement and Amendment

☐ No changes on the standard agreement form

☐ The following sections have been changed on the "standard" agreement:

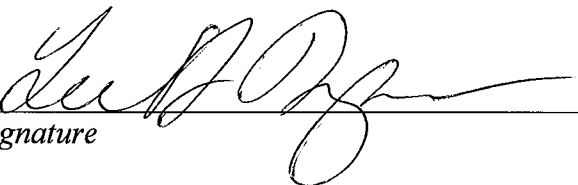
<b><i>Section No. &amp; Title</i></b>	<b><i>Approved As Is</i></b> <i>[For County Counsel Use Only]</i>	<b><i>Modifications Required</i></b> <i>[For County Counsel Use Only]</i>

**Modifications** *(Please specify modifications to be made below. Use additional paper if needed.):*

Documents approved as attached.

☐ Approve Agreement/Exhibits/Attachments

☐ Approve Agreement/Exhibits/Attachments with the modifications that have been described

  
Signature

11-6-06  
Date

**ASSIGNMENT OF, AND AMENDMENT TO,  
AGREEMENT BETWEEN THE COUNTY OF SAN MATEO AND  
BRIDGE REGIONAL PARTNERS, INC.  
REGARDING TRESTLE GLEN APARTMENTS**

THIS ASSIGNMENT AND AMENDMENT TO THE AGREEMENT  
("Amendment") is, entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, by and  
between the COUNTY OF SAN MATEO, ("County"), BRIDGE Regional Partners, Inc.,  
("BRIDGE") and Northpoint Housing, Inc. a California nonprofit public benefit  
corporation ("NHI").

**W I T N E S S E T H:**

WHEREAS, County and BRIDGE have entered into an agreement regarding  
the development of Colma Transit Village Apartments, which agreement is dated  
December 6, 2005 ("Agreement"). The affordable housing portion of the Colma Transit  
Village Apartments is known as Trestle Glen and is comprised of 123 units ("Project");  
and

WHEREAS, on March 24, 2006, County entered into a loan agreement with the  
California Housing Finance Agency for a HELP Loan in the principal amount of  
\$1,500,000 to assist in the financing of the Project ("HELP Loan"); and

WHEREAS, on May 2, 2006, by Resolution No. 067944, the County Board of  
Supervisors approved the County's FY 2006-07 Action Plan, which included another  
\$1.5 million of a combination of CDBG and HOME funds to assist in Project  
development; and

WHEREAS, on May 2, 2006, by Resolution No. 067943, the County Board of  
Supervisors amended the FY 05-06 Action Plan to include Section 108 funding for the  
development of the Colma Transit Village Apartments; authorized submission of an  
application for Section 108 Loan Guarantee funds to HUD to assist the Project; and  
authorized the Director of the Department of Housing to execute documents in  
connection with the Section 108 loan program. The County submitted an application to  
HUD for \$7.145 million and this request is currently under review by HUD; and

WHEREAS, support of the Project is further evidenced by a HEART  
commitment in February 2006 of \$1.76 million; and

WHEREAS, BRIDGE has formed Northpoint Housing Inc., a California nonprofit public benefit corporation which will ultimately serve as the sole member of a limited liability company that will be the general partner of a limited partnership that will own or lease the property and develop the Project and take advantage of low income housing tax credits which will provide equity funds for the Project. BRIDGE desires to assign all of its rights and obligations under the Agreement and this Amendment to Northpoint Housing Inc., and Northpoint Housing Inc. desires to accept said assignment and to assume of all of BRIDGE's obligations under the Agreement and this Amendment. County is willing to approve such assignment and assumption; and

WHEREAS, the parties wish to amend the Agreement by adding up to \$1,500,000 million to the existing \$500,000, for a total current obligation of \$2,000,000.

**NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:**

1. BRIDGE hereby assigns and transfer to NHI, all right and obligations under the Agreement, and NHI hereby accepts said assignment and assumes of all of BRIDGE's rights and obligations under the Agreement. This assignment and assumption includes the original \$500,000 Note under the Agreement.

County hereby consents to, and accepts, said assignment and assumption.

2. Section 3 of the Agreement is amended to read as follows:

In consideration of the services provided by Contractor in accordance with all terms, conditions and specifications set forth herein. County shall make payment to Contractor based on the rates and in the manner specified in Exhibit "B." In no event shall the County's total fiscal obligation under this Agreement exceed Two Million Dollars, (\$2,000,000) subject to conditions described in Exhibit A and B.

3. Section 4 of the Agreement is amended to read as follows

Subject to compliance with all terms and conditions, the term of this Agreement shall be from the date of execution of the Amendment through Fifty Five (55) years after the receipt of a certificate of occupancy for the Project.

County may terminate this Agreement for cause after giving Contractor notice of any breach or default and 30 days to cure said breach or default.

County reserves the right to waive any and all breaches of this Agreement, and any such waiver shall not be deemed a waiver of all previous or subsequent breaches. In the event the County chooses to waive a particular breach of this Agreement, it may condition same on payment by Contractor of actual damages occasioned by such breach of Agreement and shall make every effort to resolve

the same quickly and amicably.

4 This section is left deliberately blank.

5. Section 8 of the Agreement is amended to read as follows:

Contractor shall not assign this Agreement or any portion thereof to a third party or subcontract with a third party to provide services required by Contractor under this Agreement without the prior consent of County. Any such assignment or subcontract without the County's prior written consent shall give County the right to automatically and immediately terminate this Agreement and the funding commitments hereunder. Notwithstanding anything in this Section 8, the County recognizes that Contractor intends to syndicate the Project using Low Income Housing Tax Credits and, provided all of the individuals and entities involved are fully identified and disclosed to the County prior to said assignment, County will not unreasonably withhold consent to an assignment of this Agreement and the Project to a limited partnership whose general partner is a nonprofit affiliate of Contractor or limited liability company whose sole member is a nonprofit affiliate of Contractor and the further assignment of the limited partnership interests in the limited partnership to an investor limited partner.

6. The first paragraph of subsection (2) of Section 9 of the Agreement is amended to read as follows:

The Contractor shall take out and maintain during the life of this Agreement such Bodily Injury Liability and Property Damage Liability Insurance as shall protect it while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from contractors operations under this Agreement, whether such operations be by itself or by any sub-contractor or by anyone directly or indirectly employed by either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and in the aggregate and shall be not less than the amount specified below, which amount may change during the term of this agreement, at the discretion of the San Mateo County Risk Manager, in which case County shall notify Contractor, who shall modify the insurance coverage accordingly, within sixty days after County notification. The County will in not in any event require the Contractor to have insurance limits that are not commercially or financially feasible.

7. A new Section 11 G, is hereby added to the Agreement and shall read:

*G.. Compliance with Contractor Employee Jury Service Ordinance.*

Contractor shall comply with the County Ordinance with respect to provision of jury duty pay to employees and have and adhere to a written policy that provides that its employees shall receive from the Contractor, on an annual

basis, no less than five days of regular pay for actual jury service in San Mateo County. The policy may provide that employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the employees regular pay the fees received for jury service.

8. Exhibit A to the Agreement, section "A Predevelopment", the first paragraph is replaced with the following:

"Funding provided under this Agreement shall be used for eligible costs incurred on behalf of the development of Trestle Glen Apartments, the affordable housing component ("Project") of the larger Colma Transit Village site. Located at 7880 El Camino Real, on unincorporated County land near the Town of Colma ("Property"), the Project consists of 123 affordable units. The number of units in the project shall not be reduced without the prior written consent of the County. Any such reduction without such prior consent shall constitute a breach of this Agreement."

