



City of Fresno Board of Commissioners Meeting

March 10, 2016

AGENDA

O (559) 443-8400

F (559) 445-8981

1331 Fulton Mall

Fresno, California 93721

TTY (800) 735-2929

www.fresnohousing.org

SPECIAL Joint Meeting of the Boards of Commissioners of the Fresno Housing Authority

5pm March 10, 2016

1331 Fulton Mall, Fresno, CA 93721

Interested parties wishing to address the Boards of Commissioners regarding this meeting's Agenda Items, and/or regarding topics not on the agenda but within the subject matter jurisdiction of the Boards of Commissioners, are asked to complete a "Request to Speak" card which may be obtained from the Board Secretary (Tiffany Mangum) at 4:45 p.m. You will be called to speak under Agenda Item 3, Public Comment.

The meeting room is accessible to the physically disabled, and the services of a translator can be made available. Requests for additional accommodations for the disabled, signers, assistive listening devices, or translators should be made at least one (1) full business day prior to the meeting. Please call the Board Secretary at (559) 443-8475, TTY 800-735-2929.

PAGE #

1. Call to Order and Roll Call

2. Approval of agenda as posted

Public Comment

This is an opportunity for the members of the public to address the Boards of Commissioners on any matter within the subject matter jurisdiction of the Boards of Commissioners that is not listed on the Agenda. At the start of your presentation, please state your name, address and/or the topic you wish to speak on that is not on the agenda. Presentations are limited to a total of three (3) minutes per speaker.

3. POTENTIAL CONFLICTS OF INTEREST – *Any Commissioner who has a potential conflict of interest may now identify the item and recuse themselves from discussing and voting on the matter. (Gov. Code section 87105)*

4. Action Items – Commissioners may Consider, Approve, Deny, and/or Continue

a. Consideration of the Omnibus Resolution and Funding

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Commitments – Shockley Terrace	
b. Consideration of Omnibus Resolution and Funding Commitment – Lowell Neighborhood Project	26
5. Adjournment	



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www.fresnohousing.org

TO: Board of Commissioners
Fresno Housing
Authority
FROM: Preston Prince
CEO/Executive Director
DATE: 03/08/2016
BOARD MEETING: 03/10/2016
AUTHOR: Dave Brenner
Community
Development
Coordinator
AGENDA ITEM: 4a
RE: Shockley Terrace – Closing Omnibus
Development & Financing Resolution

On or about March 17, 2016, Shockley Terrace, LP, a California limited partnership (the "Partnership") will close on the financing of a 48-unit low-income multifamily residential project (the "Project"), located at 1445 Peach Street, Selma, California. There are 25 units of existing Low-Income Public Housing (LIPH) on approximately 4.5 acres (the "Property") that will be demolished in preparation for the new construction of 48 units.

The Housing Authority of Fresno County, California (the "Authority"), is the sole member of Shockley Terrace AGP, LLC, a California limited liability company, the administrative general partner (the "Administrative General Partner") of the Partnership. Silvercrest, Inc., an instrumentality of the Authority, is the managing general partner of the Partnership (see Exhibit A).

Approval to develop the project requires that the Board of Commissioners of the Housing Authority adopt a resolution authorizing the following actions:

1. Authorization of Preston Prince, CEO/Executive Director or Tracewell Hanrahan, Deputy Executive Director or their designee to execute documents on behalf of the Housing Authority of Fresno County, CA in the name of the Administrative General Partner (AGP) or the Partnership.
2. Authorize sale of subject Property to Shockley Terrace, LP, and a Seller Financing loan to the Project for the appraised value of \$1,150,000.
3. Authorize a request for a Public Housing Capital Funds loan to the project of approximately \$1,010,257.
4. Authorize a request for a Housing Relinquished Fund Corporation (HRFC) loan to the project in the amount of \$633,613.
5. Authorize actions for the financing, development and operation of the Project, and
6. Provide for other matters related thereto.

Staff is recommending that the Board adopt the attached resolutions, drafted by our affordable housing finance counsel, Ballard Spahr LLP, and as required by our equity and lending partners, in order to finalize the closing of the Project on or about March 17, 2016:

A resolution authorizing the execution and delivery of documents, the admission of certain partners to Shockley Terrace, LP (“Partnership”), and the execution of such documents to implement project financing by the Housing Authority of Fresno County, California, on its own behalf and in the capacity as sole member of the Shockley Terrace AGP, LLC, the Administrative General Partner of the partnership, in connection with the financing, development and operation of the Shockley Terrace development, and providing for other matters related thereto.

Recommendation

It is recommended that the Board of Commissioners of the Housing Authority of the City of Fresno, California adopt the attached resolution, authorizing the execution and delivery of documents by the Housing Authority of Fresno County, California on its own behalf, in the name of the Administrative General Partner and in the name of the Partnership, in connection with the financing, development and operation of the Project, authorizing the lending and the borrowing of money, and providing for other matters related thereto.

Fiscal Impact

Project financing includes a set of construction and permanent loans. Total construction financing will be **\$16,081,881** from the sources listed in Table 1.

Table 1: Construction Sources of Finance

Source	Amount	Description
Construction Loan	\$10,071,123	The Partnership has received a commitment for a construction loan from US Bank. The term is projected to be 22 months.
Fresno County HOME loan	\$700,000	This loan has a 30-year term at 0% interest rate
Costs Deferred until perm financing	\$886,876	These costs are not due until construction is complete, and loan converts to a permanent loan structure
Capital Contribution	\$1,200,000	Equity portion payable at closing from US Bank
HAFC Seller Finance	\$1,150,000	This loan has a 55-year term at 4% interest rate
HAFC Capital Funds Loan	\$1,010,257	This loan has a 55-year term at 4% interest rate
HRFC Loan	\$633,613	This loan has a 55-year term at 4% interest rate
Deferred/accrued interest	\$179,913	Interest deferred/accrued from the HAFC seller finance loan, the HAFC capital funds loan and the HRFC loan
Deferred Developer Fee	\$250,000	To be repaid from available residual receipts from Project operations.

GP Contribution	\$100	The General Partner will contribute \$100.
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Total permanent financing will be **\$16,081,881**, from the sources listed in Table 2.

Table 2: Permanent Sources of Finance

Source	Amount	Description
Investor Equity	\$12,157,998	US Bank has comitted to providing equity to the project.
Fresno County HOME loan	\$700,000	This loan has a 30-year term at 0% interest rate
HAFC Seller Finance	\$1,150,000	This loan has a 55-year term at 4% interest rate
HAFC Capital Funds Loan	\$1,010,257	This loan has a 55-year term at 4% interest rate
HRFC Loan	\$633,613	This loan has a 55-year term at 4% interest rate
Deferred/accrued interest	\$179,913	Interest deferred/accrued from the HAFC seller finance loan, the HAFC capital funds loan and the HRFC loan
Deferred Developer Fee	\$250,000	To be repaid from available residual receipts from Project operations.
GP Contribution	\$100	The General Partner will contribute \$100.

Background Information

The Shockley Terrace project consists of a planned 48-unit apartment complex located at 1445 Peach Street, Selma, CA. The units will include a mix of 1, 2, 3, and 4 bedroom units, with an onsite manager living at the complex. Unit amenities include washers and dryers, dishwashers and energy efficient appliances. A new 2,841 square foot community building will also be constructed onsite to house resident services and property management functions.

Attachments: Exhibit A - Organizational Chart
Exhibit B – Site Plans
Exhibit C – Development Proforma
Exhibit D – Operating Budget
Exhibit E – 15 Year Projection

RESOLUTION NO. _____
BEFORE THE BOARDS OF COMMISSIONERS OF THE
HOUSING AUTHORITY OF THE CITY OF FRESNO, CALIFORNIA

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS, THE MAKING OF CERTAIN LOANS AND GUARANTIES, THE ADMISSION OF CERTAIN PARTNERS TO SHOCKLEY TERRACE, LP (“PARTNERSHIP”) AND THE EXECUTION OF SUCH DOCUMENTS TO IMPLEMENT PROJECT FINANCING BY THE HOUSING AUTHORITY OF FRESNO COUNTY, CALIFORNIA ON ITS OWN BEHALF AND IN ITS CAPACITY AS MANAGING MEMBER OF SHOCKLEY TERRACE AGP, LLC, THE ADMINISTRATIVE GENERAL PARTNER OF THE PARTNERSHIP, IN CONNECTION WITH THE FINANCING, DEVELOPMENT AND OPERATION OF THE SHOCKLEY TERRACE PROJECT, AND PROVIDING FOR OTHER MATTERS RELATED THERETO.

WHEREAS, the Housing Authority of the City of Fresno, California (the “**City Authority**”) seeks to expand the development and availability of long-term housing for low income persons residing in the City of Selma, California (the “**City**”); and

WHEREAS, the City Authority is authorized, among other things, to enter into partnership and operating agreements and to make loans to partnerships to finance, plan, undertake, construct, acquire and operate housing projects; and

WHEREAS, the Housing Authority of Fresno County, California has agreed to facilitate the construction of real property located at 1445 Peach Street, Selma, California, APN #389-293-01-T (the “**Property**”) for the purpose of the development of a forty-eight (48) unit affordable housing project to be known as “Shockley Terrace”, comprised of forty-seven (47) low-income housing tax credit units and one (1) manager’s unit (collectively, the “**Project**”); and

WHEREAS, the U.S. Department of Housing and Urban Development (“**HUD**”) has authorized the Authority’s participation in its Rental Assistance Demonstration Program (“**RAD**”) program and the conversion of certain developments from public housing to Section 8 project-based rental assistance. In accordance with the RAD program requirements, the Project will be subject to certain long-term affordability restrictions imposed by HUD which shall be superior to all other financing documents; and

WHEREAS, the Housing Authority of Fresno County, California has entered into an operating agreement pursuant to which the Authority is the managing member of Shockley Terrace AGP, LLC, a California limited liability company (the “**Administrative General Partner**”), and the Authority filed articles of organization with the California Secretary of State on September 24, 2015; and

WHEREAS, the Administrative General Partner, together with Silvercrest, Inc., entered into an agreement of limited partnership dated as of September 14, 2015 pursuant to which the Administrative General Partner is the “Administrative GP” and Silvercrest, Inc. is the “Managing GP” (collectively the “**Limited Partners**”) of Shockley Terrace, LP, a California limited

partnership (the “**Partnership**”) and filed a certificate of limited partnership with the California Secretary of State on September 24, 2015; and

WHEREAS, the Administrative General Partner; Silvercrest, Inc., as managing general partner and withdrawing limited partner; U.S. Bancorp Community Development Corporation, as “State Credit Partner” and U.S. Bancorp Community Development Corporation, as the “Limited Partner,” together with the State Credit Partner, the “**Investor Limited Partners**”; and, as Investor Limited Partners, will enter into an amended and restated limited partnership agreement for the Partnership; and

WHEREAS, the Partnership has requested the Housing Authority of Fresno County, California make a seller financing loan to the Partnership in the approximate amount of \$1,150,000 to finance the Project (the “**HAFC Seller Loan**”); and

WHEREAS, the Partnership has requested the Housing Authority of Fresno County, California make a loan from the Housing Authority of Fresno County, California’s available capital funds to the Partnership in the approximate amount of \$1,010,257 to finance the Project (the “**HAFC Capital Funds Loan**”); and

WHEREAS, the Partnership will finance the cost of acquiring and rehabilitating the Project with numerous sources of funds, projected to include an estimated equity investment of \$12,157,998 from the Investor Limited Partners eligible to benefit from State of California low-income housing tax credits and federal low-income housing tax credits allocated to the Project under Section 42 of the Internal Revenue Code; construction loan proceeds in an estimated amount of \$10,071,123 from U.S. Bank National Association (“**USBNA**”); seller-financed loan proceeds in an estimated amount of \$1,150,000 from the Authority, as seller; construction/permanent County of Fresno HOME loan proceeds in an estimated amount of \$700,000 from the County of Fresno, California (“**County**”); construction/permanent capital funds loan proceeds in an estimated amount of \$1,010,257 from the Housing Authority of Fresno County, California; and construction/permanent loan proceeds in the estimated amount of \$633,613 from the Housing Relinquished Fund Corporation (“**HRFC**”); (collectively, the “**Project Financing**”); and

WHEREAS, the Housing Authority of Fresno County, California intends to act as a lender of the HAFC Seller Loan, the lender of the HAFC Capital Funds Loan, the developer of the Project, as the sole member and manager of the Administrative General Partner and as guarantor of certain obligations connected with the Project; and

