

H O M E A G R E E M E N T

THIS HOME AGREEMENT ("Agreement") is made this 7th day of March, 2017, by and between the COUNTY OF FRESNO, a political subdivision of the State of California (hereinafter the "County") and Sanger Memorial Village, LP, consisting of Silvercrest Inc., a California non-profit public benefit corporation, as the Managing General Partner and Sanger Memorial Village AGP, LLC, a California limited liability company, as the Administrative General Partner (hereinafter "Borrower" or "Partnership"), whose mailing address is 1331 Fulton Mall, Fresno, CA 93721.

W I T N E S S E T H

WHEREAS, the County has been designated as a participating jurisdiction to administer and implement the Federal HOME Investment Partnerships (HOME) Program activities of the County in accordance with the Federal HOME regulations, and the laws of the State of California; and

WHEREAS, the general purpose of the HOME Program is to strengthen public-private partnerships and to expand the supply of decent, safe, sanitary and affordable housing, with primary attention to rental housing, for very low-income and low-income households; and

WHEREAS, the Borrower has applied to the County for HOME funds to assist with the development of an affordable multi-family apartment complex, Sanger Memorial Village (hereinafter "Project") that will be affordable to very-low to low-income households; and

WHEREAS, the Borrower has requested a loan of One Million Dollars (\$1,000,000) from the County of Fresno HOME Program to assist with the construction of the Project, a forty-eight (48) unit rental housing development of which forty-seven (47) will be restricted and affordable to very low and low-income person; and of which eleven (11) units will be funded by and subject to the County's Federal HOME funds; and

WHEREAS, the County has One Million Dollars (\$1,000,000) available from its Federal HOME grant funds to loan to the Borrower for the Project; and

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1 WHEREAS, the County has determined the Borrower has the capacity to develop the  
2 Project and the Project has been determined to meet HOME requirements for funding; and

3 WHEREAS, the Project will increase the supply of affordable rental housing units in  
4 Fresno County for households earning no more than sixty percent (60%) of the Area Median  
5 Income (AMI) as reported annually by the U.S. Department of Housing and Urban  
6 Development (HUD); and

7 WHEREAS, the total estimated Project cost is Nineteen Million, One Hundred Two  
8 Thousand, Five Hundred and Ninety-Two Dollars (\$19,102,592), and the Borrower has or will  
9 obtain other funding commitments apart from the County HOME loan to complete the financing  
10 for the Project; and

11 WHEREAS, the Project is consistent with the County's Consolidated Plan and the City  
12 of Sanger General Plan.

13 NOW, THEREFORE, in consideration of their promises as hereinafter set forth, the  
14 Borrower and the County agree as follows:

15 I. PROJECT DESCRIPTION, LOCATION, SECURITY, BUILDING

16 REQUIREMENTS AND BUDGET

17 A. DESCRIPTION:

18 1. The Project consists of the acquisition, demolition and reconstruction of  
19 thirty five (35) aging multi-family rental housing units and the development of an additional  
20 thirteen (13) new multi-family rental housing units. The Project will result in the construction of  
21 a total of forty-eight (48) new multi-family rental housing units, of which eleven (11) units shall  
22 be HOME-assisted and shall satisfy HOME occupancy requirements for no less than the  
23 required HOME Period of Affordability. The Period of Affordability will be twenty (20) years  
24 beginning on the date the Project is completed and closed in HUD's Integrated Disbursement &  
25 Information System (IDIS). The Project includes a mix of one (1), two (2), three (3) and four  
26 (4)-bedroom units.

27 2. The Project will provide new rental housing units that will be affordable to  
28 households earning no more than sixty percent (60%) of AMI for Fresno County, as reported

1 annually by HUD. These units will have rents, including any tenant-paid utilities, at or below  
2 the HOME rent limits for the duration of the Period of Affordability. The Project shall meet the  
3 requirements of 24 CFR § 92.252 relating to rent limitations.

4 3. Attachment A to this Agreement, which is incorporated herein by  
5 reference, provides a detailed breakdown of the Project unit mix for the forty-eight (48) units  
6 including the three (3) one-bedroom units, four (4) two-bedroom units, three (3) three-bedroom  
7 units and one (1) four-bedroom unit that will be HOME-assisted units for a total of eleven (11)  
8 HOME-assisted units. Affordability for the eleven (11) HOME-assisted units must follow the  
9 AMI and the Rents for Fresno County, as reported annually by HUD, as described in  
10 Attachment A. All eleven (11) units shall float within the Project as necessary to ensure  
11 compliance with the HOME rent and occupancy requirements. The eleven (11) HOME-assisted  
12 units must at minimum be the approximate square footage designated or larger.

13 B. LOCATION:

14 The Project will be developed on an approximately 4.30 acre site located at  
15 302 K Street in Sanger, CA 93657 (the "Property") and will consist of five (5) one-story and  
16 two-story residential structures.