9. Exhibit A to the Agreement, Section "B Eligible Predevelopment Costs" is modified in its entirety to read:

**B. Eligible Costs**

Eligible costs shall include costs incurred by Contractor after the date of completion of the Environmental Review under the National Environmental Protection Act (NEPA) for the Project, which Environmental Review was completed September 16, 2005. Contractor has provided a list of projected costs for County Staff review and approval. Eligible costs include, but are not limited to: relocation feasibility reports and relocation benefit payments, appraisal, architectural, certain environmental costs, geotechnical, survey, engineering, acquisition costs, consultant, hard and soft construction costs, and other costs that may be approved by the County Department of Housing.

10. Exhibit A to the Agreement, Section "D. Reimbursement Requests" is hereby deleted in its entirety.

11. Exhibit A to the Agreement, Section "G Security", the first paragraph of said section is deleted and replaced with the following:

Subject to Section B above, prior to any disbursement of funds provided in this Agreement in excess of \$250,000, Contractor shall execute and deliver to County a Promissory Note in an amount equal to Two Million Dollars (\$2 million). The previous note for \$500,000 shall be cancelled by the County and returned to BRIDGE. Upon execution of the \$2,000,000 Promissory Note ("Promissory Note"), the Contractor shall be entitled to request disbursements of the

undisbursed funds under the \$2,000,000 note. This \$2 million Promissory Note will be nonrecourse to the Contractor.

The Deed of Trust reflecting the principal amount of the Promissory Note in favor of the County, shall be executed by Contractor to secure the performance of all terms and conditions of the Promissory Note and the Agreement. The previous as-yet unrecorded Deed of Trust for \$500,000 shall be cancelled. Contractor shall acquire the Property in its own name and upon such acquisition, the Deed of Trust, with the Property as security, shall be recorded in the Office of the Recorder of the County of San Mateo. The Deed of Trust may be subordinate to any liens of Contractor's construction and permanent financing. County agrees to execute subordination agreement reasonably requested by Contractor's construction and permanent lenders.

No funds beyond what is allowed under Exhibit A Section C will be disbursed until the Deed of Trust is recorded in the Office of the Recorder of the County of San Mateo.

12. Section "H. Repayment" of Exhibit A to the Agreement is deleted and replaced with the following:

**H. Repayment.**

Annual payments on the Promissory Note shall be made from a percentage of project's residual receipts from Project operations, which begin when the Project receives a Certificate of Occupancy. Residual Receipts shall mean, with respect to the Project's fiscal year, the amount by which Gross Revenue exceeds Annual Operating Expenses, as defined below. "Gross Revenue" is defined as all rental and incidental income from the Project, but excluding tenant security deposits, and any interest earned on said deposits.

Payment will be first applied to outstanding interest and then to principal until the Promissory Note is paid in full. In the event this payment is less than accumulated interest owed plus current interest, any unpaid interest shall carry over to the following year. Interest shall not compound on this interest carry-over. The entire outstanding principal balance plus any unpaid accrued interest shall be due and payable upon Note Maturity.

Annual payments on the Promissory Note shall begin no later than the ninth (9<sup>th</sup>) year of Project operations and shall be equal to the lesser of: (a) a percentage of Residual Receipts, determined by multiplying 75% times the amount resulting from the principal amount of the Loan divided by the total principal amount of all loan funds received by the Contractor from the County from any and all sources. Though not a County funding source, HEART (Housing Endowment and Regional Trust) funds shall be included in as one of the funding sources to be

included in the denominator of the calculation; or (b) equal annual payments amortized to pay the loan in full by the Note Maturity and the first payment shall be due 120 days after the end of the Project's fiscal year. A copy of the annual independent financial audit shall also be delivered to the County not later than 120 days after the end of each of the Project's fiscal years. In the event Contractor determines that the Project is not feasible or for any reason is unable to construct the Project and the Contractor has not acquired title to the Property, the full amount of the funds advanced by the County pursuant to this Agreement (which should not exceed \$250,000) shall be forgiven Should Contractor terminate the Project during the Performance Period after acquiring the Property County shall seek repayment of any and all funds advanced, through remedies pursuant to the Deeds of Trust.