WHEREAS, the City Authority wishes to ratify and confirm all actions of the Housing Authority of Fresno County, California and its officers prior to the date hereof and consistent with the terms of this resolution and to authorize such actions subsequent to the date hereof; and

WHEREAS, the City Authority is authorized to delegate to one or more of its agents and employees such powers as it deems proper;

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Housing Authority of the City of Fresno, California hereby:

1. **Development Services.** The CEO/Executive Director, Preston Prince, the Deputy Executive Director, Tracewell Hanrahan, and/or their respective designees (each, an “**Authorized Officer**” and, collectively, the “**Authorized Officers**”) and each of them acting alone, are authorized and directed to enter into a Development Services Agreement with the Partnership and to execute such other documents and take such other actions as necessary to fulfill the Authority’s intended functions as developer of the Project (including any subcontracts with respect thereto).
2. **General Partner Function.** The Authorized Officers, and each of them acting alone, are authorized and directed to cause the Authority, in its capacity as managing member of the Administrative General Partner, to take all actions and execute all documents necessary for the Administrative General Partner to carry out its function as administrative general partner of the Partnership, including without limitation by execution of the Amended and Restated Agreement of Limited Partnership and any amendment thereto in furtherance of such admissions; provided further, that in such capacity, the Authority is authorized and directed to cause the Administrative General Partner to approve the admission of the Investor Limited Partners to the Partnership.
3. **Approval of Partnership Documents.** The City Authority has been presented with drafts of the documents listed in Exhibit A under the heading “Partnership Documents” (the “**Partnership Documents**”) in connection with the Partnership and the Project, which documents are on file with the City Authority’s Secretary. The Authorized Officers, and each of them acting alone, are authorized and directed to execute and deliver, on behalf of the Authority (acting on its own behalf or as the managing member of the Administrative General Partner), the Partnership Documents substantially in the form on file with the City Authority; *provided however*, any Authorized Officer may approve on the Authority’s behalf any further changes to the draft Partnership Documents, including material changes, and such Authorized Officer’s signature on the final Partnership Documents shall be construed as the Authority’s approval of such changes. The Authorized Officers and each of them acting alone, are further authorized and directed to execute and deliver, on behalf of the Authority acting on its own behalf or as the managing member of the Administrative General Partner, any other documents reasonably required to be executed by the Housing Authority of Fresno County, California, the Administrative General Partner or as the managing member of the Administrative General Partner of the Partnership to carry out the transactions contemplated by the Partnership Documents.
4. **Approval of HUD Documents.** The City Authority has been presented with drafts of the documents listed in Exhibit A under the heading “HUD Documents” (the “**HUD Documents**”) in connection with the Partnership and the Project, which documents are on file with the Authority’s Secretary. The Authorized Officers and each of them acting alone, are authorized on behalf of the Authority acting on its own behalf or as sole member of the Administrative General Partner to execute and deliver the HUD Documents and all documents deemed necessary to appropriate to obtain HUD approval related to the Project, including without limitation, a use agreement in order to maintain and operate the Project in accordance with the Section 8 project-based rental assistance program for which the Partnership will be provided a subsidy funded with money received from HUD pursuant to a Project-Based Section 8 Housing Assistance Payments Contract; provided however, any Authorized Officer may approve on the Authority’s behalf any

further changes to the draft HUD Documents, including material changes, and such Authorized Officer's signature on the final HUD Documents shall be construed as the Authority's approval of such changes. The Authorized Officers and each of them acting alone, are further authorized and directed to execute and deliver, on behalf of the Housing Authority of Fresno County, California acting on its own behalf or as sole member of the Administrative General Partner, any other documents reasonably required to be executed by the Housing Authority of Fresno County, California or the Partnership to carry out the transactions contemplated by the HUD Documents.

5. **Approval of the Making of the HAFC Seller Loan.** The City Authority has been presented with drafts of the documents listed in Exhibit A under the heading "HAFC Seller Loan Documents" (the "**HAFC Seller Loan Documents**") to be executed by the Partnership and the Housing Authority of Fresno County, California to effectuate the HAFC Seller Loan, which Loan Documents are on file with the City Authority's Secretary, and pursuant to which the Partnership will borrow the HAFC Seller Loan from the Housing Authority of Fresno County, California. The making of the HAFC Seller Loan from available operating funds is hereby authorized and the Authorized Officers and each of them acting alone, are authorized and directed to execute and deliver, on behalf of the Authority, the HAFC Seller Loan Documents substantially in the form on file with the City Authority; provided however, any Authorized Officer may approve on the Authority's behalf, any further changes to the draft HAFC Seller Loan Documents, including material changes, and the final amount to be loaned, and such Authorized Officer's signature on the final HAFC Seller Loan Documents shall be construed as the Authority's approval of such changes and final loan amount. The Authorized Officers and each of them acting alone, are further authorized and directed to execute and deliver, on behalf of the Housing Authority of Fresno County, California, any other documents reasonably required to be executed by the Housing Authority of Fresno County, California, to carry out the transactions contemplated by the HAFC Seller Loan Documents.

6. **Approval of the Making of the HAFC Capital Funds Loan.** The City Authority has been presented with drafts of the documents listed in Exhibit A under the heading "HAFC Capital Funds Loan Documents" (the "**HAFC Capital Funds Loan Documents**") to be executed by the Partnership and the Housing Authority of Fresno County, California to effectuate the HAFC Capital Funds Loan, which Loan Documents are on file with the Authority's Secretary, and pursuant to which the Partnership will borrow the HAFC Capital Funds Loan from the Authority. The making of the HAFC Capital Funds Loan from available operating funds is hereby authorized and the Authorized Officers and each of them acting alone, are authorized and directed to execute and deliver, on behalf of the Housing Authority of Fresno County, California, the HAFC Capital Funds Loan Documents substantially in the form on file with the Housing Authority of Fresno County, California; provided however, any Authorized Officer may approve on the Authority's behalf, any further changes to the draft HAFC Capital Funds Loan Documents, including material changes, and the final amount to be loaned, and such Authorized Officer's signature on the final HAFC Capital Funds Loan Documents shall be construed as the Authority's approval of such changes and final loan amount. The Authorized Officers and each of them acting alone, are further authorized and directed to execute and deliver, on behalf of the Housing Authority of Fresno County, California, any other documents reasonably required to be executed by the Housing Authority of Fresno County, California, to carry out the transactions contemplated by the HAFC Capital Funds Loan Documents.

7. **Approval of Loan Assembly Activities.** The Authorized Officers, and each of them acting alone, are authorized on behalf of the Housing Authority of Fresno County, California acting on its own behalf or as managing member of the Administrative General Partner to execute, deliver and/or file (or cause to be delivered and/or filed) all documents deemed necessary or appropriate to assemble the Project Financing, including without limitation, construction, permanent and third party loan applications, tax credit applications, and any and all other documents reasonably required to (i) cause the Investor Limited Partners to make capital contribution(s) to the Partnership, and (ii) borrow sufficient funds to support the Project.

8. **Loan of Funds.** The Authorized Officers, and each of them acting alone, on behalf of the Housing Authority of Fresno County, California in its capacity as the managing member of the Administrative General Partner, are authorized to take such actions and execute such documents as necessary to cause the Partnership to borrow funds from the Lenders in an aggregate approximate amount of up to \$16,500,000. Each Authorized Officer, and each of them acting alone, is authorized to decrease the principal amount of any loan by any amount, or to increase the principal amount of any loan by an amount up to 10% more than the maximum aggregate principal amount for the loan stated in this resolution. The source of funds for any such increase shall be funds available to the Housing Authority of Fresno County, California and/or the Partnership or such other funds that may become available to the Authority and/or the Partnership for the Project. The Board directs the Executive Director to report to the Board if the total amount borrowed by the Partnership for the Project exceeds the aggregate maximum principal amount stated in this resolution for all loans to the Partnership.

9. **Approval of Guarantees.** The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority acting on its own behalf, to execute and perform under such guarantees as are deemed necessary or appropriate to the Project Financing, including without limitation, with respect to the Partnership Documents and the construction loan from USBNA described below.

10. **Approval of USBNA Loan Documents.** The City Authority has been presented with drafts of the documents listed in Exhibit A under the heading “USBNA Loan Documents” (the “**USBNA Loan Documents**”) in connection with the Partnership and the Project, which documents are on file with the City Authority’s Secretary, and pursuant to which the Partnership will borrow a construction loan in the approximate amount of \$10,071,123. The Authorized Officers and each of them acting alone, are authorized and directed to execute and deliver, on behalf of the Authority acting on its own behalf or as the managing member of the Administrative General Partner, the USBNA Loan Documents substantially in the form on file with the Authority; *provided however*, any Authorized Officer may approve on the Housing Authority of Fresno County, California’s behalf or as the managing member of the Administrative General Partner, any further changes to the draft USBNA Loan Documents, including material changes, and the final amount to be borrowed, and such Authorized Officer’s signature on the final USBNA Loan Documents shall be construed as the Authority’s approval of such changes and final loan amount. The Authorized Officers and each of them acting alone, are further authorized and directed to execute and deliver, on behalf of the Housing Authority of Fresno County, California acting on its own behalf or as the managing member of the Administrative General Partner, any other documents reasonably required to be executed by the

Housing Authority of Fresno County, California, the Administrative General Partner, or the Partnership to carry out the transactions contemplated by the USBNA Loan Documents.

11. **Approval of HAFC Seller Loan Documents.** The City Authority has been presented with drafts of the documents listed in Exhibit A under the heading “HAFC Seller Loan Documents” (the “**HAFC Seller Loan Documents**”) in connection with the Partnership and the Project, which documents are on file with the City Authority’s Secretary, and pursuant to which the Partnership will borrow a construction/permanent loan from the Authority in the approximate amount of \$1,150,000. The Authorized Officers and each of them acting alone, are authorized and directed to execute and deliver, on behalf of the Authority acting on its own behalf or as the managing member of the Administrative General Partner, the HAFC Seller Loan Documents substantially in the form on file with the Authority; *provided however*, any Authorized Officer may approve on the Housing Authority of Fresno County, California’s behalf or as the managing member of the Administrative General Partner any further changes to the draft HAFC Seller Loan Documents, including material changes, and the final amount to be borrowed, and such Authorized Officer’s signature on the final HAFC Seller Loan Documents shall be construed as the Authority’s approval of such changes and final loan amount. The Authorized Officers and each of them acting alone, are further authorized and directed to execute and deliver, on behalf of the Housing Authority of Fresno County, California acting on its own behalf or as the managing member of the Administrative General Partner, any other documents reasonably required to be executed by the Housing Authority of Fresno County, California, the Administrative General Partner, or the Partnership to carry out the transactions contemplated by the HAFC Seller Loan Documents.

12. **Approval of County HOME Loan Documents.** The Authority has been presented with drafts of the documents listed in Exhibit A under the heading “County HOME Loan Documents” (the “**County HOME Loan Documents**”) in connection with the Partnership and the Project, which documents are on file with the Authority’s Secretary, and pursuant to which the Partnership will assume the borrower’s obligations for a construction/permanent loan of HOME Investment Partnership funds in the approximate amount of \$700,000 from the County of Fresno, California. The Authorized Officers and each of them acting alone, are authorized and directed to execute and deliver, on behalf of the Authority acting on its own behalf or as the managing member of the Administrative General Partner, the County HOME Loan Documents substantially in the form on file with the Authority; *provided however*, any Authorized Officer may approve on the Authority’s behalf or as the managing member of the Administrative General Partner, any further changes to the draft County HOME Loan Documents, including material changes, and the final amount to be borrowed, and such Authorized Officer’s signature on the final County HOME Loan Documents shall be construed as the Authority’s approval of such changes and final loan amount. The Authorized Officers and each of them acting alone, are further authorized and directed to execute and deliver, on behalf of the Authority acting on its own behalf or as the managing member of the Administrative General Partner, any other documents reasonably required to be executed by the Authority, the Administrative General Partner, or the Partnership to carry out the transactions contemplated by the County HOME Loan Documents.