17 C. SECURITY:

18 The County shall record the HOME Regulatory Agreement and Declaration  
19 of Restrictive Covenants that will include deed restrictions against the Property that detail the  
20 rent limits and the tenant income limits for the HOME-assisted units, as determined by HUD  
21 annually, for the specified Period of Affordability (see Section I, Paragraph A-1). The County or  
22 applicable title company will provide a copy of said recorded Agreement to the Borrower.

23 D. BUILDING REQUIREMENTS:

24 1. All aspects of the building construction will meet or exceed the County's  
25 Affordable Housing Programs Construction/Rehabilitation Standards and the International  
26 Energy Conservation Code and must comply with all applicable local building codes.

27 2. Rental Housing Quality Standards: The Project shall meet the  
28 requirements of 24 CFR § 92.251 relating to property standards and all applicable local

1 housing code requirements for the duration of this Agreement and any modifications or  
2 amendments or successor agreements thereto.

3 3. Accessibility Standards: The Project shall meet the requirements of 24  
4 CFR § 8.22 relating to handicap accessibility. A minimum of three (3) of the units will be  
5 accessible to those with mobility impairments, and one (1) additional unit accessible to those  
6 with sensory impairments.

7 E. BUDGET:

8 1. This Agreement does not provide the Borrower any legal claim to any  
9 amount of HOME loan funds to be used for the specific project or site unless and until the site  
10 has received environmental clearance, received authorization from HUD to use grant funds,  
11 and has met the other terms of this Agreement.

12 2. The total preliminary Project budget estimate is \$19,102,592. The  
13 proposed work to be funded with County HOME loan funds for the development of the forty-  
14 eight (48) multi-family rental housing units in the Project is as follows:

15 Expenses to be paid with HOME loan funds:

16 Construction Costs \$1,000,000

17 TOTAL HOME loan funds \$1,000,000

18 Notwithstanding the estimates described in the above preliminary Project budget,  
19 disbursements for the eleven (11) HOME-assisted units in the Project from HOME loan funds  
20 will be based on the actual costs and shall not exceed the total amount of One Million Dollars  
21 (\$1,000,000). Disbursement of HOME funds is subject to approval and execution of loan,  
22 security, and related documents acceptable to the County, in its sole discretion.

23 F. FUNDING:

24 1. Notwithstanding any other provision of this Agreement, the parties hereto  
25 agree and acknowledge that this Agreement does not constitute a commitment of loan funds or  
26 site approval, and that such "commitment of loan funds" or approval may occur only upon  
27 satisfactory completion of the environmental review and receipt by the County of a Release of  
28 Funds from the U.S. Department of Housing and Urban Development under 24 CFR § 58. In

1 addition, no commitment of loan funds will be made until all requirements contained in this  
2 Agreement or any other loan, security or other related documents are met by the Borrower as  
3 determined by the County. The parties further agree that the loan of any funds to the Project is  
4 conditioned upon the County's determination to proceed with, modify or cancel the Project  
5 based on the results of the Project's environmental review as specified in Section III of this  
6 Agreement. The County will give written notification to the Borrower when these requirements  
7 have been met.

8                   2. Attachment B to this Agreement, which is incorporated herein by  
9 reference, lists the potential sources and proposed funding amounts for the Project. With the  
10 exception of County HOME funds, these sources and/or the amounts are subject to change.  
11 Notwithstanding the funding sources and amounts identified in Attachment B, disbursements  
12 for the Project from HOME loan funds will be contingent upon reliable evidence acceptable to  
13 the County in its sole discretion that the Borrower has obtained all funding necessary to meet  
14 the total Project cost. In addition, the Borrower may not award the Project until the County has  
15 received authorization from HUD to use the grant funds, as described in Paragraph F-1 of this  
16 Section I.

17                   G. CHANGES TO PROJECT:

18                   The Borrower will give written notification to the County Department of  
19 Public Works and Planning, Community Development Division of any event that changes the  
20 scope of the Project and/or the funding sources. The Director of the Department of Public  
21 Works and Planning, or his designee, at his discretion, is authorized to permit minor changes to  
22 the scope of the Project and/or the funding sources, provided the Director or his designee  
23 determines that such changes do not substantively alter the scope of the Project, the maximum  
24 amount of HOME loan funds allocated to the Project or the Project's eligibility under the  
25 Federal HOME regulations, as more fully set forth in Section IX, Paragraph K of this  
26 Agreement.

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1           II.     OBLIGATIONS OF THE COUNTY

2           A.     FUNDING:

3                     The County shall reserve up to, but not more than, One Million Dollars  
4 (\$1,000,000) from the County's allocation of Federal HOME Program funds for the Project. All  
5 funds will be paid to the Borrower, in accordance with Section IX, Paragraph A of this  
6 Agreement, subject to the requirements of all applicable Federal and State statutory and  
7 regulatory requirements. Notwithstanding changes in the funding sources and amounts  
8 identified in Attachment B, disbursements for the Project from HOME Program funds will be  
9 contingent upon the County's receipt, review and approval of highly reliable evidence  
10 acceptable to County in its sole discretion that the Borrower has obtained or will obtain all  
11 funding to meet the Project development costs. Evidence may include, but not be limited to  
12 funding commitments and/or loan documentation from other lenders and/or documents  
13 regarding tax credit allocation commitments.

