September 1, 2015

Board of Supervisors
Kern County Administrative Center
1115 Truxtun Avenue
Bakersfield, CA 93301

PROPOSED ASSIGNMENT AND ASSUMPTION AGREEMENT IN CONNECTION WITH
HOME INVESTMENT PARTNERSHIPS TRANSITIONS FOSTER CARE PROJECT
(Fiscal Impact: None) S.D. #5

This request is for your Board’s approval for the assignment and assumption of an existing Home Investment Partnerships (HOME) loan, and delegation of authority to the Planning and Community Development Department Director to sign the Assignment and Assumption Agreement on behalf of the County.

Through Agreement No. 414-2000, approved May 30, 2000 your Board authorized a HOME Investment Partnerships Program (HOME) loan in the amount of $268,000 to the Housing Authority of the County of Kern (Authority). The HOME funding provided for the purchase and repair of a facility located in the Bakersfield area for the purpose of providing transitional housing for youth who are homeless or at immediate risk of homelessness.

The Authority has determined that in order to continue to use federal rental assistance vouchers that benefit the residents, a change in project ownership is required so that the project would no longer be directly owned by a governmental agency. The Authority has established a limited liability corporation, Kern Housing V LLC, with the Authority as the Sole and Managing Member, to own the project and assume the rights and responsibilities under the HOME agreement. A form of the Assignment and Assumption Agreement is attached.

County staff has reviewed the historical performance of the project and determined that the Assignment and Assumption is in the best interests of the project and the County.

Therefore, IT IS RECOMMENDED that your Board: 1) Approve the Assignment and Assumption of the County HOME loan between the Housing Authority of the County Kern and Kern Housing V LLC; and 2) authorize the Director of the Planning and Community Development Department to execute the Assignment and Assumption Agreement and sign other documents as may be required to implement the Assignment and Assumption, all in a form approved by County Counsel.

Sincerely,

[Signature]
LORELEI H. OVIATT, AICP, Director
Kern County Planning and Community Development Department

LHO:DJP:jvc
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Attachments

cc County Administrative Officer
    County Counsel
    Housing Authority of the County of Kern
    Planning Admin/Tina Burke
    Grand Jury
COUNTY OF KERN
HOME INVESTMENT PARTNERSHIPS PROGRAM

ASSIGNMENT AND ASSUMPTION AGREEMENT
Transitions Foster Care Project, Bakersfield, California

This Assignment and Assumption Agreement ("Agreement") is entered into as of this __________ day of __________, 2015, by and between the Housing Authority of the County of Kern, a public body, corporate and politic, with its principal place of business located at 601 – 24th Street, Bakersfield, California, doing business within the County of Kern ("Housing Authority") and Kern Housing V LLC, a California Limited Liability Company with its principal place of business located at 601 – 24th Street, Bakersfield, California doing business within the County of Kern ("Kern Housing V") with reference to the following facts:

A. The County of Kern ("County") a political subdivision of the State of California, has entered into that certain agreement entitled Agreement – Home Investment Partnerships Program – Housing Authority of the County of Kern – Transitions Foster Care Project ("Home Loan Agreement") dated as of May 30, 2000 for the purpose of making a loan to the Housing Authority in the amount of TWO HUNDRED SIXTY-SIX THOUSAND DOLLARS ($266,000.00) ("County Loan") in connection with purchase and rehabilitation of real property more particularly described in Exhibit "A" attached hereto ("Property").