13. **Approval of HAFC Capital Funds Loan Documents.** The Authority has been presented with drafts of the documents listed in Exhibit A under the heading “HAFC Capital

Funds Loan Documents” (the “**HAFC Capital Funds Loan Documents**”) in connection with the Partnership and the Project, which documents are on file with the Authority’s Secretary, and pursuant to which the Partnership will borrow a construction/permanent loan from the Authority in the approximate amount of \$1,010,257. The Authorized Officers and each of them acting alone, are authorized and directed to execute and deliver, on behalf of the Authority acting on its own behalf or as the managing member of the Administrative General Partner, the HAFC Capital Funds Loan Documents substantially in the form on file with the Authority; *provided however*, any Authorized Officer may approve on the Authority’s behalf or as the managing member of the Administrative General Partner any further changes to the draft HAFC Capital Funds Loan Documents, including material changes, and the final amount to be borrowed, and such Authorized Officer’s signature on the final HAFC Capital Funds Loan Documents shall be construed as the Authority’s approval of such changes and final loan amount. The Authorized Officers and each of them acting alone, are further authorized and directed to execute and deliver, on behalf of the Authority acting on its own behalf or as the managing member of the Administrative General Partner, any other documents reasonably required to be executed by the Authority, the Administrative General Partner, or the Partnership to carry out the transactions contemplated by the HAFC Capital Funds Loan Documents.

14. **Approval of HRFC Loan Documents.** The City Authority has been presented with drafts of the documents listed in Exhibit A under the heading “HRFC Loan Documents” (the “**HRFC Loan Documents**”) in connection with the Partnership and the Project, which documents are on file with the City Authority’s Secretary, and pursuant to which the Partnership will borrow a construction/permanent loan from HRFC in the approximate amount of \$633,613 from HRFC. The Authorized Officers and each of them acting alone, are authorized and directed to execute and deliver, on behalf of the Authority acting on its own behalf or as the managing member of the Administrative General Partner, the HRFC Loan Documents substantially in the form on file with the Authority; *provided however*, any Authorized Officer may approve on the Authority’s behalf or as the managing member of the Administrative General Partner any further changes to the draft HRFC Loan Documents, including material changes, and the final amount to be borrowed, and such Authorized Officer’s signature on the final HRFC Loan Documents shall be construed as the Authority’s approval of such changes and final loan amount. The Authorized Officers and each of them acting alone, are further authorized and directed to execute and deliver, on behalf of the Housing Authority of Fresno County, California acting on its own behalf or as the managing member of the Administrative General Partner, any other documents reasonably required to be executed by the Housing Authority of Fresno County, California, the Administrative General Partner, or the Partnership to carry out the transactions contemplated by the HRFC Loan Documents.

15. **Approval of Acquisition Documents.** The City Authority has been presented with drafts of the documents listed in Exhibit A under the heading “Acquisition Documents” (the “**Acquisition Documents**”) in connection with the purchase and development of certain land owned by the Authority which will be conveyed to the Partnership on which the Project is to be built, which documents are on file with the Authority’s Secretary, and pursuant to which the Partnership will acquire the Property for a purchase price of \$1,150,000 at closing (less any previous deposits into escrow) The Authorized Officers and each of them acting alone, are further authorized and directed to execute and deliver, on behalf of the Authority acting on its own behalf or as the managing member of the Administrative General Partner, the Acquisition

Documents and to purchase and take such other actions as they deem necessary or desirable for the Partnership to acquire and develop the Property; *provided however*, any Authorized Officer may approve on the Authority's behalf or as the managing member of the Administrative General Partner any further changes to the draft Acquisition Documents, including material changes, and such Authorized Officer's signature on the final Acquisition Documents shall be construed as the Authority's approval of such changes. The Authorized Officers and each of them acting along, are further authorized and directed to execute and deliver, on behalf of the Housing Authority of Fresno County, California acting on its own behalf or as the managing member of the Administrative General Partner, any other documents reasonably required to be executed by the Housing Authority of Fresno County, California, the Administrative General Partner, or the Partnership to carry out the transactions contemplated by the Acquisition Documents.

16. **Assignments.** The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority acting on its own behalf or as the managing member of the Administrative General Partner, to execute and deliver one or more instruments (i) causing the Partnership to assume the Housing Authority of Fresno County, California's rights under the construction contract, the architects' contracts, and other consultant and development contracts, as such rights pertain to the acquisition and construction of the Project, to the extent required by the Investor Limited Partner, and (ii) assigning to lenders and others the Partnership's interests in such contracts as may be required as a condition of the Project Financing, and (iii) to effectuate the assignment and assumption of any existing Acquisition Documents, USBNA Loan Documents, HAFC Seller Loan Documents, HOME Loan Documents, HAFC Capital Funds Loan Documents and HRFC Loan Documents.

17. **Execution of Documents.** The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority acting on its own behalf or as managing member of the Administrative General Partner, to execute, deliver and/or file (or cause to be delivered and/or filed) any affidavits, certificates, letters, government forms, documents, agreements and instruments that any such Authorized Officer determines to be necessary or desirable: (i) to give effect to this resolution; (ii) to consummate the transactions contemplated herein; and/or (iii) to further the acquisition, rehabilitation, development, financing, construction, and leasing of the Project. Without limiting the scope of such authorization, such documents include declarations of restrictive covenants, regulatory agreements, various deeds, leases, notes, loan agreements, deeds of trust, guaranties and indemnities and collateral assignments related to the Project Financing. Such documents may also include, without limitation, lease-up and marketing agreements, partnership management services agreements, development agreements, construction guaranty agreements, repayment guarantees, cash pledge agreements, environmental indemnity agreements, property management agreements, architect agreements, contractor agreements, housing assistance payment contracts, irrevocable consents, confessions of judgment and appointments of attorneys for service of process.

18. **Expenditures.** The City Authority is authorized to expend such funds (and to cause the Partnership and the Administrative General Partner to expend such funds) as are necessary to pay for all filing fees, application fees, registration fees and other costs relating to the Project or actions authorized by this resolution.

19. **Acting Officers Authorized.** Any action required by this resolution to be taken by the Chair of the Board or Executive Director of the Authority may, in the absence of such person, be taken by the duly authorized acting Chair of the Board or acting Executive Director of the Authority, respectively or by the designee of the Chair of the Board or Executive Director.

20. **Execution of Obligations.** The Board directs the City Authority's Executive Director to cause the Authority to fulfill the Authority's duties and obligations under the various agreements authorized.

21. **Ratification and Confirmation.** All actions of the Authority and its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed, including, but not limited to, the formation of the Partnership and the Administrative General Partner, and the filing of finance applications related to the Project Financing and the prior execution of any Project documents listed on Exhibit A or otherwise required herein.

22. **Effective Date.** This resolution shall be in full force and effect from and after its adoption and approval.

PASSED AND ADOPTED THIS 10th DAY OF MARCH, 2016. I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by the governing body with the following vote, to-wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Preston Prince, Secretary of the Board of Commissioners

CERTIFICATE

I, the undersigned, the duly appointed CEO/Executive Director of the Housing Authority of City of Fresno, California (the “**Authority**”), as keeper of the records of the Authority, CERTIFY:

1. That the attached Resolution _____ (the “**Resolution**”) is a true and correct copy of the resolution of the Board of Commissioners of the Authority, as adopted at a meeting of the Authority held on the 10th day of March, 2016, and duly recorded in the minute books of the Authority.

2. That such meeting was duly convened and held in all respects in accordance with law, and, to the extent required by law, due and proper notice of such meeting was given; that a quorum was present throughout the meeting and a majority of the members of the Board of Commissioners of the Authority present at the meeting voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this Certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of March, 2016.

**HOUSING AUTHORITY OF THE CITY OF
FRESNO, CALIFORNIA**

Preston Prince, CEO/Executive Director

EXHIBIT A PROJECT DOCUMENTS

Partnership Documents

- (a) Certificate of Limited Partnership of Shockley Terrace, LP;
- (b) Amended and Restated Agreement of Limited Partnership of Shockley Terrace, LP by and among the HAFC, the Administrative General Partner, and the Limited Partners, together with all exhibits;
- (c) Development Services Agreement between the HAFC and the Partnership;
- (d) Agreement of Guaranty for the benefit of Partnership and Limited Partners;

HUD Documents

- (e) RAD Conversion Commitment by the HAFC and the Partnership.
- (f) RAD Use Agreement by the Partnership.
- (g) Housing Assistance Payments Contract – RAD for the Conversion of Public Housing to Project-Based Section 8 with LIHTC Rider and Lender Rider by the Partnership.
- (h) HUD-required certifications and forms by the HAFC and the Partnership.

USBNA Bank, National Association (USBNA) Construction Loan Documents

- (i) Construction Note executed by the Partnership in favor of USBNA;
- (j) Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing executed by the Partnership as trustor, to First American Title Insurance Company for the benefit of USBNA;
- (k) Construction Loan Agreement executed by the Partnership and USBNA;
- (l) Repayment and Completion Guaranty executed by the Guarantor in favor of USBNA;
- (m) Environmental and ADA Indemnification Agreement by the Borrower and the HAFC in favor of USBNA;
- (n) Partnership Borrowing Authorization between the Administrative General Partner, Managing General Partner in favor of USBNA;
- (o) Assignment of Partnership Interests, Capital Contributions and Credits by the Partnership, the Managing General Partner and the Administrative General Partner in favor of USBNA;
- (p) Collateral Assignment of Contract Rights by the Managing General Partner and the Administrative General Partner in favor of USBNA;

- (q) Assignment of HAP Contract and Housing Assistance Payments by the Partnership in favor of USBNA;
- (r) Consent to Assignment of HAP Contract as Security for Financing by the Partnership;
- (s) Assignment of Development Services Agreement and Developer Fee Subordination Agreement by the Authority and the Partnership in favor of USBNA;
- (t) Assignment and Subordination of Construction Contract executed by the Partnership and consented to by Brown Construction, Inc. in favor of USBNA;
- (u) Assignment and Subordination of Architect's Contract executed by the Partnership and consented to by Mogavero Notestine Associates favor of USBNA;
- (v) Assignment of Property Manager Agreement executed by the Partnership and consented to by GSF Properties, Inc., in favor of USBNA;
- (w) California Judicial Reference Agreement, executed by the Partnership, the HAFC and USBNA;
- (x) Subordination Agreement (Housing Authority) executed by the Partnership, the HAFC and USBNA;
- (y) Subordination Agreement (County of Fresno) executed by the Partnership, the County and USBNA;
- (z) Subordination Agreement (HRFC) among the Partnership, HRFC and USBNA; and
- (aa) Subordination Agreement (RAD) executed by the Partnership, USBNA and the County.

HAFC Seller Loan Documents

- (bb) HAFC (Seller Loan) Construction Deed of Trust, Security Agreement and Financing Statement by the Partnership in favor of the Authority;
- (cc) HAFC (Seller Loan) Loan Agreement between the Partnership and the Authority;
- (dd) HAFC (Seller Loan) Assignment of Leases and Rents by the Partnership in favor of the Authority; and
- (ee) HAFC (Seller Loan) Mortgage Note (Shockley Terrace) by the Partnership in favor of the Authority; and
- (ff) Subordination Agreement executed by the Partnership, the HAFC and the County.

HOME Loan Documents

- (gg) HOME Agreement between the County and the Partnership;
- (hh) Deed of Trust and Assignment of Rents and Financing Statement by the Partnership in favor of the County;

- (ii) Promissory Note by the Partnership in favor of the County;
- (jj) HOME Regulatory Agreement and Declaration of Restrictive Covenants by the Partnership in favor of the County;
- (kk) Subordination Agreement executed by the Partnership, the County and the HAFC; and
- (ll) Subordination Agreement executed by the Partnership, the County and HRFC.

HAFC Capital Funds Loan Documents

- (mm) HAFC Capital Funds Construction Deed of Trust, Security Agreement and Financing Statement by the Partnership in favor of the Authority;
- (nn) HAFC Capital Funds Loan Agreement between the Partnership and the HAFC;
- (oo) HAFC Capital Funds Assignment of Leases and Rents by the Partnership in favor of the HAFC; and
- (pp) HAFC Capital Funds Mortgage Note (Shockley Terrace) by the Partnership in favor of the HAFC.

