

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Matthew J. Fertal	From:	Susan Emery	
Dept:	City Manager	Dept:	Community Development	
Subject:	AMENDMENT TO COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO) RESERVATION AGREEMENT WITH JAMBOREE HOUSING CORPORATION		Date:	November 13, 2012

OBJECTIVE

To obtain City Council approval of an amendment to the Community Housing Development Organization (CHDO) Reservation Agreement with Jamboree Housing Corporation.

BACKGROUND

On May 22, 2012, the City Council approved a CHDO Reservation Agreement with Jamboree Housing Corporation for the acquisition and rehabilitation of substandard rental properties in one of the City's focus neighborhoods, with HOME funds serving as gap financing. The CHDO Reservation Agreement is the mechanism to conditionally commit HOME funds with a CHDO and thereby preserve HOME funds from being recaptured by HUD.

DISCUSSION

The primary purpose of this amendment is to extend the negotiating period to twelve (12) months for the City and the Developer to identify a mutually acceptable property and/or foreclosed single-family residence(s) within one of the City's Focus Neighborhoods or other areas approved by the City, and to agree upon an Affordable Housing Agreement(s) for the Developer's acquisition of the property, the rehabilitation of the existing apartment units or single-family residence(s) upon the property, and the operation of the rehabilitated property.

FINANCIAL IMPACT

Funding is available in the City's HOME budget comprised of HOME program income plus the remaining balance of five program years of HOME allocations, less administrative funds. There will be no impact to the General Fund.

RECOMMENDATION

It is recommended that City Council:

- Approve the attached First Amendment to the Community Housing Development Organization (CHDO) Reservation Agreement and
- Authorize the City Manager to execute the Agreement and all other documents necessary to implement the Agreement, and make minor modifications as appropriate, on behalf of the City.



SUSAN EMERY
Community Development Director



By: Monica Covarrubias
Sr. Program Specialist

Attachment 1: First Amendment to CHDO Reservation Agreement

Recommended for Approval



Matthew Fertal
City Manager

**FIRST AMENDMENT TO
COMMUNITY DEVELOPMENT HOUSING
ORGANIZATION RESERVATION AGREEMENT**

This First Amendment to Community Development Housing Organization Reservation Agreement ("First Amendment") is made by and between the **CITY OF GARDEN GROVE**, a California municipal corporation (the "City"), and **JAMBOREE HOUSING CORPORATION**, a California nonprofit public benefit corporation (the "Developer").

RECITALS

WHEREAS, CITY and DEVELOPER previously entered into a Community Development Housing Organization Reservation Agreement ("Agreement") dated May 22, 2012; and

WHEREAS, CITY and DEVELOPER desire to amend the Agreement as provided herein.

Now, therefore, it is mutually agreed, by and between the parties as follows:

AGREEMENT

1. Section 2, Negotiating Period, is hereby revised to read in its entirety, as follows:

"2. **Negotiating Period.** The City agrees to diligently and in good faith negotiate with the Developer, and the Developer agrees to diligently and in good faith negotiate with the City, for a twelve (12) month period from the date of execution of this Agreement ("Negotiating Period"), in order to jointly select a mutually acceptable property and/or foreclosed single-family residence(s) within one of the City's Focus Neighborhoods or other areas approved by the City, and to agree upon a mutually acceptable Affordable Housing Agreement(s) for the Developer's acquisition of the Property, the rehabilitation of the existing apartment units or single-family residence(s) upon the Property, and the operation of the rehabilitated property. The Affordable Housing Agreement(s) shall contain, but not be limited to, such negotiated matters as the total amount of assistance to be made, whether the assistance will be in the form of a grant or a loan, eligible uses of the assistance, security for repayment of the assistance, conditions to disbursement of the assistance, whether any repayment proceeds must be returned by the Developer to the City or retained for HOME Program activities, the scope and schedule of the rehabilitation work, the number and size of affordable units or foreclosed single-family residence, ongoing maintenance and operation requirements, a

recordable regulatory agreement, other HOME Program requirements, specifically including without limitation the requirements of 24 CFR 92.300 and 24 CFR 92.504(c)(3), and such other matters as the parties find necessary or appropriate.

Except as this Agreement is extended pursuant to the following paragraph or is amended by mutual written agreement of the parties, if at the end of the Negotiating Period the Developer has not signed and submitted an Affordable Housing Agreement(s) mutually acceptable to the Developer and the City Manager or his designee, then this Agreement shall automatically expire and terminate. Upon such expiration and termination both parties knowingly agree that neither party shall have any further rights or obligations to the other under this Agreement. If an Affordable Housing Agreement(s) mutually acceptable to the Developer and the City Manager or his designee is signed and submitted by the Developer within the Negotiating Period, then the term of the Negotiating Period and this Agreement shall automatically be extended, subject to the termination provisions of Section 4 hereof, for a period of forty-five (45) days from the date of such submittal to enable the City's staff to take and coordinate the actions necessary to bring such Affordable Housing Agreement(s) before the City for consideration, action, and authorization to sign, if such is approved. Subject to the termination provisions of Section 4 hereof, the parties by mutual written agreement of the Developer and the City Manager or his designee may extend the Negotiating Period for up to two additional periods of six (6) months each.

2. Except as otherwise amended pursuant to this First Amendment, the Agreement shall remain in full force and effect.

IN WITNESS THEREOF, these parties have executed this First Amendment on the day and year shown below.

"CITY"
CITY OF GARDEN GROVE

By: _____
City Manager

ATTESTED:

City Clerk

Date: _____

"DEVELOPER"
Jamboree Housing Corporation

By: Maury Loun

Its: EVP/CEO

Date: 10/24/12

APPROVED AS TO FORM:

James H Eggert for
Garden Grove City Attorney

Date: 10-25-12