"Annual Operating Expenses" means costs reasonably and actually incurred for operations and maintenance of the Project to the extent that they are consistent with an annual independent audit performed by a certified public accountant using generally acceptable accounting principles. A copy of the audit shall be delivered with payment as specified above. Costs associated with the Project Operations and maintenance include the following: property and other taxes and assessments imposed on the Project; premiums for property damage and liability insurance; utility services not paid for directly by the tenants, including but not limited to water, sewer, trash collection, gas and electricity; maintenance and repair including but not limited to pest control, landscaping and grounds maintenance, painting, and decorating, cleaning, common systems repairs, general repairs, janitorial supplies, and others; any license or certificates of occupancy fees required for operation of the Project general administrative expenses including but not limited to advertising, marketing, security services and systems, professional fees for legal, audit, accounting and tax returns , and other; property management fees and reimbursements including on-site manager expenses, not to exceed fees and reimbursements which are standard in the industry and pursuant to a management contract approved by the County (which such approval shall not be unreasonably withheld); asset management fees; annual cash deposited into a reserve for capital replacements of Project improvements in an amount required by Contractor's senior lenders; cash deposited into an operating reserve for the Project and such other reserves as may be required by the Contractor's Partnership Agreement or the Contractor's senior lenders; payments of any deferred developer fees; annual partnership management fee; tenant services fees; any advances by partners required under the Partnership Agreement of Contractor and any fees to partners required under the Partnership Agreement of the contractor; and debt service payments of loans in senior position to this Loan. Annual operating expenses shall not include the following: depreciation, amortization, depletion, or other non-cash expenses, or any amount expended from a reserve account.

**13. Exhibit A to the Agreement, Section "J. Due on Sale, Refinance or Transfer of**

Title, is amended to read as follows:

In the event of a sale or transfer of the Project or any interest therein by Contractor without consent of the County, the entire principal balance of the loans, including any accumulated interest, shall be immediately due and payable, provided, however, the assignment or transfer of the Project to a partnership for purposes of syndicating the low income tax credits and in which the Contractor or a nonprofit affiliate of the Contractor or a limited liability company whose members are nonprofit affiliates of the Contractor, is the general partner, and the transfer of the limited partnership interest in such partnership to an investor limited partner, shall not be considered for purposes of this provision a sale or transfer of the Project. Provided further, the subdivision of the Property to create two parcels and the conveyance of a portion of the Property to a developer for the development of market rate housing will not be considered a sale or transfer of the Project or the Property. In the event the Contractor subdivides the Property and conveys a portion thereof to a developer for the development of market rate housing, the Deed of Trust shall be reconveyed or revised to properly reflect that the Promissory Note is secured by the remaining portion of the Property.

- 14.** Exhibit A to the Agreement, Section "K. Acceleration of Note" is amended to read as follows:

In the event Contractor breaches any of the terms and conditions of this Agreement after thirty (30) days written notice, the Contractor will be in default of the terms and conditions of this Agreement as well as the Promissory Note, and the County may demand immediate and full payment of the principal amount of this Promissory Note and any accrued interest, and/ or may initiate foreclosure proceedings under the Deed of Trust.

Default may result from:

- (a) Failure of Contractor to make any payment hereunder as when and due;
- (b) Failure of Contractor to perform or observe any terms or provisions of this Agreement
- (c) Use of funds under this Agreement for purposes not approved by the County;
- (d) Occurrence of any other event (whether termed default, event of default or otherwise) which under the terms of this Agreement shall entitle the County to exercise rights or remedies hereunder.

