



City of Kingsburg

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

Bruce Blayney
Mayor

Michelle Roman
Mayor Pro Tem

COUNCIL MEMBERS
Ben Creighton
Staci Smith
Sherman Dix

Alexander J. Henderson
City Manager

**WEDNESDAY
December 21, 2016**

6:00 P. M.

**KINGSBURG CITY COUNCIL CHAMBER
1401 DRAPER STREET**

KINGSBURG RDA SUCCESSOR AGENCY BOARD MEETING AGENDA

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.
- IV. PUBLIC HEARING – Approval of the THIRD 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).**

Possible Action(s):

- a. Open Public Hearing
- b. Presentation by City Manager Alexander Henderson
- c. Council Discussion
- d. Open Public Comment
- e. Close Public Comment
- f. Continued Council Discussion
- g. Close Public Hearing
- h. Approve the Third Amendment to Disposition And Development Agreement between the Kingsburg RDA Successor Agency and 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)
- i. Waive the first reading and introduce Ordinance No. 2016-007 of The Kingsburg RDA Successor Agency Approving The Third Amendment To The Disposition And Development Agreement With Kingsburg Senior Village CIC, LP (Successor To Chelsea Investment Corporation) Dated March 20, 2013, and pass to a second reading with the following recital constituting the first reading of the title of the Ordinance:

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

V. **Unscheduled Board Member Reports and Staff Communications.**

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

Any writings or documents provided to a majority of the Kingsburg City Council regarding any item on the agenda will be made available for public inspection in the City Clerks office located at 1401 Draper Street during normal business hours.



Meeting Date: 12/21/2016
Agenda Item: IV

KINGSBURG RDA SUCCESSOR AGENCY STAFF REPORT

REPORT TO: Kingsburg RDA Successor Agency

REPORT FROM: Greg Collins, Contract City Planner

REVIEWED BY:

AGENDA ITEM: Approval of the **THIRD 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).

SUBJECT: **ORDINANCE NO. 2016-007 ,THIRD AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT** between the Kingsburg RDA Successor Agency and Kingsburg Senior Village CIC, LP (successor to Chelsea Investment Corporation)

ACTION REQUESTED: Ordinance Resolution Motion Receive/File

EXECUTIVE SUMMARY

The Kingsburg RDA Successor Agency entered into a Development and Disposition Agreement (DDA) with the Chelsea Investment Corporation (Developer) on March 20, 2013. This DDA involved the construction of 48 multi-family units on 4.84 acres located on the corner of Sierra Street and Madison Avenue in Kingsburg. The Developer wishes to amend said DDA ("**Third Amendment**") to extend said Agreement through the Year 2017 in order to provide the Developer an opportunity to make an application to the California Tax Credit Allocation Committee (CTCAC) for a Tax Credit Allocation. The Developer had been granted two subsequent amendments - July 13, 2013 and November 19, 2014.

As drafted, the proposed DDA Amendment ("**Third Amendment**") shall terminate if the Developer is unsuccessful in securing a Tax Credit Allocation by the end of 2017.

RECOMMENDED ACTION BY RDA SUCCESSOR AGENCY

1. Determine that the Third 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. Waive the first reading of the attached Ordinance No. 2016-007 and pass Ordinance to a second reading.

ALTERNATIVE ACTION(S)

1. The RDA Successor Agency may elect to not amend the Chelsea Investment Corporation DDA, which will free the Agency to consider other development alternatives for the subject property.

FINANCIAL INFORMATION

FISCAL IMPACT:

- | | |
|------------------------------|----|
| 1. Is There A Fiscal Impact? | No |
| 2. Is it Currently Budgeted? | No |
| 3. If Budgeted, Which Line? | No |

BACKGROUND

Jeanne Blake from Chelsea Investment Corporation contacted the Planning Department this last month to inform this office that Chelsea has the opportunity to apply for HOME funds through Fresno County. Potentially, this could be an infusion of one million dollars into the Project.

