



City of Kingsburg

1401 Draper Street, Kingsburg, CA 93631-1908 (559) 897-5821 Fax (559) 897-5568

AGENDA
KINGSBURG RDA SUCCESSOR AGENCY
BOARD MEETING
November 19, 2014
7:00 P.M.
KINGSBURG CITY COUNCIL CHAMBER
1401 DRAPER STREET

Chet Reilly
Mayor

Michelle Roman
Mayor Pro-tem

COUNCIL MEMBERS

Bruce Blayney

Ben Creighton

David Karstetter

CITY MANAGER

Alexander J. Henderson

No amount of compensation or stipend will be received by any member of the Kingsburg RDA Successor Agency Board as a result of convening the meeting of the Kingsburg RDA Successor Agency Board

- I. Call to order and roll call** – Kingsburg RDA Successor Agency Board Meeting
- II. Public Comments** - Any person may directly address the Kingsburg RDA Successor Agency Meeting at this time on any item on the agenda, or on any item that is within the subject matter jurisdiction of the Kingsburg RDA Successor Agency Board Meeting. A maximum of five minutes is allowed for each speaker.
- III. Approve Agenda** – Action by the Kingsburg RDA Successor Agency Board to approve the agenda or to make modifications. Note: The type of items that can be added to the agenda is constrained by State law.

(NEXT RESOLUTION NO. 2014-02 - Next Ordinance No. 2014-01)

- IV. Minutes** - Approve the minutes of the Kingsburg RDA Successor Agency Board Meeting held on September 17, 2014 as prepared by Executive Secretary Sue Bauch.
- V. Second Amendment to Disposition and Development Agreement with Kingsburg Senior Village CIC, LP (Successor to Chelsea Investment Corporation) dated March 20, 2013** - Consider Ordinance approving the Second Amendment as prepared by Legal Counsel Michael Noland.

Possible Action(s):

- a. Presentation by Kingsburg RDA Successor Agency Legal Counsel Michael Noland.
- b. Council Discussion
- c. Recommendations:
 - 1) Determine that the Second Amendment does not alter, revise or otherwise change the Project and therefore will not result in any impacts to the environment in accordance with the California Environmental Quality Act (CEQA), pursuant to the Negative Declaration previously adopted by the Kingsburg RDA Successor Agency on March 6, 2013.

**Kingsburg Redevelopment Successor Agency
Regular Meeting
November 19, 2014**

- 2) Make the findings required by Kingsburg Municipal Code Section 17.90.080, approve the Second Amendment to the Disposition and Development Agreement between the Kingsburg RDA Successor Agency and Kingsburg Senior Village CIC, LP (successor to Chelsea Investment Corporation) dated March 20, 2013 and authorize the Chairman and the Clerk of the Kingsburg RDA Successor Agency to execute the Second Amendment to the Disposition and Development Agreement.
- 3) Introduce Kingsburg RDA Successor Agency Ordinance No. 2014-01 approving the second amendment to the Disposition and Development Agreement with Kingsburg Senior Village CIC, LP (Successor to Chelsea Investment Corporation) dated March 20, 2013, and pass on to the second reading with the following recital constituting reading of the title of said ordinance:

“AN ORDINANCE OF THE KINGSBURG RDA SUCCESSOR AGENCY APPROVING THE SECOND AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT WITH KINGSBURG SENIOR VILLAGE CIC, LP (SUCCESSOR TO CHELSEA INVESTMENT CORPORATION) DATED MARCH 20, 2013”

VI. Unscheduled Board Member Reports and Staff Communications.

VII. Adjournment - Adjourn the Kingsburg RDA Successor Agency Board meeting into the Kingsburg City Council Regular Meeting.

**KINGSBURG RDA SUCCESSOR AGENCY
BOARD MEETING
SEPTEMBER 17, 2014**

No amount of compensation or stipend will be received by any member of the Kingsburg RDA Successor Agency Board as a result of convening the meeting of the Kingsburg RDA Successor Agency Board

Call to order and roll call – At 6:30 P. M. Chairman Reilly called the Kingsburg RDA Successor Agency Board Meeting to order.