- 15.** In Exhibit A to the Agreement, the following new section is added, "P HOME Program Requirements" which shall read:

P. HOME Program Requirements



## 1. Deed Restriction

In compliance with the requirements of the HOME Program, which is providing funding for this Project, a Deed Restriction containing the HOME Program Requirements as specified in this Agreement shall be recorded against the real property to which this Agreement pertains. The term of said Deed Restriction shall be for a term of not less than 30 years, beginning from the time the Project receives a Certificate of Occupancy or Notice of Completion, whichever occurs earlier. The Deed Restriction shall stand independent of this Agreement and its terms and conditions shall survive the expiration of this Agreement.

HOME-assisted units must meet both HOME affordability rent and occupancy requirements as enumerated below. Eleven (11) of the Project's units shall be HOME-assisted.

## 2. HOME Definitions

The following definitions and dollar amounts referred to in these definitions may be adjusted from time to time based action by the United States Department of Housing and Urban Development (HUD) or any successor agency, and any such adjustments shall be incorporated by reference into this Agreement.

a. High HOME Rent is rent that does not exceed the lesser of (1) the Section 8 Fair Market Rents (FMRs), as established by HUD under 24 CFR Part 888, for existing housing minus tenant-paid utilities, or (2) 30% of annual income for households at the HOME income limit for San Mateo County, adjusted for family size, less tenant-paid utilities, which amount is presently calculated by San Mateo County at 120% of the Low HOME Rent as defined below.

If tenant is paying any utilities, a "utility allowance" must be deducted from the above rent figures. This allowance is calculated by HUD under 24 CFR Part 880 - 886 and should be obtained annually by contacting the San Mateo County Housing Authority.

b. Low HOME Rent is rent that is 30% of annual income for households at the Very Low-Income limit for San Mateo County, adjusted for family size, minus tenant paid utilities.

If tenant is paying any utilities, a "utility allowance" must be deducted from the above rent figures. This allowance is calculated by HUD under 24 CFR Part 880 - 886 and should be obtained annually by contacting the San Mateo County Housing Authority.

c. Very Low-Income is the qualifying income with adjustments for family size, for very low-income households as established by HUD pursuant to Section 8 of the United States Housing Act of 1937, as amended. These income limits are

adjusted from time to time.

d. HOME Income is income at 120% of the Very Low-Income adjusted for family size as calculated by HUD and adjusted from time to time.

### 3. Rent and Occupancy Restriction

At least 20% of the 11 HOME assisted units (at least 3 units) must be occupied by households whose income does not exceed the Very Low-Income limit as specified above, as such limit may be adjusted from time to time by HUD or any successor agency. The rent on said units, including tenant paid utilities, may not exceed the Low HOME Rent specified above, as such rent may be adjusted from time to time by HUD or any successor agency.

All remaining HOME assisted units (up to 8 units) must be occupied by households whose income does not exceed the HOME Income Limit as specified above, as such limit may be adjusted from time to time by HUD or any successor agency. The rent on said units, including tenant paid utilities, may not exceed the High HOME Rent, as such rent may be adjusted from time to time by HUD or any successor agency.

The specific units affected by this Restriction shall be "floating" units, that is, there shall be no specified HOME-assisted units as long as there are a minimum number of units occupied in compliance with the HOME requirements specified above.

In the event that the income of a qualifying tenant increases so that the tenant no longer meets the income criteria, the Contractor will be allowed a variance to the income criteria of this Restriction until such time as said formerly qualifying tenant vacates the unit, or another unit of comparable size in the Project becomes available, at which time that unit must be rented to a qualifying tenant and the restriction shall transfer to the new unit.

16. The second paragraph of Exhibit B is hereby deleted.
17. All other terms and conditions of the Agreement between the County and BRIDGE Regional Partners shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hands.