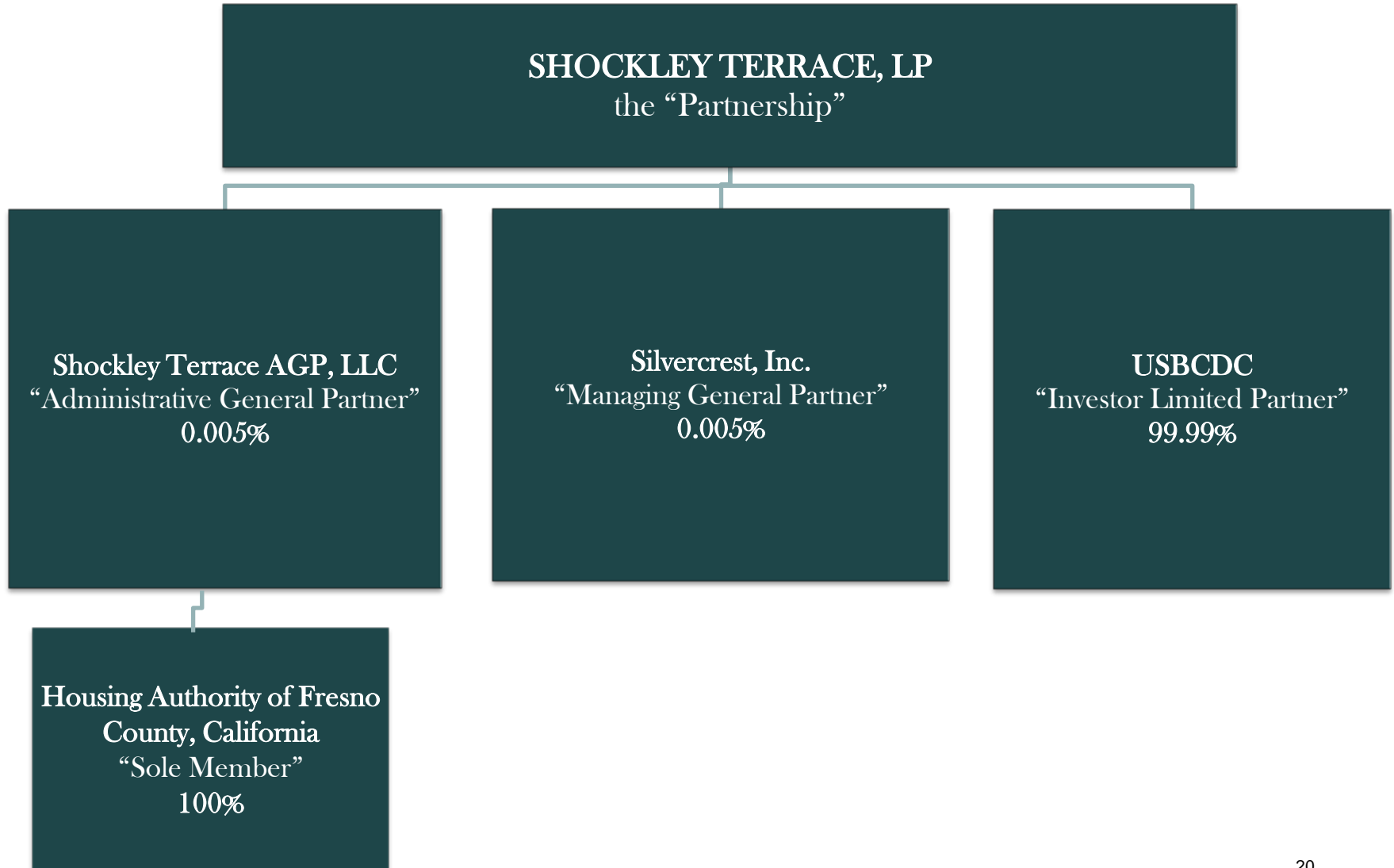
HRFC Loan Documents

- (qq) HRFC Construction Deed of Trust, Security Agreement and Financing Statement by the Partnership in favor of HRFC;
- (rr) HRFC Loan Agreement between the Partnership and HRFC;
- (ss) HRFC Promissory Note by the Partnership in favor of HRFC; and
- (tt) HRFC Assignment of Leases and Rents by the Partnership in favor of HRFC.

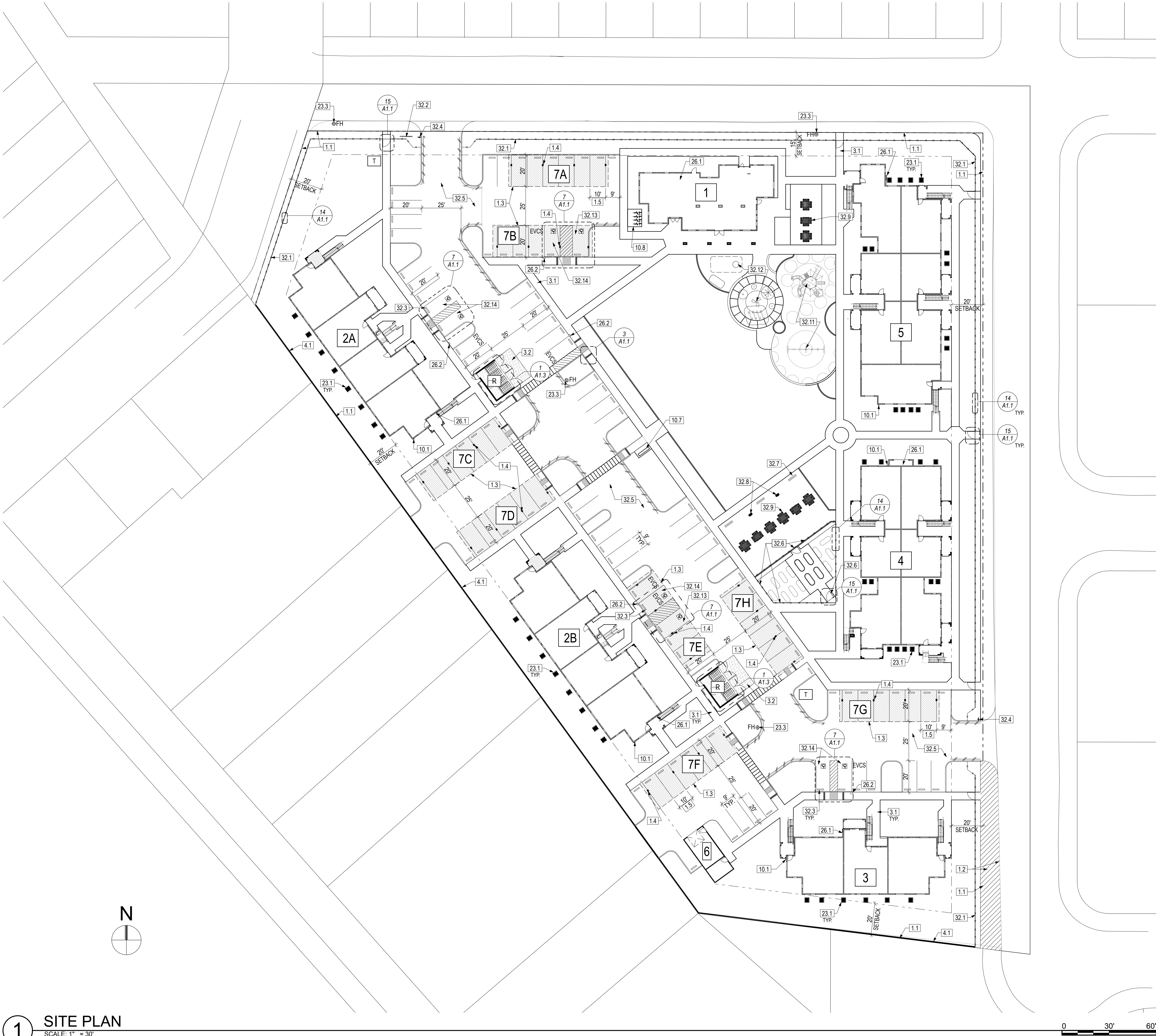
Acquisition Documents

- (uu) Purchase and Sale Agreement and Joint Escrow Instructions between the Authority and the Partnership; and
- (vv) Grant Deed in favor of the Partnership.

Ownership Structure Shockley Terrace, LP



MOGAVERO NOTESTINE ASSOCIATES EXPRESSLY RESERVES ITS COMMON LAW COPYRIGHT AND OTHER PROPERTY RIGHTS IN THESE CONSTRUCTION DOCUMENTS. THESE CONSTRUCTION DOCUMENTS ARE NOT TO BE REPRODUCED, CHANGED OR DUPLICATED IN ANY FORM OR MANNER WHATSOEVER, NOR MAY THEY BE USED FOR ANY CONSTRUCTION OTHER THAN INTENDED, WITHOUT FIRST OBTAINING THE EXPRESSED WRITTEN PERMISSION OF MOGAVERO NOTESTINE ASSOCIATES.



1 SITE PLAN
SCALE: 1" = 30'

SITE PLAN KEYNOTES:

ORGANIZATION OF THE SPECIFICATIONS AND KEYNOTES INTO DIVISIONS, SECTIONS AND ARTICLES, AND ARRANGEMENT OF DRAWINGS SHALL NOT CONTROL THE CONTRACTOR IN DIVIDING THE WORK AMONG SUBCONTRACTORS OR IN ESTABLISHING THE EXTENT OF WORK TO BE PERFORMED BY ANY TRADE.

GENERAL

- 1.1 PROPERTY LINE
- 1.2 NEW SIDEWALK CURB & GUTTER-SEE CIVIL
- 1.3 EDGE OF SOLAR CARPORT ROOF ABOVE - SEPARATE PERMIT
- 1.4 SOLAR CARPORT COLUMN- SEPARATE PERMIT
- 1.5 10'-0" WIDE PARKING STALL BELOW SOLAR CARPORT - TYP.

CONCRETE

- 3.1 CONCRETE WALK
- 3.2 10' DEEP x WIDTH OF REFUSE ENCLOSURE x 6" THICK CONCRETE PAVED APRON WITH #3 REBAR @ 18" O.C. EACH WAY

MASONRY

- 4.1 NEW 6' TALL CMU FENCE

SPECIALTIES

- 10.1 FIRE RISER
- 10.2 NOT USED
- 10.3 FIRE WATER BACKFLOW PREVENTER, SEE UTILITY PLAN
- 10.4 IRRIGATION WATER BACKFLOW PREVENTER, SEE UTILITY PLAN
- 10.5 DOMESTIC WATER BACKFLOW PREVENTER, SEE UTILITY PLAN
- 10.6 NOT USED
- 10.7 MAILBOXES
- 10.8 FLOOR MOUNTED BIKE RACKS, SEE 9/A1.1

MECHANICAL

- 23.1 GROUND PAD MOUNTED HVAC CONDENSER/ COMPRESSOR
- 23.2 NOT USED
- 23.3 FIRE HYDRANT

ELECTRICAL

- 26.1 ELECTRICAL SWITCHBOARD & METERS
- 26.2 ELECTRIC VEHICLE CHARGING STALL & PEDESTAL

EXTERIOR IMPROVEMENTS

- 32.1 NEW DECORATIVE 6' METAL FENCE AND GATES
- 32.2 MONUMENT SIGN WITH LIGHTING
- 32.3 PRECAST CONCRETE WHEELSTOP - SEE DTL. 13/A1.1
- 32.4 RESTRICTED PARKING SIGN AT VEHICLE ENTRY - SEE DTL. 11/A1.1
- 32.5 NEW ASPHALT PAVING - SEE CIVIL
- 32.6 DECORATIVE 5' METAL FENCE AND GATES
- 32.7 BENCH - SEE LANDSCAPE
- 32.8 BARBEQUE - SEE LANDSCAPE
- 32.9 PICNIC TABLE AND BENCHES - SEE LANDSCAPE
- 32.10 APPARATUS PLAY AREA - SEE LANDSCAPE
- 32.11 WATER PARK - SEE LANDSCAPE
- 32.12 WATER PARK EQUIPMENT - SEE LANDSCAPE
- 32.13 ACCESSIBLE PARKING SPACE - VAN
- 32.14 ACCESSIBLE PARKING SPACE - STANDARD

SITE PLAN LEGEND:

T TRANSFORMER

1 BUILDING NUMBER

HVAC COMPRESSOR

FLOOR MOUNTED BIKE RACK

FIRE LANE (PAINT CURB RED)

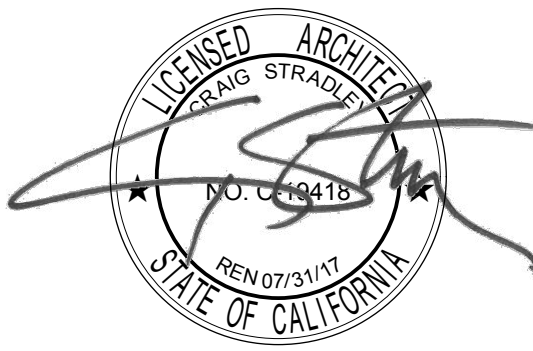
FENCE



MOGAVERO
NOTESTINE
ASSOCIATES

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SACRAMENTO
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F 916.443.7234
MOGNOT.COM