Members present: Ben Creighton, David Karstetter, Bruce Blayney, Michelle Roman, and Chairman Chet Reilly.

Staff present: Executive Director Alex Henderson, Legal Counsel Michael Noland, and Assistant Executive Director/Executive Secretary Sue Bauch.

Public Comments – None

Approve Agenda – A motion was made by Member Karstetter, seconded by Member Blayney, to approve the agenda, as published. The motion carried by unanimous voice vote.

Minutes – A motion was made by Member Blayney, seconded by Member Karstetter, to approve the minutes of the Kingsburg RDA Successor Agency Board Meeting held on June 18, 2014 as prepared by Executive Secretary Sue Bauch. The motion carried by unanimous voice vote.

Closed Session – At 6:32 P. M. the Kingsburg RDA Successor Agency Board went into closed session to discuss the following item:

Conference with Real Property Negotiators – Government Code Section 54956.8. Property described as APN 396-091-15. Agency Negotiator, Executive Director Alex Henderson. Negotiation concerning terms and conditions of purchase and sale.

Adjournment – At 6: 45 P. M. Chairman Chet Reilly adjourned the Kingsburg RDA Successor Agency Board Meeting.

Submitted by:


Sue Bauch, Executive Secretary

STAFF REPORT

TO: Kingsburg RDA Successor Agency

FROM: Staff

DATE: November 13, 2014

SUBJECT: Approval of the **SECOND AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT** between the Kingsburg RDA Successor Agency and Kingsburg Senior Village CIC, LP (successor to Chelsea Investment Corporation) dated March 20, 2013 for the 48 unit multi-family development located on Sierra Street (APN 396-020-17).

Recommendation:

- 1) Determine that the Second Amendment does not alter, revise or otherwise change the Project and therefore will not result in any impacts to the environment in accordance with the California Environmental Quality Act (CEQA), pursuant to the Negative Declaration previously adopted by the Kingsburg RDA Successor Agency on March 6, 2013.
- 2) Make the findings required by Kingsburg Municipal Code Section 17.90.080, approve the Second Amendment to the Disposition and Development Agreement between the Kingsburg RDA Successor Agency and Kingsburg Senior Village CIC, LP (successor to Chelsea Investment Corporation) dated March 20, 2013 and authorize the Chairman and the Clerk of the Kingsburg RDA Successor Agency to execute the Second Amendment to the Disposition and Development Agreement.
- 3) Waive the first reading of the attached Ordinance No. 2014-___ and pass the Ordinance to a second reading.

Discussion:

A. On March 20, 2013, Kingsburg RDA Successor Agency ("**Successor Agency**") and Chelsea Investment Corporation, a California corporation ("**CIC**"), as predecessor-in-interest to Kingsburg Senior Village CIC, LP ("**Developer**") entered into that certain Disposition and Development Agreement (the "**Original Agreement**"), pursuant to which the Successor Agency agreed to sell to Developer certain real property ("**Property**") located in the City of Kingsburg, County of Fresno, California, APN: 396-020-17 and more particularly described in Exhibit "A" to the Original Agreement. Pursuant to the provisions to the Original Agreement, the Developer agreed to develop the Property by constructing thereon a forty-eight (48) unit multi-family apartment

complex for very low and low income persons ages fifty-five (55) and older and as more particularly described in the Original Agreement (“**Project**”). The Original Agreement was assigned from CIC to Developer pursuant to that certain Assignment and Assumption Agreement dated March 22, 2013.