**COUNTY OF SAN MATEO**

By: \_\_\_\_\_  
President, Board of Supervisors, San Mateo  
County

Date: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
Clerk of Said Board

**BRIDGE Regional Partners, Inc.**

\_\_\_\_\_  
Contractor's Signature

Date: \_\_\_\_\_

**NORTHPOINT HOUSING, INC.**  
a California nonprofit public benefit corporation

\_\_\_\_\_  
Contractor's Signature



**COUNTY OF SAN MATEO**  
**Inter-Departmental Correspondence**  
**Department of Housing**

**DATE:** November 3, 2006  
**BOARD MEETING DATE:** November 14, 2006  
**SPECIAL NOTICE/HEARING** None  
**VOTE REQUIRED** Majority

**TO:** Honorable Board of Supervisors

**FROM:** Duane Bay, Director, Department of Housing

**SUBJECT:** Approve an Assignment of and Amendment to the Agreement with BRIDGE Regional Partners, Regarding Trestle Glen Apartments (formerly known as Colma Transit Village) and confirm the HELP Loan Agreement

**Recommendation**

Adopt a Resolution:

1. Authorizing execution of an Assignment of and Amendment to, the Agreement with BRIDGE Regional Partners, regarding Trestle Glen Apartments (formerly known as Colma Transit Village), to add up to \$1.5 million to \$500,000 for a total obligation of \$2 million, for the original term of 55 years; and
2. Authorizing the Director of the Department of Housing or the Director's designee to execute contract amendments which modify the County's maximum fiscal obligation by no more than \$25,000 (in aggregate), and/or modify the contract term and/or services so long as the modified term or services is/are within the current or revised fiscal provisions.
3. Confirming and authorizing the \$1.5 million Loan Agreement between the County, as borrower, and CalHFA as lender, under the HELP Program, and the July 10, 2006, \$1.5 million Loan Agreement between the County, as lender and BRIDGE Regional Partners, as borrower, regarding the HELP Program Funds.

**Vision Alignment**

**Commitment:** Offer a full range of housing choices.

**Goal 9:** Housing exists for people at all income levels and for all generations of

families.

The action contributes to this commitment and goal by increasing the supply of housing for very low income families.

**Performance Measures:**

Measure	FY 2005-06 Actual	FY 2006-07 Target
Number of County-supported affordable housing units completed and occupied	158	200

**Background**

BRIDGE is in contract to purchase a 2.7 acre site next to the Colma BART Station. The site is currently the locale of the Meadowbrook Mobilehome Park. After acquisition of the site by BRIDGE or a qualified assignee, it is intended that the land be split into two separate parcels. A 1.7-acre parcel is to be used for the development of 123 affordable housing units ("Trestle Glen Apartments"), and a 1.0-acre parcel is to be sold to a market-rate developer for the construction of 32 townhouse condominiums. The entire 155-unit plan is now known as El Camino Transit Village, and will eventually house families with a spectrum of incomes. A 60-slot child care facility is also planned for the site.

BRIDGE had originally proposed 170 affordable units for the entire 2.7 acre site. Due to tax credit limitations on project size and architectural design-development considerations, the affordable component was downsized to 123 units, which in turn led to the decision to sell part of the land for market rate housing and use those sale proceeds to subsidize the affordable component – Trestle Glen Apartments.

It is anticipated that the one-acre for the development of the townhomes will be sold in mid- 2007, as part of an arms-length transaction, with land use entitlements already in place. The entire 2.7-acre site will be purchased for \$6.9 million, and it is anticipated that the 1.0-acre site will resell for an estimated \$3.6 million. Total project costs for Trestle Glen Apartments are estimated at \$51 million, including acquisition of the entire site.

BRIDGE hopes to start construction by mid-summer 2007. BRIDGE has submitted plans to the County Planning Department for the Colma Transit Village plan, and the County Planning Commission is scheduled for November 8, 2006, to review and hear BRIDGE's application for a subdivision map change creating the two parcels, design-review approval, a grading permit, and a conditional use permit for the on-site child care facility.