Architecture | Planning | Urban Design



PROJECT TITLE
NO.215010

SHOCKLEY
TERRACE

1445 PEACH STREET,
SELMA, CA
93662

SHEET DESCRIPTION

SITE PLAN

PROJECT PHASE
RESUBMITTAL NO. 1

DATE: January 15, 2016

REVISIONS

Revision ID	Change Name	Date

SHEET NUMBER

A1.0

SHOCKLEY TERRACE
NO.215010

PRINTED: 1:23 PM 1/11/16

Exhibit C - Shockley Terrace

Sources of Funds	<i>Amount</i>	<i>Per Unit</i>
Tax Credit Equity	\$12,157,998	\$253,292
HAFC Seller Financing	\$1,150,000	\$23,958
HAFC Loan	\$1,010,257	\$21,047
Deferred Dev. Fee	\$250,000	\$5,208
Accrued/Deferred Interest	\$179,913	\$3,748
GP contribution	\$100	\$2
HRFC	\$633,613	\$13,200
County HOME Loan	\$700,000	\$14,583
Total Sources of Funds	\$16,081,881	\$335,039
Uses of Funds	<i>Amount</i>	<i>Per Unit</i>
Acquisition Costs	\$1,150,000	\$23,958
Construction Costs	\$9,613,329	\$200,278
Hard Cost Contingency	\$521,671	\$10,868
Relocation Costs	\$241,000	\$5,021
Professional Fees	\$600,000	\$12,500
Loan Fees and other Soft Costs	\$2,246,914	\$46,811
Reserves	\$147,013	\$3,063
Developer Fee	\$1,561,954	\$32,541
Total Uses of Funds	\$16,081,881	\$335,039

Exhibit D - Projected Stabilized Operating Budge

Unit Type	# Units	% AMI	SF/Unit	Net Rent Per Unit	Ann. Rent Total
1 Bd./1 Bth.	3	45%	686	\$432	\$ 15,552
1 Bd./1 Bth.	1	50%	686	\$485	\$ 5,820
1 Bd./1 Bth.	4	55%	686	\$538	\$ 25,824
2 Bd./1 Bth.	2	30%	912	\$323	\$ 7,752
2 Bd./1 Bth.	6	45%	912	\$515	\$ 37,080
2 Bd./1 Bth.	4	50%	986	\$579	\$ 27,792
2 Bd./1 Bth.	5	55%	986	\$643	\$ 38,580
2 Bd./1 Bth.	4	60%	986	\$707	\$ 33,936
3 Bd./2 Bth	2	30%	1117	\$367	\$ 8,808
3 Bd./2 Bth	3	45%	1055	\$589	\$ 21,204
3 Bd./2 Bth	5	50%	1117	\$663	\$ 39,780
3 Bd./2 Bth	2	55%	1055	\$737	\$ 17,688
3 Bd./2 Bth	4	60%	1117	\$811	\$ 38,928
4 Bd./2 Bth	1	30%	1,224	\$417	\$ 5,004
4 Bd./2 Bth	1	55%	1,224	\$830	\$ 9,960
Manager's Unit-2 Bd./2 Bth.	1	N/A	884	\$ -	\$ -
TOTAL REVENUE					\$ 333,708

RESIDENTIAL OPERATING EXPENSES	Per Unit	TOTAL
Management Fee	717	32,280
Advertising/Marketing	78	3,500
Legal and Accounting	222	10,000
Utilities (water, trash, electricity, gas, etc.)	847	38,100
Payroll: Onsite Manager(s)/Staff	1,127	50,700
Maintenance/Repairs	1,268	57,060
Major Repairs	0	
Real Estate Property Tax	133	6,000
Insurance	217	9,763
Services Amenities	667	30,000
Security Alarm	67	3,000
Contingency: Operations Budget	78	3,500
HOME Compliance Monitoring	111	5000

Total Operating Expenses	5,531	248,903
Replacement Reserves	320	14,400
Total Operating and Reserve Budget	5,851	263,303

SHOCKLEY TERRACE RESIDENTIAL COMPONENT - 15 YEAR CASH FLOW ANALYSIS

INCOME FROM HOUSING UNITS	Inflation	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Schedule Rental Income	2.0%	\$ 179,597	\$ 340,382	\$ 347,190	\$ 354,134	\$ 361,216	\$ 368,441	\$ 375,809	\$ 383,326	\$ 390,992	\$ 398,812	\$ 406,788	\$ 414,924	\$ 423,222	\$ 431,687	\$ 440,321
Sec 8 Incremental Income	2.0%	\$ 20,924	\$ 39,655	\$ 40,448	\$ 41,257	\$ 42,082	\$ 42,924	\$ 43,782	\$ 44,658	\$ 45,551	\$ 46,462	\$ 47,391	\$ 48,339	\$ 49,306	\$ 50,292	\$ 51,298
GROSS POTENTIAL INCOME - HOUSING		\$ 200,521	\$ 380,037	\$ 387,638	\$ 395,391	\$ 403,298	\$ 411,364	\$ 419,592	\$ 427,984	\$ 436,543	\$ 445,274	\$ 454,180	\$ 463,263	\$ 472,528	\$ 481,979	\$ 491,619
VACANCY ASSUMPTIONS																
Vacancy Loss	-7.0%	\$ (12,572)	\$ (23,827)	\$ (24,303)	\$ (24,789)	\$ (25,285)	\$ (25,791)	\$ (26,307)	\$ (26,833)	\$ (27,369)	\$ (27,917)	\$ (28,475)	\$ (29,045)	\$ (29,626)	\$ (30,218)	\$ (30,822)
Sec 8 Incremental Income	-7.0%	\$ (1,465)	\$ (2,776)	\$ (2,831)	\$ (2,888)	\$ (2,946)	\$ (3,005)	\$ (3,065)	\$ (3,126)	\$ (3,189)	\$ (3,252)	\$ (3,317)	\$ (3,384)	\$ (3,451)	\$ (3,520)	\$ (3,591)
TOTAL VACANCY LOSS		\$ (14,036)	\$ (26,603)	\$ (27,135)	\$ (27,677)	\$ (28,231)	\$ (28,796)	\$ (29,371)	\$ (29,959)	\$ (30,558)	\$ (31,169)	\$ (31,793)	\$ (32,428)	\$ (33,077)	\$ (33,739)	\$ (34,413)
EFFECTIVE GROSS INCOME		\$ 186,485	\$ 353,435	\$ 360,503	\$ 367,713	\$ 375,068	\$ 382,569	\$ 390,220	\$ 398,025	\$ 405,985	\$ 414,105	\$ 422,387	\$ 430,835	\$ 439,451	\$ 448,240	\$ 457,205
OPERATING EXPENSES & RESERVE DEPOSITS																
Operating Expenses	3.0%	\$ 142,743	\$ 256,370	\$ 264,061	\$ 271,983	\$ 280,143	\$ 288,547	\$ 297,203	\$ 306,119	\$ 315,303	\$ 324,762	\$ 334,505	\$ 344,540	\$ 354,876	\$ 365,522	\$ 376,488
Replacement Reserve		\$ 14,400	\$ 14,400	\$ 14,400	\$ 14,400	\$ 14,400	\$ 14,400	\$ 14,400	\$ 14,400	\$ 14,400	\$ 14,400	\$ 14,400	\$ 14,400	\$ 14,400	\$ 14,400	\$ 14,400
TOTAL EXPENSES & RESERVES		\$ 157,143	\$ 270,770	\$ 278,461	\$ 286,383	\$ 294,543	\$ 302,947	\$ 311,603	\$ 320,519	\$ 329,703	\$ 339,162	\$ 348,905	\$ 358,940	\$ 369,276	\$ 379,922	\$ 390,888
NET OPERATING INCOME		\$ 29,342	\$ 82,664	\$ 82,042	\$ 81,330	\$ 80,525	\$ 79,622	\$ 78,617	\$ 77,505	\$ 76,282	\$ 74,943	\$ 73,482	\$ 71,895	\$ 70,175	\$ 68,318	\$ 66,317
DEBT SERVICE																
Bank Loan		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Cash Flow		\$ 29,342	\$ 82,664	\$ 82,042	\$ 81,330	\$ 80,525	\$ 79,622	\$ 78,617	\$ 77,505	\$ 76,282	\$ 74,943	\$ 73,482	\$ 71,895	\$ 70,175	\$ 68,318	\$ 66,317
DEBT SERVICE COVERAGE RATIO		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00



1331 Fulton Mall
Fresno, California 93721

O (559) 443-8400
F (559) 445-8981
TTY (800) 735-2929

www.fresnohousing.org

TO: Board of Commissioners **DATE:** 3/8/2016
Fresno Housing
Authority
FROM: Preston Prince **BOARD** 3/10/2016
CEO/Executive Director **MEETING:**
AUTHOR Scott Berry **AGENDA** 4b
Community **ITEM:**
Development Analyst
RE: Lowell Neighborhood Project- Omnibus
Development & Financing Resolution

On or about March 15, 2016, Lowell Neighborhood Project, LP, a California limited partnership (the "Partnership") will close on the financing of a 30-unit low-income multifamily residential project (the "Project"), located at 240-250 N. Calaveras Street and 146 N. Glenn Avenue, both in the City of Fresno, California.

The Housing Authority of the City of Fresno, CA (the "Authority"), is the managing member of Lowell Neighborhood Project AGP, LLC, a California limited liability company, the administrative general partner (the "Administrative General Partner"). Other members of Lowell Neighborhood Project AGP, LLC include Better Opportunities Builder, Inc. (BOB) and the Lowell Community Development Corporation (Lowell CDC). Silvercrest, Inc., an instrumentality of the Authority, is the managing general partner of the Partnership (see Exhibit A).

Approval to develop the project requires that the Board of Commissioners of the Housing Authority adopt a resolution authorizing the following actions:

1. Authorization of Preston Prince, CEO/Executive Director and/or Tracewell Hanrahan, Deputy Executive Director or their designee to execute documents on behalf of the Housing Authority of the City of Fresno, CA in the name of the Administrative General Partner (AGP) or the Partnership.
2. Authorize sale of subject Property to Lowell Neighborhood Project, LP, and authorize Preston Prince, CEO/Executive Director and/or Tracewell Hanrahan, Deputy Executive Director or their designee to execute associated documents.
3. Authorize a request for a Housing Relinquished Fund Corporation (HRFC) loan to the project in the amount of \$1,457,536.
4. Authorize actions for the financing, development and operation of the Project, and
5. Provide for other matters related thereto.

Staff is recommending that the Board adopt the attached resolutions, drafted by our affordable housing finance counsel, Ballard Spahr LLP, and as required by our equity and lending partners, in order to finalize the closing of the Project on or about March 15, 2016:

A resolution authorizing the execution and delivery of documents, the admission of certain partners to Lowell Neighborhood Project, LP (“Partnership”), and the execution of such documents to implement project financing by the Housing Authority of the City of Fresno, CA, on its own behalf and in the capacity as managing member of the Lowell Neighborhood Project AGP, LLC, the Administrative General Partner of the partnership, in connection with the financing, development and operation of the Lowell Neighborhood Project development, and providing for other matters related thereto.

Recommendation

It is recommended that the Board of Commissioners of the Housing Authority of the City of Fresno, CA adopt the attached resolution, authorizing the execution and delivery of documents by the Housing Authority of the City of Fresno, CA on its own behalf, in the name of the Administrative General Partner and in the name of the Partnership, in connection with the financing, development and operation of the Project, authorizing the lending and the borrowing of money, and providing for other matters related thereto.

Fiscal Impact

Project financing includes a set of construction and permanent loans. Total construction financing will be \$8,362,663 from the sources listed in Table 1.

Table 1: Construction Sources of Finance

Source	Amount	Description
Conventional Construction Loan	\$4,530,852	US Bank is providing a Conventional Construction Loan at 3% interest
HOME Funds	\$1,200,000	This loan has a 55 year term at 3% interest
HOME – Accrued/Deferred Interest	\$37,200	Accrued/deferred interest on HOME loan
HRFC Funds	\$1,457,536	This loan has a 55 year term at 4% interest
HRFC – Accrued/Deferred	\$60,245	Accrued/deferred interest on HRFC loan
Costs deferred until permanent loan closing	\$335,972	Costs deferred until permanent loan closing
Deferred Developer Fee	\$200,000	To be repaid from available residual receipts from Project operations.
GP Contribution	\$100	The General Partner will contribute \$100.
Capital Contribution	\$540,758	Equity portion payable at closing from US Bank

Total permanent financing will be \$8,362,663, from the sources listed in Table 2.

