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CITY OF PACIFIC GROVE
300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Planning Commission

FROM: Terri C. Schaeffer, Housing Program Coordinator

MEETING DATE: June 26, 2014

SUBJECT: Vista Point Senior Housing Project: Proposed Change in Management

CEQA: This is information only and does not constitute a “project” under the California Environmental Quality Act (CEQA).

RECOMMENDATION

Receive report.

DISCUSSION

In May, 2014, South County Housing Corporation (SCHC), the current managers and owners of Vista Point Senior Housing, contacted the City regarding some construction defects to the exterior siding. (The City had executed a ground lease with SCHC as the City is the property owner.) SCHC has also requested some funding from the City to assist in potential litigation regarding the construction defects prior to an anticipated transfer of the ownership and management to Eden Housing.

A decision regarding what type of help the City may offer has not been made at this time. SCHC believes it has a strong case against the contractor who installed the siding material and will be pursuing legal recourse if that becomes necessary.

ATTACHMENT

1 Letter from South County Housing

RESPECTFULLY SUBMITTED:

Terri C. Schaeffer
Housing Program Coordinator

Reviewed by:

Steve Matarazzo
Interim Community
Development Director



June 12, 2014

Ms. Terri C. Schaeffer
Housing Program Coordinator
City of Pacific Grove
300 Forest Avenue
Pacific Grove, CA 93950

Re: Request for Consent to Transfer of Ownership from South County Housing to Eden Housing, Inc. for Vista Point

Dear Ms. Schaeffer:

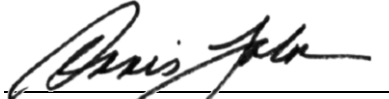
South County Housing (SCH) and Eden Housing Inc. (Eden) executed a transition agreement that provides for a transfer of ownership of SCH's multifamily rental portfolio to a new Eden-controlled affiliate that will have joint representation from SCH and Eden. In addition, two of SCH's current board members have joined Eden's board of directors.

We believe that this transaction will preserve the legacy of SCH's portfolio while enhancing operating efficiencies of the combined portfolio. We are working on an individual property plan that will support the long-term physical and financial viability of the above property. We will provide the plan to you as soon as it is completed and would like the opportunity to meet with you to fully discuss the plan's content and the possible assistance the property may need.

We are requesting your consent, at your earliest convenience, to the ownership transfer. We recognize that certain documentation must be completed in order to carry out the transfer, as well as to properly document the City's loan files. Accordingly, we view this as a two-step process: (1) obtain the City's consent to transfer ownership to a new Eden-controlled affiliate, and (2) work with you and your legal representative to properly document the ownership transfer. To facilitate this process, it would be helpful if you could provide a checklist of documents that are required for this transaction. To better manage the timing and our costs, we propose having our counsel prepare the legal documentation for your review and approval, unless you would like to do so directly.

Thank you for your consideration of our request. If you have any questions or need additional information, please do not hesitate to contact our consultant, Dan Lopez, at (510) 390-1451 or at dblastoc1@aol.com.

Sincerely,



Dennis Lalor
President and CEO
South County Housing



Linda Mandolini
President
Eden Housing