

**AGENDA SUMMARY PAGE**  
**REDEVELOPMENT AGENCY MEETING OF: DECEMBER 6, 2006**

**DEPARTMENT: OFFICE OF BUSINESS DEVELOPMENT**  
**DIRECTOR: SCOTT D. ADAMS**

**SUBJECT:**

ABEYANCE ITEM - Discussion and possible action regarding an Estoppel Certificate to MidFirst Bank concerning the Owner Participation Agreement (OPA) dated October 16, 1987, with Westar Charleston Associates - Ward (Reese)

**Fiscal Impact**

- No Impact
- Budget Funds Available
- Augmentation Required

**Amount:**  
**Funding Source:**  
**Dept./Division:**

**PURPOSE BACKGROUND:**

As a condition to close the purchase transaction for Mid Monterey Properties, LLC, successors in interest to Westar Charleston Associates, MidFirst Bank has requested that the Redevelopment Agency execute an Estoppel Certificate which certifies as to certain current matters regarding the Owner's Participation Agreement dated October 16, 1987, in which the Agency contributed \$2,000,000 toward the acquisition of the leasehold interest and site proposed for a shopping center and senior housing complex. A Certificate of Completion of Construction for the project was issued on December 13, 1995. The Finance Department staff has reviewed and confirmed the matters set forth in the Estoppel Certificate.

**RECOMMENDATION:**

Approval and authorize the Chairperson to execute the same and any related documents.

**BACKUP DOCUMENTATION:**

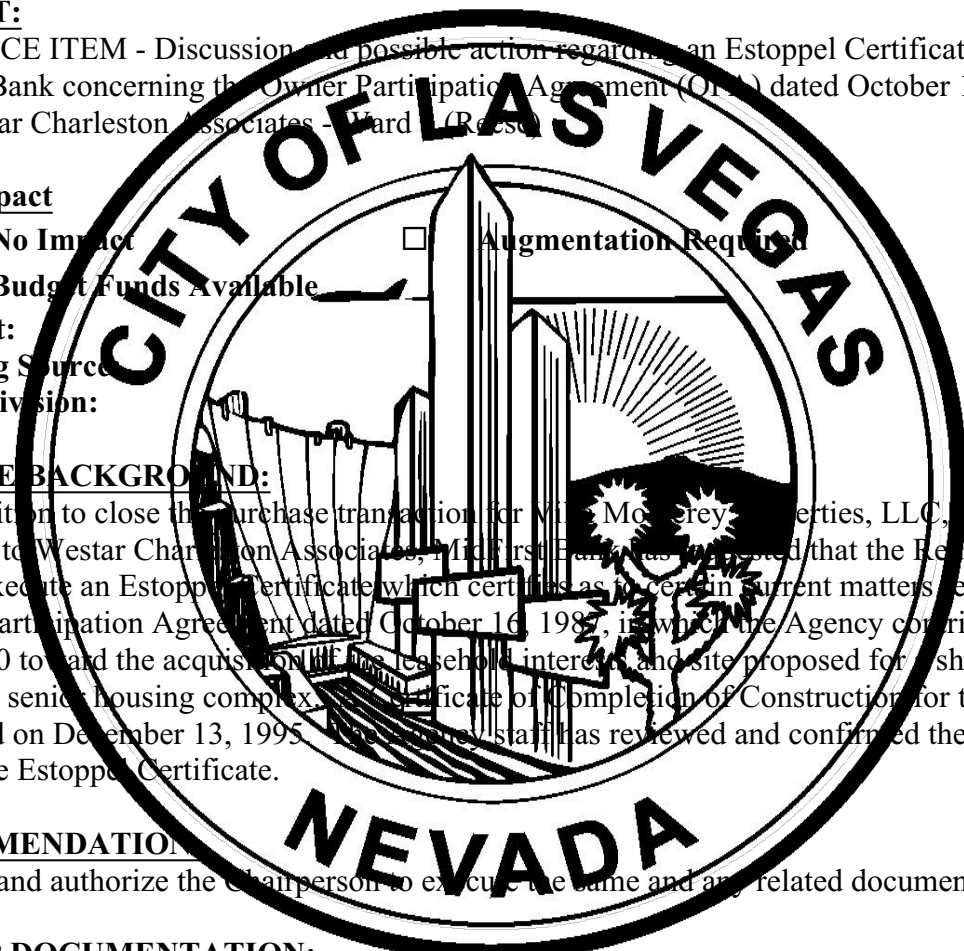
1. Estoppel Certificate
2. Disclosure of Principals
3. Westar Charleston Associates OPA

Motion made by GARY REESE to Approve

Passed For: 5; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 2  
LOIS TARKANIAN, LAWRENCE WEEKLY, OSCAR B. GOODMAN, GARY REESE, STEVE WOLFSON; (Against-None); (Abstain-None); (Did Not Vote-None); (Excused-LARRY BROWN, STEVEN D. ROSS)

**Minutes:**

SCOTT ADAMS, Director of the Office of Business Development, stated that this matter was previously abeyed because of concerns that the owner of the property was not living up to the



covenant that was placed in the agreement restricting future use of the apartment complex to senior housing. The request is to provide an estoppel certificate certifying that all things regarding the current agreement between the Redevelopment Agency and the owner are in good order. Staff received a copy of the letter from the owner that went out to the tenants indicating plans to maintain the project as a senior housing complex.

AMY JERBY, representing the management company, confirmed that the owner intends to maintain this facility as senior housing.

MEMBER REESE asked if changes could be made with regard to Section 8 residents, noting concern that those senior citizens receiving Section 8 vouchers would be asked to move. MS. JERBY replied that Section 8 residents will be required to submit a standard application, and, if they qualify, they can continue to live there under Section 8 vouchers. MEMBER REESE wanted assurance on the record that the qualifications would not change for those residents receiving Section 8 vouchers. He would support imposing higher qualifications on new tenants, but not for long-time tenants. MS. JERBY stated that tenants have to prove they can afford their dwelling. Thus far, no Section 8 tenants have been removed or given notice that Section 8 vouchers would not be accepted. In fact, two Section 8 residents have been given new 12-month leases. She does not foresee any problems with the remaining residents with renewing their contracts. MEMBER REESE requested a condition in this certificate be enacted immediately if any problems arise with Section 8 residents. MS. JERBY agreed to this condition. However, CITY ATTORNEY JERBY advised that such a condition cannot be a part of the motion, because it is not legally binding, and it has no effect on the issuance of the Estoppel Certificate by this Agency. MS. JERBY assured MEMBER REESE that there is no desire to evict anybody and that the property will be maintained throughout any changes.