Table 2: Permanent Sources of Finance

Source	Amount	Description
Investor Equity	\$5,407,582	US Bank has comitted to providing equity to the project.
City of Fresno HOME Funds	\$1,200,000	This loan has a 55 year term at 3% interest
HOME – Accrued/Deferred Interest	\$37,200	Interest deferred/accrued from the HOME loan
HRFC Loan	\$1,457,536	This loan has a 55 year term at 4% interest
HRFC – Accrued/Deferred Interest	\$60,245	Interest deferred/accrued from the HRFC loan
Deferred Developer Fee	\$200,000	To be repaid from available residual receipts from Project operations.
GP Contribution	\$100	The General Partner will contribute \$100.

Background Information

The Project consists of two different sites in the “Lowell District” of Fresno. One site is located at 240-250 N. Calaveras Street and the other is at 146 N. Glenn Avenue. The Calaveras site is an existing multifamily housing complex and consists of 22 total units, all of which will be rehabbed. The Glenn site consists of two vacant parcels that will be utilized for a total of 8 units of new workforce multifamily housing containing all three bedroom units. Both sites will share a community building on the Calaveras site. The Housing Authority of the City of Fresno purchased the Calaveras site on September 30, 2015, and entered into an Option to Purchase the Glenn site with BOB on January 15, 2015. The Project received an award of \$1.2 million in HOME funds from the City of Fresno and \$5,205,101 in low income housing tax credits in September, 2015.

Attachments: Exhibit A - Organizational Chart

Exhibit B – Financials

Exhibit C - Site Plans

RESOLUTION NO. _____
BEFORE THE BOARD OF COMMISSIONERS OF THE
HOUSING AUTHORITY OF THE CITY OF FRESNO

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS, THE MAKING OF CERTAIN GUARANTIES, THE ADMISSION OF CERTAIN PARTNERS TO LOWELL NEIGHBORHOOD PROJECT, LP (“PARTNERSHIP”) AND THE EXECUTION OF SUCH DOCUMENTS TO IMPLEMENT PROJECT FINANCING BY THE HOUSING AUTHORITY OF THE CITY OF FRESNO, CALIFORNIA ON ITS OWN BEHALF AND IN ITS CAPACITY AS MANAGING MEMBER OF LOWELL NEIGHBORHOOD PROJECT AGP, LLC, THE ADMINISTRATIVE GENERAL PARTNER OF THE PARTNERSHIP, IN CONNECTION WITH THE FINANCING, DEVELOPMENT AND OPERATION OF THE LOWELL NEIGHBORHOOD PROJECT, AND PROVIDING FOR OTHER MATTERS RELATED THERETO.

WHEREAS, the Housing Authority of the City of Fresno, California (the “**Authority**”) seeks to expand the development and availability of long-term housing for low income persons residing in Fresno, California (the “**City**”); and

WHEREAS, the Authority is authorized, among other things, to enter into partnership and operating agreements and to make loans to partnerships to finance, plan, undertake, construct, acquire and operate housing projects; and

WHEREAS, the Authority has agreed to facilitate the preservation/rehabilitation of the property located at 240-250 N. Calaveras Street, Fresno, California, APN #459-243-19 and #459-243-20 and the construction of real property located at 146 N. Glenn Avenue, Fresno, California, APN #459-322-17 and #459-322-18 (collectively, the “**Property**”) for the purpose of the development of a thirty (30) unit affordable housing project to be known as “Lowell Neighborhood Project”, comprised of twenty-nine (29) low-income housing tax credit units and one (1) manager’s unit (collectively, the “**Project**”); and

WHEREAS, the Authority has entered into an operating agreement pursuant to which the Authority is the managing member of Lowell Neighborhood Project AGP, LLC, a California limited liability company (the “**Administrative General Partner**”), and the Authority filed articles of organization with the California Secretary of State on June 22, 2015; and

WHEREAS, the Administrative General Partner, together with Silvercrest, Inc., entered into an agreement of limited partnership dated as of June 18, 2015 pursuant to which the Administrative General Partner is the “Administrative GP” and Silvercrest, Inc. is the “Managing GP” (collectively the “Limited Partners”) of Lowell Neighborhood Project, LP, a California limited partnership (the “**Partnership**”) and filed a certificate of limited partnership with the California Secretary of State on June 22, 2015; and

WHEREAS, the Administrative General Partner; Silvercrest, Inc., as managing general partner and withdrawing limited partner and U.S. Bancorp Community Development Corporation, as the

incoming limited partner “**Investor Limited Partner**”; will enter into an amended and restated limited partnership agreement for the Partnership; and

WHEREAS, the Partnership will finance the cost of acquiring and rehabilitating the Project with numerous sources of funds, projected to include an estimated equity investment of \$5,407,582 from the Investor Limited Partner eligible to benefit from State of California low-income housing tax credits and federal low-income housing tax credits allocated to the Project under Section 42 of the Internal Revenue Code; construction loan proceeds in an estimated amount of \$4,530,852 from U.S. Bank National Association (“**USBNA**”); construction/permanent City of Fresno HOME loan proceeds in an estimated amount of \$1,200,000 from the City; and construction/permanent loan proceeds in the estimated amount of \$1,457,536 from the Housing Relinquished Fund Corporation (“**HRFC**”); (collectively, the “**Project Financing**”); and

WHEREAS, the Authority intends to act as developer of the Project, as the sole member and manager of the Administrative General Partner and as guarantor of certain obligations connected with the Project; and

WHEREAS, the Authority wishes to ratify and confirm all actions of the Authority and its officers prior to the date hereof and consistent with the terms of this resolution and to authorize such actions subsequent to the date hereof; and

WHEREAS, the Authority is authorized to delegate to one or more of its agents and employees such powers as it deems proper;

NOW THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Housing Authority of the City of Fresno, hereby:

1. **Development Services.** The CEO/Executive Director, Preston Prince, the Deputy Executive Director, Tracewell Hanrahan, and/or their respective designees (each, an “**Authorized Officer**” and, collectively, the “**Authorized Officers**”) and each of them acting alone, are authorized and directed to enter into a Development Services Agreement with the Partnership and to execute such other documents and take such other actions as necessary to fulfill the Authority’s intended functions as developer of the Project (including any subcontracts with respect thereto).

2. **General Partner Function.** The Authorized Officers, and each of them acting alone, are authorized and directed to cause the Authority, in its capacity as managing member of the Administrative General Partner, to take all actions and execute all documents necessary for the Administrative General Partner to carry out its function as administrative general partner of the Partnership, including without limitation by execution of the Amended and Restated Agreement of Limited Partnership and any amendment thereto in furtherance of such admissions; provided further, that in such capacity, the Authority is authorized and directed to cause the Administrative General Partner to approve the admission of the Investor Limited Partner to the Partnership.

3. **Approval of Partnership Documents.** The Authority has been presented with drafts of the documents listed in Exhibit A under the heading “Partnership Documents” (the “**Partnership Documents**”) in connection with the Partnership and the Project, which documents are on file

with the Authority's Secretary. The Authorized Officers, and each of them acting alone, are authorized and directed to execute and deliver, on behalf of the Authority (acting on its own behalf or as the managing member of the Administrative General Partner), the Partnership Documents substantially in the form on file with the Authority; *provided however*, any Authorized Officer may approve on the Authority's behalf any further changes to the draft Partnership Documents, including material changes, and such Authorized Officer's signature on the final Partnership Documents shall be construed as the Authority's approval of such changes. The Authorized Officers and each of them acting alone, are further authorized and directed to execute and deliver, on behalf of the Authority acting on its own behalf or as the managing member of the Administrative General Partner, any other documents reasonably required to be executed by the Authority, the Administrative General Partner or as the managing member of the Administrative General Partner of the Partnership to carry out the transactions contemplated by the Partnership Documents.

4. **Approval of Loan Assembly Activities.** The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority acting on its own behalf or as managing member of the Administrative General Partner to execute, deliver and/or file (or cause to be delivered and/or filed) all documents deemed necessary or appropriate to assemble the Project Financing, including without limitation, construction, permanent and third party loan applications, tax credit applications, and any and all other documents reasonably required to (i) cause the Investor Limited Partner to make capital contribution(s) to the Partnership, and (ii) borrow sufficient funds to support the Project.

5. **Loan of Funds.** The Authorized Officers, and each of them acting alone, on behalf of the Authority in its capacity as the managing member of the Administrative General Partner, are authorized to take such actions and execute such documents as necessary to cause the Partnership to borrow funds from the Lenders in an aggregate approximate amount of up to \$7,200,000. Each Authorized Officer, and each of them acting alone, is authorized to decrease the principal amount of any loan by any amount, or to increase the principal amount of any loan by an amount up to 10% more than the maximum aggregate principal amount for the loan stated in this resolution. The source of funds for any such increase shall be funds available to the Authority and/or the Partnership or such other funds that may become available to the Authority and/or the Partnership for the Project. The Board directs the Executive Director to report to the Board if the total amount borrowed by the Partnership for the Project exceeds the aggregate maximum principal amount stated in this resolution for all loans to the Partnership.

6. **Approval of Guarantees.** The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority acting on its own behalf, to execute and perform under such guarantees as are deemed necessary or appropriate to the Project Financing, including without limitation, with respect to the Partnership Documents and the construction loan from USBNA described below.

7. **Approval of USBNA Loan Documents.** The Authority has been presented with drafts of the documents listed in Exhibit A under the heading "USBNA Loan Documents" (the "USBNA Loan Documents") in connection with the Partnership and the Project, which documents are on file with the Authority's Secretary, and pursuant to which the Partnership will borrow a construction loan in the approximate amount of \$4,530,852. The Authorized Officers

and each of them acting alone, are authorized and directed to execute and deliver, on behalf of the Authority acting on its own behalf or as the managing member of the Administrative General Partner, the USBNA Loan Documents substantially in the form on file with the Authority; *provided however*, any Authorized Officer may approve on the Authority's behalf or as the managing member of the Administrative General Partner, any further changes to the draft USBNA Loan Documents, including material changes, and the final amount to be borrowed, and such Authorized Officer's signature on the final USBNA Loan Documents shall be construed as the Authority's approval of such changes and final loan amount. The Authorized Officers and each of them acting alone, are further authorized and directed to execute and deliver, on behalf of the Authority acting on its own behalf or as the managing member of the Administrative General Partner, any other documents reasonably required to be executed by the Authority, the Administrative General Partner, or the Partnership to carry out the transactions contemplated by the USBNA Loan Documents.

8. **Approval of City HOME Loan Documents.** The Authority has been presented with drafts of the documents listed in Exhibit A under the heading "City HOME Loan Documents" (the "**City HOME Loan Documents**") in connection with the Partnership and the Project, which documents are on file with the Authority's Secretary, and pursuant to which the Partnership will assume the borrower's obligations for a construction/permanent loan of HOME Investment Partnership funds in the approximate amount of \$1,200,000 from The City of Fresno, California. The Authorized Officers and each of them acting alone, are authorized and directed to execute and deliver, on behalf of the Authority acting on its own behalf or as the managing member of the Administrative General Partner, the City HOME Loan Documents substantially in the form on file with the Authority; *provided however*, any Authorized Officer may approve on the Authority's behalf or as the managing member of the Administrative General Partner, any further changes to the draft City HOME Loan Documents, including material changes, and the final amount to be borrowed, and such Authorized Officer's signature on the final City HOME Loan Documents shall be construed as the Authority's approval of such changes and final loan amount. The Authorized Officers and each of them acting alone, are further authorized and directed to execute and deliver, on behalf of the Authority acting on its own behalf or as the managing member of the Administrative General Partner, any other documents reasonably required to be executed by the Authority, the Administrative General Partner, or the Partnership to carry out the transactions contemplated by the City HOME Loan Documents.