To make an application for these funds, Chelsea needs to amend the most recent DDA, which will terminate at the end of 2016, to extend the life of the DDA for another calendar year, through 2017. If Chelsea is not successful in securing HOME funds in 2017 the DDA would expire and the RDA Agency would be free to seek alternatives for the development of the subject property. The same funds were used for the Marion Villas project.

PRIOR ACTION (S)/REVIEW

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 ("**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.

On July 17, 2013, the Successor Agency and Developer entered into that certain First Amendment to Disposition and Development Agreement which amended Section 5.1 of the Original Agreement to provide Developer with additional time to submit its application for 9% Tax Credits to the California Tax Allocation Committee and amended Exhibit "B" to the Original Agreement as set forth in the First Amendment

On November 19, 2014, the Successor Agency and Developer entered into that certain Second Amendment to Disposition and Development Agreement which amended Section 5.1 of the Original

Agreement to provide Developer with additional time to submit its application for 9% Tax Credits to the California Tax Allocation Committee and amended Exhibit "B" to the Original Agreement as set forth in the Second Amendment

Successor Agency and Developer desire to again amend the Original Agreement to provide Developer with additional time to submit its application for 9% Tax Credits to the California Tax Credit Allocation Committee in the year 2017 and to revise the time lines in Exhibit "B" to the Original Agreement accordingly and in accordance with that certain Third Amendment to Disposition and Development Agreement ("**Third Amendment**"). Other than extending the time within which the Developer may submit its 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 Third Amendment does not, in any way, revise, alter or otherwise change the Project.

ENVIRONMENTAL REVIEW:

In accordance with the California Environmental Quality Act (CEQA) an initial study was prepared for the Project. The initial study indicated that the Project would not result in any environmental impacts; therefore Negative Declaration was adopted by the Kingsburg RDA Successor Agency on March 6, 2013. The Third Amendment does not revise, alter or otherwise change the Project. Therefore, no other environmental review or document is required.

Staff recommends the Successor Agency approve the Third Amendment in accordance with the provisions of the attached Ordinance.

ATTACHED INFORMATION

1. Third Amendment
2. Ordinance of the Kingsburg RDA Successor Agency

Recording Requested By:

112816

KINGSBURG RDA

SUCCESSOR AGENCY

When Recorded Return To:

KINGSBURG RDA

SUCCESSOR AGENCY

Attn: Agency Clerk

1401 Draper Street

Kingsburg, CA 93631

THIRD AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT

This Third Amendment to Disposition and Development Agreement ("**Amendment**") is entered into as of December____, 2016 (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 by CIC to Developer pursuant to that certain Assignment and Assumption Agreement dated March 22, 2013.

B. On July 17, 2013, the Successor Agency and Developer entered into that certain First Amendment to Disposition and Development Agreement which amended Section 5.1 of the Original Agreement to provide Developer with additional time to submit its application for 9% Tax Credits to the California Tax Allocation Committee and amended Exhibit "B" to the Original Agreement as set forth in the First Amendment

C. On November 19, 2014, the Successor Agency and Developer entered into that certain Second Amendment to Disposition and Development Agreement which amended Section 5.1 of the Original Agreement to provide Developer with additional time to submit its application for 9% Tax Credits to the California Tax Allocation Committee and amended Exhibit "B" to the Original Agreement as set forth in the Second Amendment

D. Developer and Successor Agency wish to enter into this 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 application round for 2017. In the event that the Developer does not receive a Tax Credit Allocation for the Project in the 2017 application round, this Agreement shall automatically 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 by the provisions of this Amendment, 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.

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: _____
Bruce Blayney, Chairman

ATTEST:

By _____
Abigail Palsgaard, Successor Agency Clerk

APPROVED AS TO FORM:

By: _____
Michael J. Noland, Successor Agency Attorney

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 application round for 2017.
3.	HOME Program	Developer shall submit an application to the County within 60 days after an executed Third Amendment to the DDA.
4.	Affordable Housing Program	Developer shall apply for Affordable Housing Program funds in the 2017 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 by Developer of a Tax Credit Allocation.
7.	Commencement of Construction	Within 30 days after Closing.
8.	Completion of Construction	Within 18 months after commencement of construction.