Trestle Glen Apartments has received extensive County support. The project has appeared in front of the Board numerous times in the past year, primarily to request County approvals related to funding, and once to seek approval of the relocation plan. To date the Board has taken the following actions related to this Project: (1) Funded a

\$500,000 commitment of CDBG funds as evidenced by the Agreement between County and Bridge dated December 6, 2005 (the "Original Agreement"); (2) On November 8, 2005, authorized the submission of an application to the California Housing Finance Agency (CalHFA) for a HELP loan of \$1.5 million; (3) On May 2, 2006 approved a loan of \$1.5 million of CDBG/HOME funds as part of the larger FY 06-07 Action Plan; (4) on May 2, 2006, approved the submission of an application to HUD for a CDBG Section 108 Loan Guarantee Program loan ("Section 108 loan"); the County submitted an application for \$7.145 million of 108 funds; and (5) approved the relocation plan and conversion impact report on June 20, 2006.

The Project has also received a commitment of HEART funds totaling \$1.76 million.

HUD is currently reviewing the County's request for Section 108 funds. While the County requested \$7.145 million, HUD is recommending that the County increase its request to \$10.745 to make the financing feasible due to Section 108 loan program technicalities on the treatment of the sale proceeds of the 1.0 acre lot. The sale of this lot, anticipated to occur within 6 to 8 months, will be used to pay the Section 108 loan principal down to the County's original request of \$7.145 million. Once HUD and the Department of Housing conclude negotiations, the Board will be asked to review and approve the Section 108 funding.

### **Discussion**

The subject Assignment and Amendment to the Original Agreement (the "Amendment") adds up to \$1.5 million of CDBG/HOME funds to the existing \$500,000 Agreement. The additional funds will be used toward site acquisition, relocation of the mobilehome occupants on the project site, and other eligible costs.

The Amendment includes BRIDGE'S assignment of the Original Agreement, which assignment to Northpoint Housing Inc., a non-profit corporation that is a wholly-owned subsidiary of BRIDGE ("Northpoint"), is required in order to take advantage of low income housing tax credits. Trestle Glen will be serving households with incomes ranging from 30% to 48% of area median income.

As a result of the Board's November 8, 2005, authorization of the submission of an application to the California Housing Finance Agency (CalHFA) for a HELP loan of \$1.5 million, the following actions were taken: the application was approved; a March 24, 2006, \$1.5 million Loan Agreement between the County, as borrower, and CalHFA as lender, under the HELP Program was executed by the Director of Housing; and a July 10, 2006, \$1.5 million Loan Agreement between the County, as lender, and BRIDGE Regional Partners, as borrower, regarding the HELP Program Funds, was executed by the Director of Housing. In this action, the Board is also being asked to approve and confirm these HELP program loan transactions.

Repayments on the loans will be structured on a residual receipts basis – that is, only project operating surplus cash will be diverted for repayment. At the end of the 55-year

term, a balloon payment will be due the County on any unpaid balances.

Low income housing tax credit proceeds will finance a large part of the project. In these kinds of tax credit projects, a limited partnership is set up as the Project owner to assume all the obligations of the nonprofit developer and to take advantage of tax credits generated by the project. For this Project, the Agreement will be assigned to Northpoint, serving as the nonprofit general partner entity of the limited partnership, Trestle Glen Associates.

BRIDGE and Northpoint have assured compliance with the County's Contractor Employee Jury Service Ordinance, as well as all other contract provisions that are required by County ordinance and administrative memoranda, including but not limited to insurance, hold harmless, non-discrimination and equal benefits. Real Property Services has reviewed and approved the Amendment and County Counsel has reviewed and approved the Resolution and the Amendment as to form. Risk Management has reviewed and approved the insurance coverage provided by the in the Agreement and the Amendment.

#### **Fiscal Impact**

This project is included in the Department of Housing Budget for FY 2006-07. The County's total additional obligation added by the Amendment is \$1.5 million from FY 06-07 CDBG/HOME funds. The HELP Program Loan represents another \$1.5 million to assist the Project. There is no Net County Cost.