9. **Approval of HRFC Loan Documents.** The Authority has been presented with drafts of the documents listed in Exhibit A under the heading "HRFC Loan Documents" (the "**HRFC Loan Documents**") in connection with the Partnership and the Project, which documents are on file with the Authority's Secretary, and pursuant to which the Partnership will borrow a construction/permanent loan from HRFC in the approximate amount of \$1,457,536 from HRFC. The Authorized Officers and each of them acting alone, are authorized and directed to execute and deliver, on behalf of the Authority acting on its own behalf or as the managing member of the Administrative General Partner, the HRFC Loan Documents substantially in the form on file with the Authority; *provided however*, any Authorized Officer may approve on the Authority's behalf or as the managing member of the Administrative General Partner any further changes to the draft HRFC Loan Documents, including material changes, and the final amount to be borrowed, and such Authorized Officer's signature on the final HRFC Loan Documents shall be construed as the Authority's approval of such changes and final loan amount. The Authorized

Officers and each of them acting alone, are further authorized and directed to execute and deliver, on behalf of the Authority acting on its own behalf or as the managing member of the Administrative General Partner, any other documents reasonably required to be executed by the Authority, the Administrative General Partner, or the Partnership to carry out the transactions contemplated by the HRFC Loan Documents.

10. **Approval of Acquisition Documents.** The Authority has been presented with drafts of the documents listed in Exhibit A under the heading “Acquisition Documents” (the “**Acquisition Documents**”) in connection with the purchase and development of certain land owned by the Authority which will be conveyed to the Partnership on which the Project is to be built, which documents are on file with the Authority’s Secretary, and pursuant to which the Partnership will acquire the Property for a total purchase price of \$1,030,000 at closing (less any previous deposits into escrow) The Authorized Officers and each of them acting alone, are further authorized and directed to execute and deliver, on behalf of the Authority acting on its own behalf or as the managing member of the Administrative General Partner, the Acquisition Documents and to purchase and take such other actions as they deem necessary or desirable for the Partnership to acquire and develop the Property; *provided however*, any Authorized Officer may approve on the Authority’s behalf or as the managing member of the Administrative General Partner any further changes to the draft Acquisition Documents, including material changes, and such Authorized Officer’s signature on the final Acquisition Documents shall be construed as the Authority’s approval of such changes. The Authorized Officers and each of them acting along, are further authorized and directed to execute and deliver, on behalf of the Authority acting on its own behalf or as the managing member of the Administrative General Partner, any other documents reasonably required to be executed by the Authority, the Administrative General Partner, or the Partnership to carry out the transactions contemplated by the Acquisition Documents.

11. **Assignments.** The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority acting on its own behalf or as the managing member of the Administrative General Partner, to execute and deliver one or more instruments (i) causing the Partnership to assume the Authority’s rights under the construction contract, the architects’ contracts, and other consultant and development contracts, as such rights pertain to the acquisition and construction of the Project, to the extent required by the Investor Limited Partner, and (ii) assigning to lenders and others the Partnership’s interests in such contracts as may be required as a condition of the Project Financing, and (iii) to effectuate the assignment and assumption of any existing Acquisition Documents, USBNA Loan Documents, HOME Loan Documents and HRFC Loan Documents.

12. **Execution of Documents.** The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority acting on its own behalf or as managing member of the Administrative General Partner, to execute, deliver and/or file (or cause to be delivered and/or filed) any affidavits, certificates, letters, government forms, documents, agreements and instruments that any such Authorized Officer determines to be necessary or desirable: (i) to give effect to this resolution; (ii) to consummate the transactions contemplated herein; and/or (iii) to further the acquisition, rehabilitation, development, financing, construction, and leasing of the Project. Without limiting the scope of such authorization, such documents include declarations of restrictive covenants, regulatory agreements, various deeds, leases, notes, loan agreements, deeds

of trust, guaranties and indemnities and collateral assignments related to the Project Financing. Such documents may also include, without limitation, lease-up and marketing agreements, partnership management services agreements, development agreements, construction guaranty agreements, repayment guarantees, cash pledge agreements, environmental indemnity agreements, property management agreements, architect agreements, contractor agreements, housing assistance payment contracts, irrevocable consents, confessions of judgment and appointments of attorneys for service of process.

13. **Expenditures.** The Authority is authorized to expend such funds (and to cause the Partnership and the Administrative General Partner to expend such funds) as are necessary to pay for all filing fees, application fees, registration fees and other costs relating to the Project or actions authorized by this resolution.

14. **Acting Officers Authorized.** Any action required by this resolution to be taken by the Chair of the Board or Executive Director of the Authority may, in the absence of such person, be taken by the duly authorized acting Chair of the Board or acting Executive Director of the Authority, respectively or by the designee of the Chair of the Board or Executive Director.

15. **Execution of Obligations.** The Board directs the Authority's Executive Director to cause the Authority to fulfill the Authority's duties and obligations under the various agreements authorized.

16. **Ratification and Confirmation.** All actions of the Authority and its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed, including, but not limited to, the formation of the Partnership and the Administrative General Partner, and the filing of finance applications related to the Project Financing and the prior execution of any Project documents listed on Exhibit A or otherwise required herein.

17. **Effective Date.** This resolution shall be in full force and effect from and after its adoption and approval.

PASSED AND ADOPTED THIS 10th DAY OF MARCH, 2016. I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by the governing body with the following vote, to-wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Preston Prince, Secretary of the Board of Commissioners

CERTIFICATE

I, the undersigned, the duly appointed CEO/Executive Director of the Housing Authority of the City of Fresno, California (the “**Authority**”), as keeper of the records of the Authority, CERTIFY:

1. That the attached Resolution _____ (the “**Resolution**”) is a true and correct copy of the resolution of the Board of Commissioners of the Authority, as adopted at a meeting of the Authority held on the 10th day of March, 2016, and duly recorded in the minute books of the Authority.

2. That such meeting was duly convened and held in all respects in accordance with law, and, to the extent required by law, due and proper notice of such meeting was given; that a quorum was present throughout the meeting and a majority of the members of the Board of Commissioners of the Authority present at the meeting voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this Certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____, 2016.

**HOUSING AUTHORITY OF THE CITY OF
FRESNO, CALIFORNIA**

Preston Prince, CEO/Executive Director

EXHIBIT A PROJECT DOCUMENTS

Partnership Documents

- (a) Certificate of Limited Partnership of Lowell Neighborhood Project LP;
- (b) Amended and Restated Agreement of Limited Partnership of Lowell Neighborhood Project, LP by and among the Authority, the Administrative General Partner, and the Limited Partners, together with all exhibits;
- (c) Development Services Agreement between the Authority and the Partnership;
- (d) Agreement of Guaranty for the benefit of Partnership and Limited Partners;

USBNA Bank, National Association (USBNA) Construction Loan Documents

- (e) Construction Note executed by the Partnership in favor of USBNA;
- (f) Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing executed by the Partnership as trustor to North American Title Company for the benefit of USBNA;
- (g) Construction Loan Agreement executed by the Partnership and USBNA;
- (h) Repayment and Completion Guaranty executed by the Guarantor in favor of USBNA;
- (i) Environmental and ADA Indemnification Agreement by the Borrower and the Authority in favor of USBNA;
- (j) Partnership Borrowing Authorization between the Administrative General Partner, Managing General Partner in favor of USBNA;
- (k) Assignment of Partnership Interests, Capital Contributions and Credits by the Partnership, the Managing General Partner and the Administrative General Partner in favor of USBNA;
- (l) Collateral Assignment of Contract Rights by the Managing General Partner and the Administrative General Partner in favor of USBNA;
- (m) Assignment of Development Services Agreement and Developer Fee Subordination Agreement by the Authority and the Partnership in favor of USBNA;
- (n) Assignment and Subordination of Construction Contract executed by the Partnership and consented to by Brown Construction, Inc. in favor of USBNA;
- (o) Assignment and Subordination of Architect's Contract executed by the Partnership and consented to by R.L. Davidson Architects, Inc. in favor of USBNA;
- (p) Assignment and Subordination of Engineering Contracts executed by the Partnership and consented to by MVE, Inc. in favor of USBNA;

- (q) Assignment of Property Manager Agreement executed by the Partnership and consented to by WinnResidential, Inc., in favor of USBNA;
- (r) California Judicial Reference Agreement, executed by the Partnership, the Authority and USBNA;
- (s) Subordination Agreement (City of Fresno) executed by the Partnership, the City and USBNA; and
- (t) Subordination Agreement (HRFC) executed by the Partnership, HRFC and USBNA.

HOME Loan Documents

- (u) City of Fresno Home Investment Partnerships Program Agreement between the City and the Partnership;
- (v) Deed of Trust and by the Partnership in favor of the City;
- (w) Promissory Note by the Partnership in favor of the City; and
- (x) Declaration of Restrictions by the Partnership in favor of the City.

HRFC Loan Documents

- (y) Construction Deed of Trust, Security Agreement and Financing Statement by the Partnership in favor of HRFC;
- (z) Loan Agreement between the Partnership and HRFC;
- (aa) Promissory Note by the Partnership in favor of HRFC; and
- (bb) Assignment of Leases and Rents by the Partnership in favor of HRFC.

Acquisition Documents

- (cc) Purchase and Sale Agreement and Joint Escrow Instructions between the Authority and the Partnership; and
- (dd) Grant Deed by the Authority in favor of the Partnership.

Exhibit A

Ownership Structure

Lowell Neighborhood Project



EXHIBIT B

Lowell Neighborhood Project

Pro Forma Sources and Uses		
Sources of Funds	<i>Amount</i>	<i>Per Unit</i>
HRFC Loan	\$1,457,536	\$22,774
HRFC Accrued/Deferred Interest During Construction	\$60,245	\$941
City of Fresno HOME Funds	\$1,200,000	\$18,750
City of Fresno HOME Funds - Accrued/Deferred Interest	\$37,200	\$581
Low Income Housing Tax Credit Equity	\$5,407,582	\$84,493
General Partner Contribution	\$100	\$2
Deferred Developer Free	\$200,000	\$3,125
Total Sources of Funds	\$8,362,663	\$130,667
Uses of Funds	<i>Amount</i>	<i>Per Unit</i>
Acquisition Costs	\$1,038,000	\$16,219
Construction Costs	\$4,570,404	\$71,413
Offsite Construction Costs	\$50,040	\$782
Contingencies	\$524,088	\$8,189
Soft Costs (permits/impact fees/etc.)	\$153,619	\$2,400
Professional Fees	\$888,999.00	\$13,891
Const/Perm Loan Fees and Costs	\$340,769	\$5,325
Reserves	\$75,200	\$1,175
Developer Fees	\$721,544	\$11,274
Total Uses of Funds	\$8,362,663	\$130,667

Exhibit B

Lowell Neighborhood Project Projected Stabilized Operating Budget

Unit Type	# Units	% AMI	SF/Unit	Net Rent Per Unit	Ann. Rent Total
1 Bedroom	1	30%	600	\$ 270	\$ 3,240
2 Bedroom	1	30%	751	\$ 316	\$ 3,792
3 Bedroom	1	30%	1,125	\$ 344	\$ 4,128
Studio	1	45%	438	\$ 407	\$ 4,884
1 Bedroom	3	45%	600	\$ 430	\$ 15,480
2 Bedroom	2	45%	756	\$ 509	\$ 12,216
3 Bedroom	2	45%	1,152	\$ 566	\$ 13,584
1 Bedroom	8	50%	592	\$ 484	\$ 46,464
3 Bedroom	4	50%	1,248	\$ 640	\$ 30,720
Studio	1	60%	438	\$ 540	\$ 6,480
1 Bedroom	2	60%	644	\$ 591	\$ 14,184
2 Bedroom	1	60%	884	\$ 701	\$ 8,412
3 Bedroom	2	60%	1,392	\$ 788	\$ 18,912
2 Bedroom - Mgr Unit	1	N/A	884	\$ -	\$ -
Community Building		N/A	1125	\$ -	\$ -
TOTALS	30		12,629	\$ 6,586	\$ 182,496

RESIDENTIAL OPERATING EXPENSES	Per Unit	TOTAL
Management Fee	522	15,660
Advertising/Marketing	183	5,500
Legal and Accounting	120	3,600
Utilities (water, trash, electricity, gas, etc.)	585	17,550
Payroll: Onsite Manager(s)/Staff	1,375	41,244
Maintenance/Repairs	955	28,658
Payroll Insurance	20	600
Services Amenities	387	11,600
Administrative	304	9,116
Security	262	7,872
Total Operating Expenses	4,713	141,400
Replacement Reserves	300	9,000
Total Operating and Reserve Budget	5,013	150,400