ORDINANCE NO. 2016-007**AN ORDINANCE OF THE KINGSBURG RDA SUCCESSOR AGENCY APPROVING
THE THIRD AMENDMENT TO THE DISPOSITION AND DEVELOPMENT
AGREEMENT WITH KINGSBURG SENIOR VILLAGE CIC, LP (SUCCESSOR TO
CHELSEA INVESTMENT CORPORATION) DATED MARCH 20, 2013**

WHEREAS, 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 by CIC to Developer pursuant to that certain Assignment and Assumption Agreement dated March 22, 2013.

WHEREAS, On July 17, 2013, the Successor Agency and Developer entered into that certain First Amendment to Disposition and Development Agreement which amended Section 5.1 of the Original Agreement to provide Developer with additional time to submit its application for 9% Tax Credits to the California Tax Allocation Committee and amended Exhibit “B” to the Original Agreement as set forth in the First Amendment

WHEREAS, On November 19, 2014, the Successor Agency and Developer entered into that certain Second Amendment to Disposition and Development Agreement which amended Section 5.1 of the Original Agreement to provide Developer with additional time to submit its

1 application for 9% Tax Credits to the California Tax Allocation Committee and amended Exhibit
2 "B" to the Original Agreement as set forth in the Second Amendment

3
4 WHEREAS, Successor Agency and Developer desire to again amend the Original
5 Agreement to provide Developer with additional time to submit its application for 9% Tax
6 Credits to the California Tax Credit Allocation Committee in accordance with that certain Third
7 Amendment to Disposition and Development Agreement ("**Third Amendment**") attached to
8 this Ordinance as Exhibit "A" and made a part hereof. Other than extending the time within
9 which the Developer may submit its application for 9% Tax Credits to the California Tax Credit
10 Allocation Committee and revision of certain dates in Exhibit "B" to the Original Agreement,
11 the Third Amendment does not, in any way, revise, alter or otherwise change the Project.

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

13 **Section 1.** The Third Amendment is approved and the Chairman and Clerk of the
14 Successor Agency are authorized and instructed to execute the Third Amendment on behalf of
15 the Agency.

16 **Section 2.** This ordinance shall take effect thirty (30) days after its passage and shall be
17 published with the Kingsburg Recorder within fifteen (15) days after its passage.

18
19 **PASSED AND ADOPTED** at a regular meeting of the Kingsburg RDA Successor
20 Agency duly called and held on the ___ day of December, 2016, by the following vote:

21 AYES: Agency Member _____
22 _____
23 _____
24 _____
25 _____
26 _____
27 NOES: Agency Member _____
28 _____

1 ABSTAIN: Agency Member _____

2 ABSENT: Agency Member _____

3 APPROVED _____

4 Chairman

5 ATTEST: _____
6 Agency Clerk

7 STATE OF CALIFORNIA)
8 COUNTY OF FRESNO)
9 CITY OF KINGSBURG)

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I, **ABIGAIL PALSGAARD**, Clerk of the Kingsburg RDA Successor Agency, do hereby certify the foregoing ordinance was duly introduced at a regular meeting of the Kingsburg RDA Successor Agency on the ____ day of December, 2016, and it was duly passed and adopted at a regular meeting of Kingsburg RDA Successor Agency held on the ____ day of December, 2016.

Dated: December ____, 2016 _____
Abigail Palsgaard, Agency Clerk

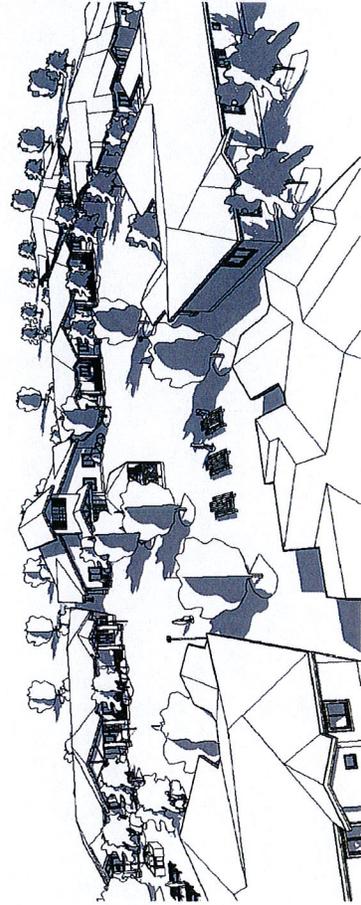
EXHIBIT "A"