B. The County Loan is evidenced by that certain Promissory Note executed by the Housing Authority dated May 24, 2000, ("Promissory Note"). The Promissory Note is secured by that certain Deed of Trust with Assignment of Rents ("Deed of Trust"), executed by the Housing Authority for the benefit of the County as of May 24, 2000, and recorded in the Official Records on July 14, 2000 as Document No. 0200084954 (ii) a Security Agreement ("Security Agreement") executed by the Housing Authority for the benefit of the County, (iii) a Deed Restriction Agreement ("Deed Restriction") executed by the Housing Authority and the County dated May 24, 2000 and recorded in the Official Records on July 14, 2000 as Document No. 0200084956, and (iv) two (2) UCC-1 Financing Statements ("UCC-1s") executed by the Housing Authority for the benefit of the County. The Agreement, Promissory Note, Deed of Trust, Deed

Page 1 of 4
Restriction, Security Agreement, and UCC-1s are referred to herein collectively as the "County Loan Documents".

C. As consideration for the transfer of the Property, the Housing Authority desires to assign to Kern Housing V the Housing Authority's obligations with respect to such Property and the Improvements, including the rights, duties and obligations of the Housing Authority under the County Loan Documents (collectively, "Assignment"). Kern Housing V desires to accept the Assignment from the Housing Authority.

D. Kern Housing V and County desire to release the Housing Authority from all obligations in connection with the County Loan Documents as of the Effective Date; and

E. The consent of the County to the Assignment and the transfer of the Property to Kern Housing V is required.

NOW THEREFORE, in consideration of the foregoing, of the mutual promises of the parties hereto and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties mutually agree as follows:

1. **Assignment by the Housing Authority.** As of the Effective Date, the Housing Authority hereby assigns to Kern Housing V all of the Housing Authority's benefits, rights, duties and obligations under the County Loan Documents.

2. **Acceptance of Assignment.** As of the Effective Date, Kern Housing V hereby accepts the above assignment of the Housing Authority's benefits, rights, duties, and obligations under the County Loan Documents, and hereby assumes, agrees and undertakes to perform all of the rights, duties and obligations of the Housing Authority under the County Loan Documents. Any reference to the Housing Authority in the County Loan Documents described above shall be deemed a reference to Kern Housing V. Kern Housing V agrees to be bound by the Deed Restriction and obligations set forth in the Loan Agreement.

3. **Release of the Housing Authority.** As of the Effective Date, Kern Housing V hereby releases the Housing Authority from all obligations and duties imposed under the County Loan Documents.

4. **Payment of Obligations.** Kern Housing V agrees that all amounts due from the Housing Authority pursuant to the County Loan shall be paid directly by Kern Housing V as of the Effective Date.

5. **Representations.** The Housing Authority hereby represents and warrants that it has not previously assigned, pledged, hypothecated or otherwise transferred any of their rights under the County Loan Documents.

6. **Effective Date.** The assignment set forth above shall be effective as of the date this Agreement is recorded in the Official Records.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.
Housing Authority:

HOUSING AUTHORITY OF THE COUNTY OF KERN, a public body, corporate and politic
Federal tax ID Number 95-6001629

By: ______________________

Stephen M. Pelz
Executive Director

Kern Housing V:

KERN HOUSING V LLC, a California Limited Liability Company
Federal tax ID Number ______________________
By: HOUSING AUTHORITY OF THE COUNTY OF KERN, a public body, corporate and politic
Federal tax ID Number 95-6001629
Its: Sole and Managing Member

By: ______________________

Stephen M Pelz
Executive Director
ACCEPTED AND CONSENTED

The County of Kern, a political subdivision of the State of California, hereby consents to the assignment from the Housing Authority of the County of Kern, a public body, corporate and politic, to Kern Housing V, a California Limited Liability Company, of the County Loan Documents as set forth in paragraph 1 of the Assignment and Assumption Agreement dated as of __________ above.

Dated as of this ______ day of ______, 2015

APPROVED AS TO CONTENT:
Planning and Community Development Dept.

By__________________________
David Press
Housing Programs Manager

COUNTY OF KERN

By__________________________
Lorelei H. Oviatt, AICP
Planning and Community Development
Department Director

APPROVED AS TO FORM
Office of County Counsel

By__________________________
Brian Van Wyk
Deputy County Counsel