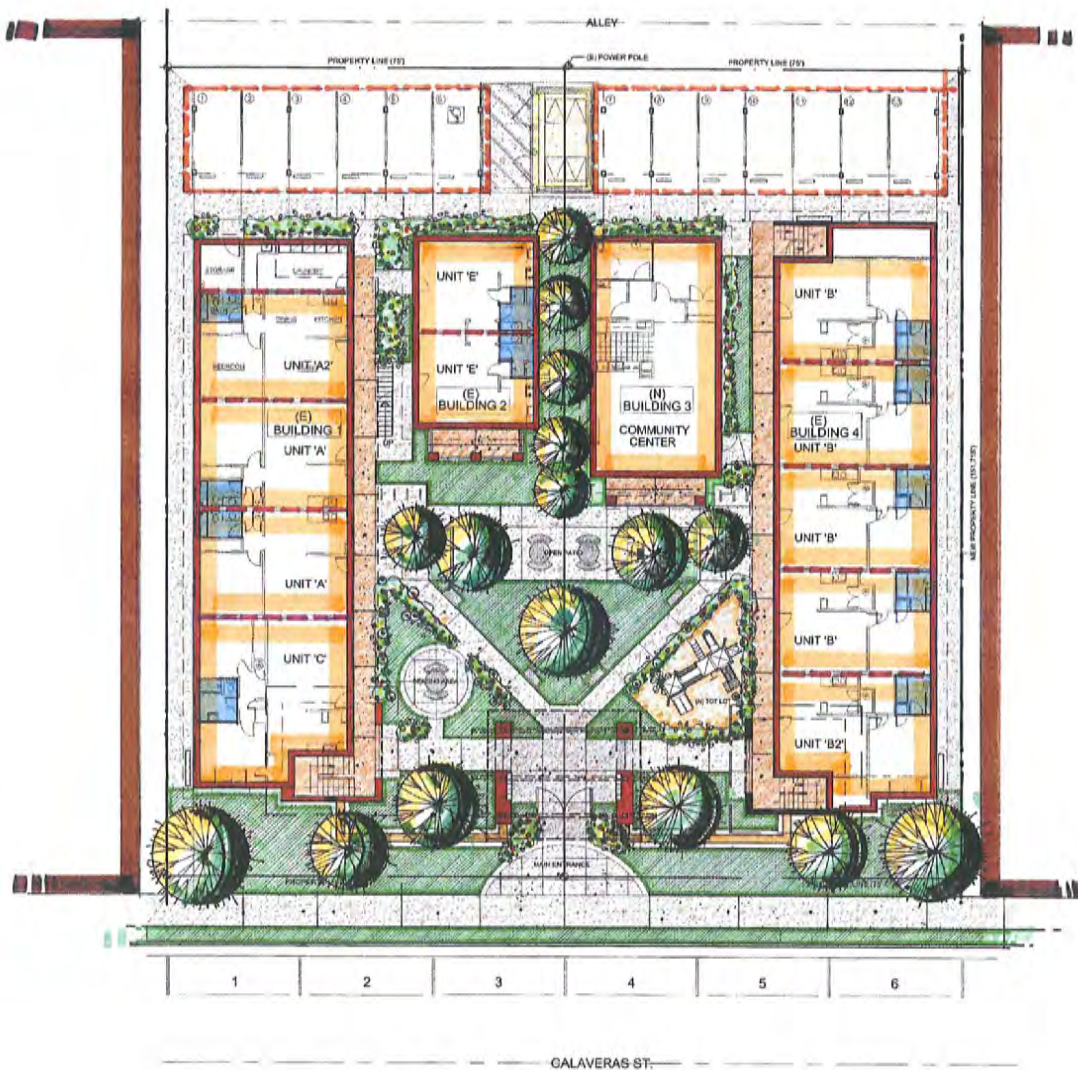
Lowell Neighborhood Project EXHIBIT B

15 Year Proforma

INCOME FROM HOUSING UNITS	Inflation	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Schedule Rental Income	2.0%	\$ 193,187	\$ 197,051	\$ 200,992	\$ 205,012	\$ 209,112	\$ 213,294	\$ 217,560	\$ 221,911	\$ 226,349	\$ 230,876	\$ 235,494	\$ 240,204	\$ 245,008	\$ 249,908	\$ 254,906
GROSS POTENTIAL INCOME - HOUSING		\$ 193,187	\$ 197,051	\$ 200,992	\$ 205,012	\$ 209,112	\$ 213,294	\$ 217,560	\$ 221,911	\$ 226,349	\$ 230,876	\$ 235,494	\$ 240,204	\$ 245,008	\$ 249,908	\$ 254,906
VACANCY ASSUMPTIONS																
Vacancy Loss	-7.0%	\$ (13,523)	\$ (13,794)	\$ (14,069)	\$ (14,351)	\$ (14,638)	\$ (14,931)	\$ (15,229)	\$ (15,534)	\$ (15,844)	\$ (16,161)	\$ (16,485)	\$ (16,814)	\$ (17,151)	\$ (17,494)	\$ (17,843)
EFFECTIVE GROSS INCOME		\$ 179,664	\$ 183,257	\$ 186,922	\$ 190,661	\$ 194,474	\$ 198,363	\$ 202,331	\$ 206,377	\$ 210,505	\$ 214,715	\$ 219,009	\$ 223,389	\$ 227,857	\$ 232,414	\$ 237,063
OPERATING EXPENSES & RESERVE DEPOSITS																
Operating Expenses	3.0%	\$ 144,405	\$ 148,737	\$ 153,199	\$ 157,795	\$ 162,529	\$ 167,405	\$ 172,427	\$ 177,600	\$ 182,928	\$ 188,416	\$ 194,068	\$ 199,890	\$ 205,887	\$ 212,064	\$ 218,426
Replacement Reserve		\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000
TOTAL EXPENSES & RESERVES		\$ 153,405	\$ 157,737	\$ 162,199	\$ 166,795	\$ 171,529	\$ 176,405	\$ 181,427	\$ 186,600	\$ 191,928	\$ 197,416	\$ 203,068	\$ 208,890	\$ 214,887	\$ 221,064	\$ 227,426
NET OPERATING INCOME		\$ 26,259	\$ 25,520	\$ 24,723	\$ 23,866	\$ 22,945	\$ 21,959	\$ 20,904	\$ 19,777	\$ 18,577	\$ 17,299	\$ 15,941	\$ 14,499	\$ 12,970	\$ 11,351	\$ 9,637
DEBT SERVICE																
Bank Loan																
Net Cash Flow		\$ 26,259	\$ 25,520	\$ 24,723	\$ 23,866	\$ 22,945	\$ 21,959	\$ 20,904	\$ 19,777	\$ 18,577	\$ 17,299	\$ 15,941	\$ 14,499	\$ 12,970	\$ 11,351	\$ 9,637
Residual Cash Flow Distribution		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00



CALAVERAS ST. ELEVATION

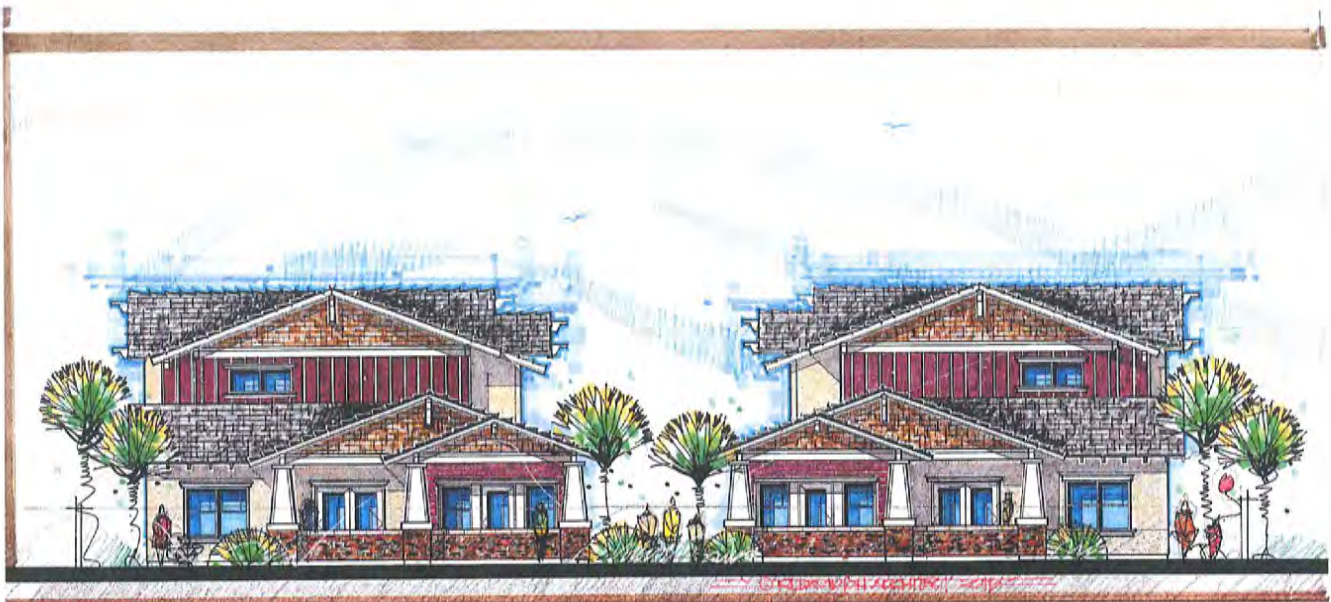


CALAVERAS ST.

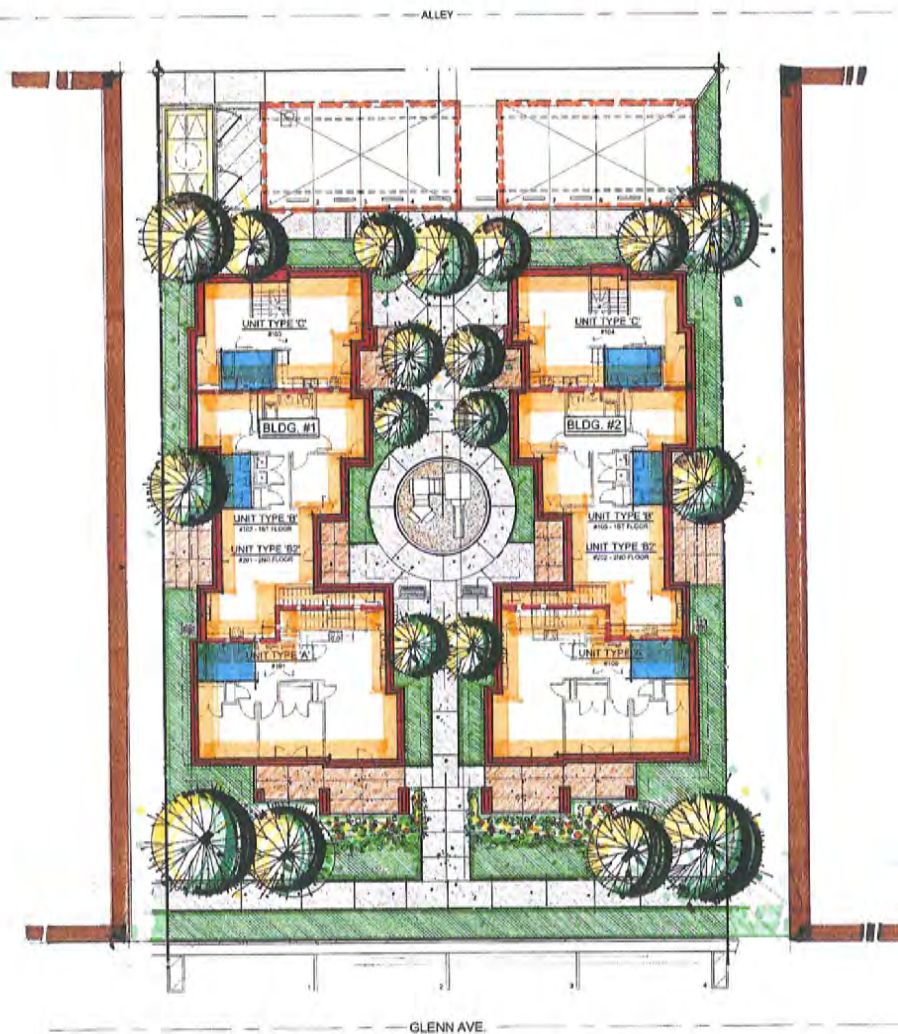
"CALAVERAS COURTS"

FAMILY APARTMENT COMMUNITY
FRESNO, CA

DEVELOPED BY:
THE HOUSING AUTHORITY
OF THE CITY OF FRESNO



GLENN AVE. ELEVATION



"GLENN AVENUE APARTMENTS"

FAMILY APARTMENT COMMUNITY
FRESNO, CA

DEVELOPED BY:
THE HOUSING AUTHORITY
OF THE CITY OF FRESNO