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Successor Agency

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Staff Report

ITEM 5

To: Oversight Board for the Successor Agency to the former Lemoore Redevelopment Agency

From: Brooke Austin, Housing Specialist

Date: September 26, 2012

Subject: Resolution to Ratify the Lemoore Housing Authority Loan Repayment Schedule for Cinnamon Villas

Discussion

On March 15, 2011, the Lemoore Redevelopment Agency (Agency) approved a loan of \$2,680,000 from the Agency's Low and Moderate Income Housing Fund to Pacific West Communities, Inc. (the Developer) or its limited partnership affiliate to assist with financing the construction and development of Cinnamon Villas, an 80-unit low and moderate income rental housing project. Attached is Resolution No. 2011-03, which stipulated the following loan terms:

1. The interest on the Loan shall be 3 percent per annum and commence accruing upon disbursement of the funds to the Developer.
2. The Loan will have a term of 360 months, with all unpaid principal and interest due and payable in full at the end of the 360-month term.
3. The Loan shall utilize a 660-month amortization schedule.
4. The Loan shall not be disbursed to the Developer until financing has been acquired to complete the Project to the satisfaction of the Agency.
5. The Loan to the Developer will be repaid to the Agency from residual receipts of which the Agency's loan payment will be fifty percent (50%) of receipts.

The Developer was notified that the Project was approved for tax credits in June of 2011. Therefore, the Redevelopment Agency Loan funded on December 16, 2011 at the close of escrow on the construction loan.

Upon dissolution of the Redevelopment Agency on February 1, 2012, all housing functions and assets were transferred to the Lemoore Housing Authority. The loan for Cinnamon Villas was included in the housing asset transfer.

Health and Safety Code Section 34171(d)(1)(G) states that the repayment schedule must be approved by the Oversight Board. The attached resolution has been prepared so that the Oversight Board can ratify the Loan Repayment Schedule and meet this requirement.

Budget Impact

None at this time.

Recommendation

That the Oversight Board for the Successor Agency adopt Resolution No. 2012-13 ratifying the loan repayment schedule.