



City of Grass Valley City Council Agenda Action Sheet

Title: Consent to Transfer of Ownership in Springhill Gardens Apartments pursuant to the Loan Agreement with Springhill Gardens Associates, L.P.

CEQA: Not a project

Recommendation: That the Council approve in its capacity as the legislative body of the Successor Agency to the Grass Valley Redevelopment Agency the requested transfer of ownership interest in the Springhill Gardens Apartments Complex pursuant to the Loan Agreement by and between the City of Grass Valley Redevelopment Agency and Springhill Gardens Associates, L.P., dated October 1, 2008.

Prepared by: Taylor Whittingslow, Deputy City Manager

Council Meeting Date: 11/12/2024

Date Prepared: 11/7/2024

Agenda: Consent

Background Information: On October 1, 2008, the City of Grass Valley Redevelopment Agency (the "Redevelopment Agency") entered into a loan agreement (the "Agreement") with Springhill Gardens Associates, L.P. ("Springhill"). The Redevelopment Agency provided Springhill a \$600,000 loan to support the acquisition and rehabilitation of the Springhill Gardens Apartments for affordable housing.

The City, as the successor agency to the Redevelopment Agency, is now the authority responsible for approving certain transfers (including, but not limited to, sales, assignments, conveyances, mergers, consolidations, or leases of the Springhill Gardens Apartments or Springhill's assets, ownership interests, etc.) under the Agreement. Section 5.6 of the Agreement states that the City may, in its sole discretion, approve requested transfers in writing.

Last month, The Pacific Companies notified the City that it intends to purchase its subsidiary's ownership interest in the Springhill Gardens Apartments complex. Staff does not anticipate this transfer affecting the City's interests in the Agreement or the likelihood of repayment and therefore recommends that the City Council approve the requested transfer in its capacity as the legislative body of the Successor Agency to the Grass Valley Redevelopment Agency.

Council Goals/Objectives: This works towards achieving/maintaining Strategic Plan goals - Community & Sense of Place, and Economic Development and Vitality.

Fiscal Impact: None **Funds Available:** N/A **Account #:** N/A

Reviewed by: City Manager **Attachments:** None