B. On July ____, 2013, the Successor Agency and Developer entered into that certain First Amendment to Disposition and Development Agreement which amended Section 5.1 and Exhibit “B” to the Original Agreement as set forth in the First Amendment

C. Successor Agency and Developer desire to again amend the Original Agreement to provide Developer with additional time to submit its initial application for 9% Tax Credits to the California Tax Credit Allocation Committee and to revise the time lines in Exhibit “B” to the Original Agreement accordingly and in accordance with that certain Second Amendment to Disposition and Development Agreement (“**Second Amendment**”). Other than extending the time within which the Developer may submit its initial application for 9% Tax Credits to the California Tax Credit Allocation Committee and revising the time lines accordingly as identified in Exhibit “B” to the Original Agreement, the Second Amendment does not, in any way, revise, alter or otherwise change the Project.

Staff recommends the Successor Agency approve the Second Amendment in accordance with the provisions of Ordinance No. 2014-____.

ORDINANCE NO. 2014-_____

1
2 **AN ORDINANCE OF THE KINGSBURG RDA SUCCESSOR AGENCY APPROVING**
3 **THE SECOND AMENDMENT TO THE DISPOSITION AND DEVELOPMENT**
4 **AGREEMENT WITH KINGSBURG SENIOR VILLAGE CIC, LP (SUCCESSOR TO**
5 **CHELSEA INVESTMENT CORPORATION) DATED MARCH 20, 2013**

6 WHEREAS, On March 20, 2013, Kingsburg RDA Successor Agency ("**Successor**
7 **Agency**") and Chelsea Investment Corporation, a California corporation ("**CIC**"), as
8 predecessor-in-interest to Kingsburg Senior Village CIC, LP ("**Developer**") entered into that
9 certain Disposition and Development Agreement (the "**Original Agreement**"), pursuant to
10 which the Successor Agency agreed to sell to Developer certain real property ("**Property**")
11 located in the City of Kingsburg, County of Fresno, California, APN: 396-020-17 and more
12 particularly described in Exhibit "A" to the Original Agreement. Pursuant to the provisions to the
13 Original Agreement, the Developer agreed to develop the Property by constructing thereon a
14 forty-eight (48) unit multi-family apartment complex for very low and low income persons ages
15 fifty-five (55) and older and as more particularly described in the Original Agreement
16 ("**Project**"). The Original Agreement was assigned from CIC to Developer pursuant to that
17 certain Assignment and Assumption Agreement dated March 22, 2013.

18 WHEREAS, On July __, 2013, Successor Agency and Developer entered into that
19 certain First Amendment To Disposition and Development Agreement ("**First Amendment**")
20 which amended Section 5.1 and Exhibit "B" to the Original Agreement as set forth in the First
21 Amendment.

22 WHEREAS, Successor Agency and Developer desire to again amend the Original
23 Agreement to provide Developer with additional time to submit its application for 9% Tax
24 Credits to the California Tax Credit Allocation Committee in accordance with that certain
25 Second Amendment to Disposition and Development Agreement ("**Second Amendment**")
26 attached to this Ordinance as Exhibit "A" and made a part hereof. Other than extending the time
27 within which the Developer may submit its application for 9% Tax Credits to the California Tax
28 Credit Allocation Committee and revision of certain dates in Exhibit "B" to the Original

1 Agreement, the Second Amendment does not, in any way, revise, alter or otherwise change the
2 Project.

3 NOW THEREFORE, the Successor Agency does ordain as follows:

4 **Section 1.** The Successor Agency makes the following findings:

5 A. The Project remains consistent with the Kingsburg General Plan and any applicable specific
6 plan.

7 *The Project is on land designated for medium density residential and is consistent with*
8 *the City of Kingsburg General Plan. The Project area is not within any specific plan*
9 *area.*

10 B. The Project remains in compliance with the applicable City zoning and use in the applicable
11 zone district, all applicable development standards and specifications and other applicable
12 laws, rules and regulations.