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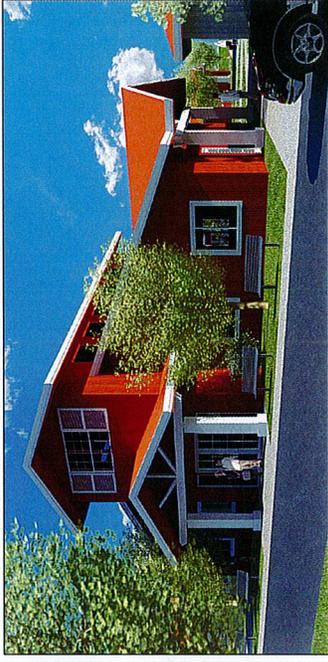
KINGSBURG SENIOR VILLAGE

48 APARTMENT UNITS

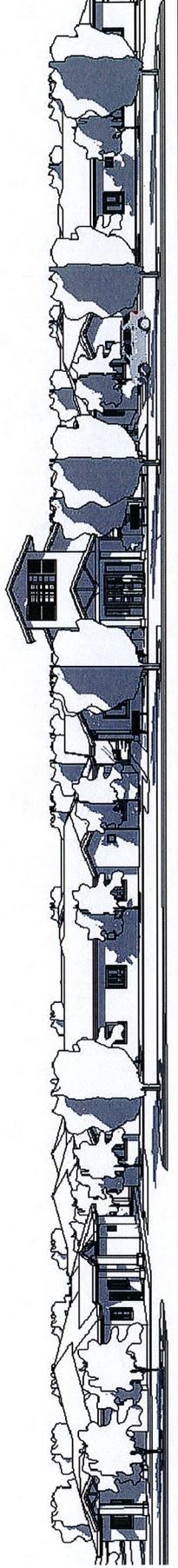
KINGSBURG, CALIFORNIA



COURTYARD LOOKING WEST



COMMUNITY BUILDING ENTRY



STREET ELEVATION LOOKING EAST

HEDENKAMP

**ARCHITECTURE
& PLANNING**

ARCHITECT
WILLIAM B. HEDENKAMP
4455 MORENA BOULEVARD, SUITE 114
SAN DIEGO, CALIFORNIA 92117
PHONE: 619.316.4472

APPLICANT
CHELSEA INVESTMENT CO.
5893 AVENIDA ENCINAS, SUITE 101
CARLSBAD, CALIFORNIA 92008
PHONE: 760.456.6000

A DEVELOPMENT OF:

CHELSEA
INVESTMENT CORPORATION

KINGSBURG SENIOR VILLAGE

48 APARTMENT UNITS
KINGSBURG, CALIFORNIA



HEDENKAMP

ARCHITECTURE
& PLANNING

ARCHITECT
WILLIAM B. HEDENKAMP
4455 MORENA BOULEVARD, SUITE 114
SAN DIEGO, CALIFORNIA 92117
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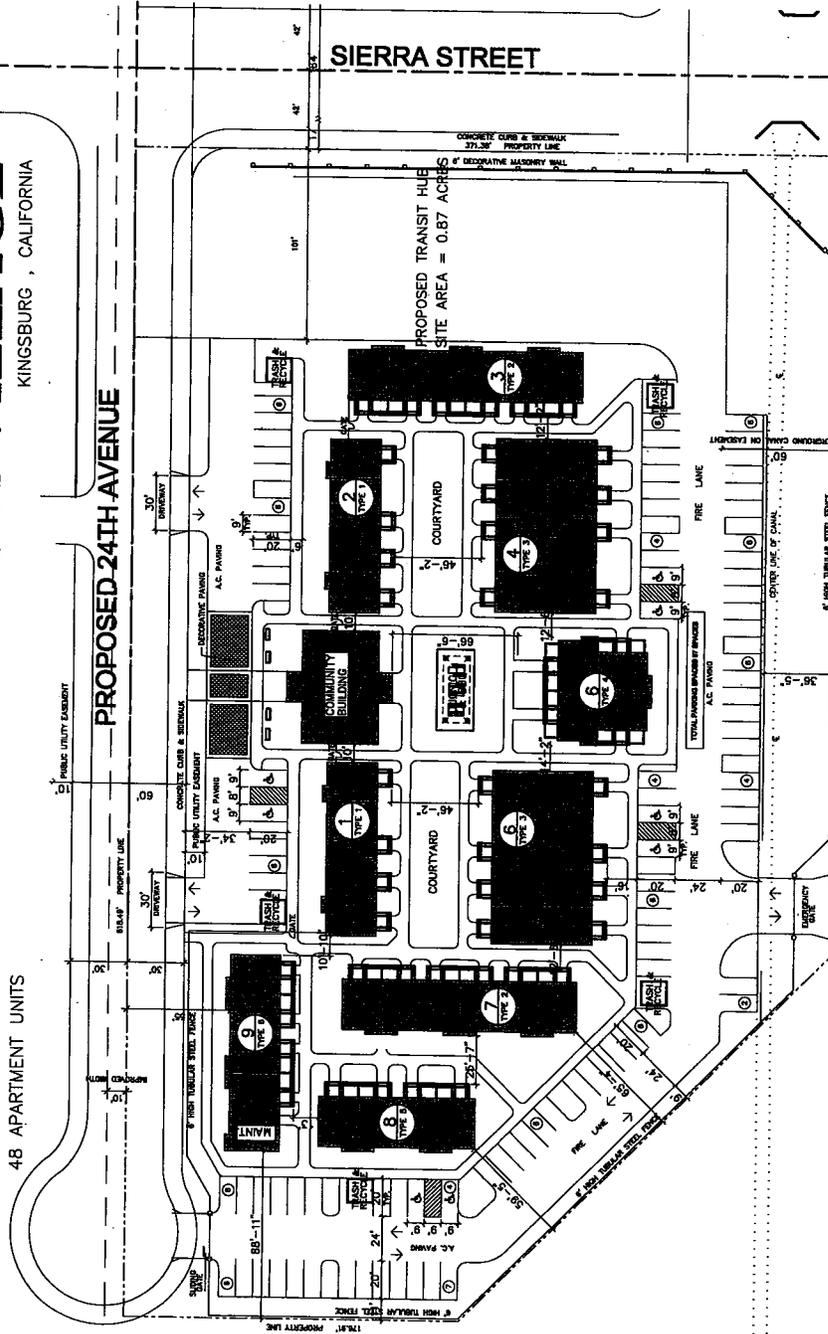
APPLICANT
CHELSEA INVESTMENT CO.
5983 AVENIDA ENCINAS, SUITE 101
CARLSBAD, CALIFORNIA 92008
PHONE: 760.456.6000

A DEVELOPMENT OF:

CHELSEA
INVESTMENT
CORPORATION

KINGSBURG SENIOR VILLAGE

48 APARTMENT UNITS
KINGSBURG, CALIFORNIA



TOTAL ONE STORY UNITS = 48 TOTAL 13.5 - 14.5 du/acre
 1 BR 1 BA - 36 UNITS = 75%
 2 BR 1 BA - 12 UNITS = 25%
 TOTAL PARKING SPACES / 97 SPACES = 2.0 EACH / UNIT
 PROPOSED TRANSIT HUB DEDICATION = 0.87 ACRES
 PROPOSED NET SITE AREA = 3.50 ACRES

SITEPLAN SCALE: 1"=30'-0"



APPLICANT
 CHELSEA INVESTMENT CO.
 5983 AVENIDA ENCINAS, SUITE 101
 CARLSBAD, CALIFORNIA 92008
 PHONE: 760.456.6000

ARCHITECT
 WILLIAM B. HEDENKAMP
 4455 MORENA BOULEVARD, SUITE 114
 SAN DIEGO, CALIFORNIA 92117
 PHONE: 619.316.4472

