



# County of Santa Cruz

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## REDEVELOPMENT AGENCY

701 OCEAN STREET, ROOM 510, SANTA CRUZ, CA 95060-4000

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TOM BURNS, AGENCY ADMINISTRATOR

June 14, 1999

Agenda: June 22, 1999

Board of Directors  
County of Santa Cruz Redevelopment Agency  
701 Ocean Street  
Santa Cruz, CA 95060

### **SAN ANDREAS FARM WORKER HOUSING - FINANCING**

Dear Members of the Board:

For the past several years the County and Redevelopment Agency have been facilitating a process for improving living conditions at the former San Andreas Farm Labor Camp. The purpose of this letter is to address the final action needed by the County to bring about the reconstruction of the housing on this property — Agency financial assistance.

#### **Project Background**

For some time, the San Andreas Farm Labor Camp has been a troubled property. Because the property owner had allowed severe overcrowding to occur and, through deferred maintenance, created significant health and safety problems, the Court appointed a Receiver to oversee interim management and to develop a plan for improving or closing the Camp. Through those efforts and with the assistance of the Housing Authority, John Richardson, the Receiver, was able to keep the park operational until he secured the sale of the property to Mid-Peninsula Housing.

Since that time, Mid-Peninsula developed a plan for reconstructing the 43 units at the Camp, which received land use approvals from the County last December. Since that time, with additional assistance from Families in Transition, all of the residents have found other housing and the existing buildings on the property will soon be demolished. Early this year, Mid-Peninsula took over ownership and management of the property, and as a result, the receivership was terminated in April.

The final step required before reconstruction of the Camp can begin is securing the necessary financing for the project. Mid-Peninsula has been awarded Affordable Housing

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Program (AHP) funds, HOME funds which may be used for this project, and private grants. They are now in the process of applying for tax credits. In order to apply for tax credits, it is necessary for the Agency to formalize its financial assistance to the project at this time.

### Financing Agreement

Since the tax credit application deadline is not until mid July, the regulations which will govern this round of competition were only recently released. While we understand the general nature of the upcoming competition, there has not been adequate time to appreciate the nuances of the new point scoring system. Nonetheless, because of the Board's July recess, this is the last opportunity to receive approval of funding assistance for the July deadline. We are therefore requesting that your Board authorize the Agency Administrator to negotiate and sign the financing agreement with Mid-Peninsula, under the general terms outlined in this letter.

At this time the Agency will need to commit to funding its own contribution as well as the HOME amount, for a total of \$2,000,000. The \$400,000 to \$500,000 in HOME funds will later be substituted for a portion of the \$2,000,000. The following chart shows the projected final financing amounts:

#### Permanent Financing:

Source	Amount
RDA (would be reduced with increased HOME funding)	\$1,600,000
HOME- minimum amount (could be as high as \$500,000)	400,000
AHP	252,000
Private Grants	506,000
First Mortgage	654,700
Estimated Tax Credit Proceeds	4,179,567
MPHC Equity	429,431
<b>TOTAL SOURCES</b>	<b>\$8,021,698</b>

The Agency's financial contribution will take place in the form of combined grants and loans, with the specifics being addressed in the final financing agreement. In addition to standard requirements pertaining to maintenance and management, the financing agreement and CC&R's will also include the Agency's typical requirements, including affordability restrictions, preference to prior residents and occupancy by farm worker

households. In fact, the agreement will closely follow the prior financing agreement for the successful Murphy's Crossing Farm Worker Project (now called Jardines del Valle).

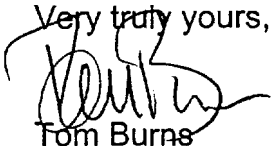
### Conclusion

Affordable housing in general is in short supply in Santa Cruz County. Because farm workers typically earn substantially less than half of median income, affordable housing for this population is even less available. The reconstruction of San Andreas will provide a vital housing resource, as well as giving community stability and support to the farm worker families living there.

It is therefore RECOMMENDED that your Board, as the Board of Directors for the Redevelopment Agency,

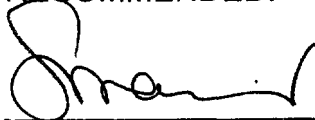
1. Authorize the Redevelopment Agency Administrator to negotiate and sign an agreement with Mid-Peninsula Housing Coalition to provide a total of \$2,000,000 in financial assistance, consistent with the terms outlined in this letter; and
2. Adopt the attached resolution (Attachment 1) concerning the Agency's financial commitment in connection with Mid-Peninsula's application for tax credits.

Very truly yours,



Tom Burns  
Redevelopment Agency Administrator  
TB:PH

RECOMMENDED:



Susan A. Mauriello  
Redevelopment Agency Director

Attachment

cc. RDA  
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BEFORE THE BOARD OF DIRECTORS  
OF THE REDEVELOPMENT AGENCY OF THE COUNTY OF SANTA CRUZ

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

On the motion of Director  
duly seconded by Director  
the following resolution is adopted

RESOLUTION APPROVING A REDEVELOPMENT AGENCY FUNDING  
COMMITMENT OF \$2,000,000 TO ASSIST IN THE DEVELOPMENT OF THE SAN  
ANDREAS FARM WORKER HOUSING PROJECT

WHEREAS, Mid-Peninsula Housing Coalition (MPHC) has developed a proposal to construct the San Andreas Farm Worker Housing Project ("the Project") located at 295 San Andreas Road in Santa Cruz County, and;

WHEREAS, During the 1999 tax credit funding cycle, MPHC will apply for low income housing tax credits to be used to assist in the Project, and;

WHEREAS, pursuant to its authority under the Community Redevelopment Law, the Agency wishes to provide financial assistance from the Low and Moderate Income Housing Fund to MPHC to enable the Project to be financially feasible, and;

WHEREAS, on April 28, 1987, in accordance with subsection (g) of section 33334.2 of the California Health and Safety Code, the Agency Board of Directors adopted Resolution No. 235-87 and the County Board of Supervisors adopted Resolution No. 236-87 by which each of them found that the provision of low and moderate income housing outside the Project Area will be of benefit to the Project Area.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, that in the event that tax credits are awarded to the Project, the Redevelopment Agency shall provide financial assistance in an amount of up to \$2,000,000 in the form of deferred loans and grant funds to MPHC to assist in the Project. To the extent that it is financially feasible to meet HOME conditions, it is anticipated that MPHC will substitute HOME funds for a portion of the \$2,000,000. If no HOME funds are available for the project, the entire \$2,000,000 will be provided by the Agency.

BE IT FURTHER RESOLVED that the Redevelopment Agency Administrator is authorized to enter into and sign a financial agreement and other relevant documents to assist the Project.

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PASSED AND ADOPTED by the Board of Directors of County of Santa Cruz  
Redevelopment Agency, State of California, this the 22<sup>nd</sup> day of June, 1999, by the  
following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Jeff Almquist, Chair, Redevelopment Agency Board of Directors

ATTEST: \_\_\_\_\_  
Clerk of the Board

APPROVED AS TO FORM:

Joe M. Scott  
County Counsel

Distribution: RDA

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