13 *The Project area is zoned R-M-3, Multi-family Residential. The density allowed is one*
14 *unit per 3,000 square feet. Based on the 4.84 acres, the Project is allowed up to 70 units.*
15 *The Project has been reviewed by the Site Plan Review Committee, which determined that*
16 *the Project meets all applicable development standards and specifications.*

17 C. The Project will not be detrimental to the public health, safety and general welfare.

18 *Based on the Project design and that the Project is an income restricted senior housing*
19 *development, the Project will not be detrimental to the public health, safety and general*
20 *welfare.*

21 D. The Project will provide sufficient benefit to the city to justify entering into the development
22 agreement.

23 *The Project will provide much needed affordable senior housing to the community.*
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1 E. The Project will not have a significant impact on the environment.

2 *The City of Kingsburg prepared an Initial Study for the Project and determined that the*
3 *Project will not have a significant impact on the environment.*

4 **Section 2.** The Second Amendment is approved and the Chairman and Clerk of the
5 Successor Agency are authorized and instructed to execute the Second Amendment on behalf of
6 the Agency.

7 **Section 3.** This ordinance shall take effect thirty (30) days after its passage and shall be
8 published with the Kingsburg Recorder within fifteen (15) days after its passage.

9 **PASSED AND ADOPTED** at a regular meeting of the Kingsburg RDA Successor
10 Agency duly called and held on the ___ day of December, 2014, by the following vote:

11 AYES: Agency Member _____

12 _____

13 _____

14 _____

15 _____

16 _____

17 NOES: Agency Member _____

18 ABSTAIN: Agency Member _____

19 ABSENT: Agency Member _____

20 _____

21 APPROVED _____

Chairman

22 ATTEST: _____
23 Agency Clerk

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28 STATE OF CALIFORNIA)

1 COUNTY OF FRESNO) ss
2 CITY OF KINGSBURG)

3 I, **SUSAN BAUCH**, Clerk of the Kingsburg RDA Successor Agency, do hereby certify
4 the foregoing ordinance was duly introduced at a regular meeting of the Kingsburg RDA
5 Successor Agency on the ____ day of _____, 2014, and it was duly passed and
6 adopted at a regular meeting of Kingsburg RDA Successor Agency held on the ____ day of
_____, 2014.

7 Dated: _____

Susan Bauch, Agency Clerk

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EXHIBIT "A"

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Recording Requested By:
KINGSBURG RDA
SUCCESSOR AGENCY

111314

When Recorded Return To:
KINGSBURG RDA
SUCCESSOR AGENCY
Attn: Agency Clerk
1401 Draper Street
Kingsburg, CA 93631

SECOND AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT

This Second Amendment to Disposition and Development Agreement ("**Amendment**") is entered into as of November ____, 2014 (the "**Effective Date**") by the KINGSBURG RDA SUCCESSOR AGENCY, established by Resolution of the Kingsburg City Council (Resolution No. 2012-11), in accordance with the applicable provisions California Health and Safety Code Section 34173(d)(1) ("**Successor Agency**"), and KINGSBURG SENIOR VILLAGE CIC, LP, a California limited partnership ("**Developer**"), pursuant to Article 2.5 of Chapter 4 of Division 1 of Title 7, Sections 65864 through 65869.5 of the California Government Code.

RECITALS

A. On March 20, 2013, Successor Agency and Chelsea Investment Corporation, a California corporation ("**CIC**", as predecessor-in-interest to Developer) entered into that certain Disposition and Development Agreement (the "**Original Agreement**"), pursuant to which the Successor Agency agreed to sell to Developer certain real property ("**Property**") located in the City of Kingsburg, County of Fresno, California, APN: 396-020-17 and more particularly described in Exhibit "A" which is attached hereto and made a part hereof, and Developer agreed to develop the Property by constructing thereon a forty-eight (48) unit multi-family apartment complex for very low and low income persons ages fifty-five (55) and older and as more particularly described in the Original Agreement. The Original Agreement was assigned from CIC to Developer pursuant to that certain Assignment and Assumption Agreement dated March 22, 2013.

B. On July ____, 2013, the Successor Agency and Developer entered into that certain First Amendment to Disposition and Development Agreement which amended Section 5.1 and Exhibit "B" to the Original Agreement as set forth in the First Amendment.

