

ACTION
MINUTES OF THE SPECIAL BOARD MEETING
OF THE
HOUSING AUTHORITY OF THE COUNTY OF MONTEREY
HELD FEBRUARY 8, 2010

Commissioners met at the Central Office. The meeting was called to order by Chair Alan Styles at 6:04 p.m. Present: Chair Alan Styles, Vice Chair Elizabeth Williams, and Commissioners: Josh Stewart, Tom Espinoza, Kevin Healy (arrived 6:35 p.m.), and Andrew Jackson. Also Present: Jim Nakashima, Executive Director; Tony Caldwell, Chief Administrative and Operations Officer; Starla Warren, Director of Housing Development; and Lynn Santos, Director of Finance. Recorder: Sandy Tebbs

COMMENTS FROM THE PUBLIC:

Jane Barr, Property Manager for the County of Monterey, commented that she was here tonight in support of the lease that the Board would be considering tonight; the County supports affordable housing and the preservation of affordable housing that fits the special needs category. The property does need to be rehabilitated and there is money in the deal to do this but there is a time limit that could get in the way and cause trouble in the next month. She further commented that the question regarding the guarantee could be separate from the lease. She thought it was fair and reasonable that the land could be returned to the Housing Authority.

Ancel Romero commented that he was the Vice President of Affordable Housing for ABHOW. He stated that he was the main person from the ABHOW organization that has been negotiating the lease. He stated he just wanted to take this opportunity to thank the Board and the staff, and the former Board Commissioner John Dalessio, who was here as well for his role in getting us here to this point. Mr. Romero stated ABHOW is very excited about the possibilities for the next step. He stated, for those who are not aware, ABHOW is securing the construction financing and moving forward with Pacific Meadows to find permanent financing, tax credits, and investors as well. It is very, very difficult in the financing environment. The Housing Authority, through our negotiations, is now earning \$100 per year on the lease in exchange for a 90-year lease per our agreement that we have pending; and ABHOW promises there is a possibility of earning \$300K upon closing, which is the loan that HACM had graciously advanced to the project many years ago. There is a possibility of \$60K lease payments and possibly over \$500K or 50% of sharing the deferred fees plus control of over 100 acres of land that will now be turned back to the Housing Authority; and unencumbering fees of interest in the land as well. He stated, as you know, there is no new construction. There are folks who are represented here tonight who are waiting for construction to get started. The lives and comfort of our 200 residents are in the balance so we appreciate the Board's consideration.

Travis Hanna commented he would pass.

Rick Novak commented that he was one of the residents at Pacific Meadows and had moved in just about the time that all of the debacle happened with the requirements to do the rehabilitation. He stated he was well aware of the terms of the lease and all the agreements that have gone back and forth between the Housing Authority and ABHOW. Mr. Novak stated that with a construction time, there's approximately nine months to do the complete construction job. He stated he had been a builder/developer for the past 30 years until he retired and he was here to say that nine months is very, very tight so it is very critical that the agreement be agreed to as soon as possible. He stated he thought the terms were quite fair and then they can get on with the construction. Otherwise, there could be a major debacle and he certainly didn't want to see that. He thanked the Board.

Paul Moutton commented he (Mr. Novak) did just fine; he would pass.

Chair Styles stated to Mr. Romero, we have many times approved over the last few years a final agreement, in its final stage, and sent it back to you. Can you tell us tonight if this is the final agreement? Mr. Romero replied I can. Chair Styles reiterated this is the final deal? Mr. Romero replied, in a word, yes.

February 8, 2010

The Board convened to Closed Session at 6:10 p.m.

CLOSED SESSION

Commissioner Healy arrived at 6:38 p.m.

The Board of Commissioners met in Closed Session for the following purpose and reason:

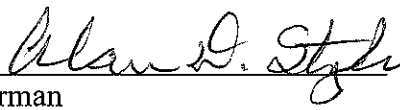
- A. The following item is brought to Closed Session for discussion pursuant to Government Code Section 54956.8: CONFERENCE WITH REAL PROPERTY NEGOTIATORS; PROPERTY: 5315 Carmel Valley Road, Carmel, CA; AGENCY NEGOTIATORS: Starla Warren, John Dalessio, Jim Nakashima, and Lynn Santos; NEGOTIATING PARTIES: ABHOW; UNDER NEGOTIATION: Price and terms of payment for lease renegotiation
ACTION: By a vote of five ayes and one abstention the HACM Board approved the Development Fee Sharing Agreement and the Ground Lease Agreement. And HACM has the authority to any non-material changes on the lease agreement. And that the Executive Director of the Housing Authority has the authorization to sign all the documentation.

The Board reconvened to regular session at 6:38 p.m.

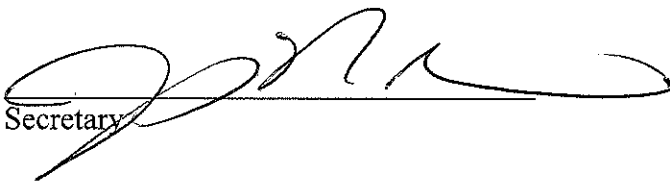
COMMISSIONER COMMENTS: None

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 6:39 p.m.


Chairman

ATTEST:


Secretary

2/23/10
Date