**RESOLUTION NO. \_\_\_\_\_**

**BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA**

**\* \* \* \* \***

**RESOLUTION AUTHORIZING (1) THE EXECUTION OF AN ASSIGNMENT OF AND AMENDMENT TO THE AGREEMENT WITH BRIDGE REGIONAL PARTNERS, REGARDING TRESTLE GLEN APARTMENTS; (2) THE DIRECTOR OF THE DEPARTMENT OF HOUSING OR THE DIRECTOR'S DESIGNEE TO EXECUTE SUBSEQUENT AMENDMENTS; AND (3) THE \$1.5 MILLION HELP PROGRAM LOAN TRANSACTIONS**

**RESOLVED**, by the Board of Supervisors of the County of San Mateo, State of California, that

**WHEREAS**, County and BRIDGE REGIONAL PARTNERS ("BRIDGE") have entered into a loan agreement regarding the development of Colma Transit Village Apartments, which agreement is dated December 6, 2005 and concerns a \$500,000 loan (the "Agreement"). The affordable housing portion of the Colma Transit Village Apartments is known as Trestle Glen Apartments and is comprised of 123 units ("Project"); and

**WHEREAS**, on March 24, 2006, a loan agreement with the California Housing Finance Agency for a HELP Loan in the principal amount of \$1,500,000 to assist in the financing of the Project ("HELP Loan") was executed; and

**WHEREAS**, on May 2, 2006, by Resolution No. 067944, the County Board of Supervisors approved the County's FY 2006-07 Action Plan, which included another \$1.5 million of a combination of CDBG and HOME funds to assist in Project development; and

**WHEREAS**, support of the Project is further evidenced by a HEART commitment in February 2006 of \$1.76 million; and

**WHEREAS**, BRIDGE anticipates equity financing from low income housing tax credits and as such, will assign its rights and obligations under the Agreement to Northpoint Housing, Inc., a nonprofit corporation that is a wholly-owned subsidiary of



BRIDGE ("Northpoint) in order to facilitate tax credit structurings for the Project; and

**WHEREAS**, Northpoint and BRIDGE wish to amend the Agreement by adding up to \$1.5 million to the existing \$500,000, for a total current obligation of \$2,000,000 for the original term of 55 years;

**WHEREAS**, there has been presented to this Board of Supervisors for its consideration and acceptance, an Assignment of and Amendment to Agreement between the County of San Mateo and BRIDGE Regional Partners ("Assignment and Amendment to Agreement"), reference to which is hereby made for further particulars, and the Board of Supervisors has examined and approved the same as to form and content and desires to enter into the same.

**WHEREAS**, there has been presented to this Board of Supervisors for its consideration and confirmation, a \$1.5 million Loan Agreement between the County, as borrower, and CalHFA as lender, under the HELP Program; and a \$1.5 million Loan Agreement between the County, as lender, and BRIDGE Regional Partners, as borrower, regarding the HELP Program Funds ("the HELP Program Loan Transactions"), reference to which is hereby made for further particulars, and the Board of Supervisors has examined and approved and confirmed the same.

**NOW, THEREFORE, IT IS HEREBY RESOLVED** that the President of this Board of Supervisors be, and is hereby authorized and directed to execute said Assignment and Amendment to Agreement for and on behalf of the County of San Mateo, and the Clerk of this Board shall attest the President's signature thereto.

**BE IT FURTHER RESOLVED**, that the Director of the Department of Housing or the Director's designee shall be authorized to execute subsequent amendments to the Agreement which modify the County's maximum fiscal obligation by no more than \$25,000 (in aggregate), and/or modify the contract term and/or services so long as the modified term or services is/are within the current or revised fiscal provisions.

**BE IT FURTHER RESOLVED**, that it is confirmed that the Director of the Department of Housing is authorized and directed to execute the HELP Program Loan Transactions documents as necessary to effectuate said transactions.

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