C. The Developer and Successor Agency wish to enter into this Second Amendment to amend certain terms of the Original Agreement in accordance with Section 65868 of the California Government Code.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Amendment to Section 5.1. The paragraph following Section 5.1.e of the Original Agreement is hereby deleted in its entirety and replaced as follows:

"Development of the Project is contingent upon Developer receiving a sufficient Tax Credit Allocation from CTCAC to enable it to finance the Project. Developer intends to submit an application for 9% Tax Credits to CTCAC in the second application round of 2015. In the event Developer does not receive a Tax Credit Allocation in the second application round of 2015, Developer shall submit Tax Credit applications in the next two subsequent 9% Tax Credit application rounds to be held in 2016. In the event that the Developer does not receive a Tax Credit Allocation for the Project after the above-identified three consecutive applications, this Agreement shall terminate and neither the Successor Agency nor the Developer shall have any obligation or liability to the other."

2. Amendment to Exhibit B. The Schedule of Performance set forth as Exhibit "B" to the Original Agreement is hereby deleted in its entirety and replaced by the revised Schedule of Performance attached hereto as Exhibit "B" and incorporated herein by this reference. All references in the Original Agreement to the Schedule of Performance shall now refer to the revised Exhibit "B" attached hereto.

3. Original Agreement. Except as modified hereby, the Original Agreement remains in full force and effect.

4. Capitalized Terms. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Original Agreement.

5. Counterparts. This Agreement may be signed in any number of counterparts, all of which taken together shall constitute one and the same instrument.

6. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date stated above.

DEVELOPER:

KINGSBURG SENIOR VILLAGE CIC, LP,
a California limited partnership

By: Pacific Southwest Community Development Corporation,
a California non-profit public benefit corporation,
its Managing General Partner

By: _____
Robert W. Laing
President / Executive Director

By: CIC Kingsburg Senior Village, LLC,
a California limited liability company
its Administrative General Partner

By: Chelsea Investment Corporation,
a California corporation, its Manager

By: _____
Cheri Hoffman, President

SUCCESSOR AGENCY:

KINGSBURG RDA SUCCESSOR AGENCY

By: _____
Chet Reilly, Chairman

ATTEST:

By _____
Successor Agency Clerk

APPROVED AS TO FORM:

By: _____
Michael J. Noland, Successor Agency Attorney

STATE OF CALIFORNIA

COUNTY OF _____

On November ____, 2014 before me

_____, personally appeared _____ personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature

STATE OF CALIFORNIA

COUNTY OF FRESNO

On November ____, 2014 before me

_____, personally appeared CHET REILLY, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature

EXHIBIT "A"
LEGAL DESCRIPTION

Parcel B of Parcel Map Number 31, in the City of Kingsburg, County of Fresno, State of California, as per map recorded in Book 44 Page 60 of Parcel Maps, Fresno County Records.

APN: 396-020-17

Exhibit "B"
SCHEDULE OF PERFORMANCE

1.	Site Plan Approval	Concurrent with DDA
2.	Low Income Housing Tax Credits	Developer shall apply for Low Income Housing Tax Credits in the second application round of 2015 . If Developer is not successful in that round, then Developer shall re-apply in the next two application cycles in 2016. If Developer is not successful in the first subsequent round, then Developer shall re-apply in the immediately following second round.
3.	HOME Program	Developer shall submit an application to the County within 60 days of an executed DDA. Developer shall re-apply as necessary for project feasibility.
4.	Affordable Housing Program	Developer shall apply for Affordable Housing Program funds in the _____, 2016 application cycle. If Developer is not successful in that round, then Developer shall re-apply in the immediately following application cycle.
5.	Opening of Escrow	Open of escrow for purchase of the Project Property no later than 120 days following receipt by Developer of a Tax Credit Allocation.
6.	Closing Date	Within 180 days following receipt of an allocation of Low Income Housing Tax Credits for the Project.
7.	Commencement of Construction	Within 30 days after Closing.
8.	Completion of Construction	Within 18 months after commencement of construction.