



STAFF REPORT	
SUBJECT: Discussion and Consideration of Resolution SA-2024-03 Recommending the Lake County Redevelopment Agency Oversight Board Amend the Loan Terms for Olympic Village Apartments	MEETING DATE: Dec. 5, 2024
SUBMITTED BY: Alan Flora, City Manager	
PURPOSE OF REPORT: <input type="checkbox"/> Information only <input checked="" type="checkbox"/> Discussion <input checked="" type="checkbox"/> Action Item	

WHAT IS BEING ASKED OF THE CITY COUNCIL:

The Board of Directors of the Successor Agency to the Clearlake Redevelopment Agency is being asked to amend loan terms for Olympic Village.

BACKGROUND/ DISCUSSION:

In 2009 the Clearlake Redevelopment Agency provided a loan for the development of Olympic Village, a 54-unit affordable housing project in the City. The loan included \$700,000 in principal with a 5% interest rate with the total amount due in 2064 (55 year term). The current owner, April Housing, has marketed the property and has an interested buyer. Unfortunately, the remaining debt exceeds the appraised value and the proposed sales price. The owner initially asked the City/Successor Agency to consider forgiving the debt. However, direction from the State Controller’s Office is that principal amounts are not forgivable, only interest.

The owner has structured the sale of the property in a way that will work if the interest is forgiven on the debt and the principal is still owed. When the loan becomes due, the proceeds will be distributed to all taxing agencies, including the City.

Upon approval of the attached resolution the Oversight Board will make a final determination on the amendment.

OPTIONS:

1. Adopt Resolution.
2. Provide Direction to Staff.

FISCAL IMPACT:

None \$ Budgeted Item? Yes No

Budget Adjustment Needed? Yes No If yes, amount of appropriation increase: \$

Affected fund(s): General Fund Measure P Fund Measure V Fund Other:

Comments:

STRATEGIC PLAN IMPACT

- Goal #1: Make Clearlake a Visibly Cleaner City
- Goal #2: Make Clearlake a Statistically Safer City
- Goal #3: Improve the Quality of Life in Clearlake with Improved Public Facilities
- Goal #4: Improve the Image of Clearlake
- Goal #5: Ensure Fiscal Sustainability of City
- Goal #6: Update Policies and Procedures to Current Government Standards
- Goal #7: Support Economic Development

SUGGESTED MOTIONS:

Attachments:

1. Resolution SA-2024-03