14           B.     LOAN DOCUMENTS:

15                     1. Promissory Note: The County will prepare a Promissory Note for  
16 execution by the Borrower in a form and content acceptable to the County, in the County's sole  
17 discretion. Said Promissory Note will set forth the terms and conditions and plan for repayment  
18 of the One Million Dollars (\$1,000,000) HOME loan and other fees or charges, including but not  
19 limited to liquidated damages, if applicable. HOME loan funds shall be utilized to assist with  
20 the construction of eleven (11) units in the forty-eight (48) unit affordable rental housing  
21 complex. In addition to the Promissory Note, HOME loan funds shall be secured with a Deed  
22 of Trust recorded against the property, and other required security instruments, as described  
23 more fully below.

24                     2. Deed of Trust: County shall record against the property a Deed of Trust  
25 for the County HOME loan in a form and content acceptable to the County. Said Deed of Trust  
26 will be recorded for the purpose of securing repayment of the One Million Dollars (\$1,000,000)  
27 loan, and will name the County of Fresno, a political subdivision of the State of California, as  
28 beneficiary. Said Deed of Trust will be in fourth lien position during construction and in third

1 lien position after construction (unless the County provides written approval for a lesser lien  
2 position) until the Note described in this Section II is fully repaid.

3 3. HOME Regulatory Agreement and Declaration of Restrictive Covenants:

4 The County will record a HOME Regulatory Agreement and Declaration of Restrictive  
5 Covenants signed by the Borrower in a form and content acceptable to the County. Said  
6 Regulatory Agreement will impose the requirements of the HOME Investment Partnerships  
7 Program as set forth in the Code of Federal Regulations (24 CFR Parts 91 and 92) for the  
8 eleven (11) HOME-assisted units.

9 C. LABOR COMPLIANCE:

10 The County shall verify with the Labor Relations Division of HUD that the  
11 Project general contractor has not been debarred or suspended from participating in Federal  
12 projects in accordance with Section IV, Paragraph B-5 of this Agreement. The County will  
13 provide Borrower with written notification that this requirement has been met.

14 The County shall be provided at least ten (10) days notice of and shall  
15 attend the pre-construction meeting between the Borrower and any project or construction  
16 management company contracting with the Borrower (whether those construction contractors  
17 are contracting directly with the Borrower or indirectly through the Borrower's project or  
18 construction management company) to discuss labor compliance requirements for the Project.  
19 The County may monitor Project records and conduct field reviews to ensure that labor  
20 compliance and other conditions of the contract have been met.

21 D. RENT REQUIREMENTS AND AFFORDABILITY:

22 1. The County will provide to the Borrower the HUD-determined HOME  
23 rents, the authorized utility allowances by unit size, and the household income limits adjusted  
24 for family size for the initial year of Project operations and annually thereafter for the Period of  
25 Affordability (as specified in Section I, Paragraph A-1).

26 2. The County shall annually review information provided by the Borrower  
27 for the eleven (11) HOME-assisted units and shall periodically conduct on-site inspections to  
28 ensure compliance with the affordability requirements of 24 CFR § 92.252 and 92.504(d), the

1 tenant and participant protection requirements of 24 CFR § 92.253 and compliance with the  
2 terms of this Agreement, including but not limited to tenants' income, rents, property standards,  
3 and other HOME rental requirements during the Project's Period of Affordability. The County  
4 shall provide the Borrower with the approved method for determining income-eligibility. The  
5 County requires HUD's Part 5 definition of annual income as defined in 24 CFR § 5.609 be  
6 used to determine initial eligibility, which shall be used on an annual basis to recertify tenant  
7 incomes during the Period of Affordability. Source documentation is required for recertification  
8 every year of the Period of Affordability. The County will maintain a record of inspections in its  
9 Project file and will provide copies to Borrower upon request.

10 III. PROJECT SUBJECT TO ENVIRONMENTAL CLEARANCE and RELEASE OF  
11 FUNDS

12 In accordance with Federal HOME regulations, the Borrower may not incur costs  
13 to be paid with County HOME loan funds for this project until the County notifies the Borrower  
14 that it has received the Authorization to Use Grant Funds notice (i.e., release of funds) from  
15 HUD. The County shall specify in a letter to the Borrower that such notice has been received.

16 Any costs incurred prior to the County's written notification to Borrower that  
17 grant funds may be released shall not be reimbursed from the County HOME loan funds and  
18 may jeopardize use of County HOME funds for the Project.

19 IV. OBLIGATIONS OF THE BORROWER

20 A. FUNDING:

21 1. The Borrower hereby certifies the authenticity and accuracy of the  
22 information provided to the County with regards to the fiscal soundness of the Borrower and  
23 Borrower's capacity to undertake the proposed Project. The Borrower further certifies that it  
24 has examined the Project neighborhood market conditions and determined there is adequate  
25 need for the Project.

26 2. The Borrower will provide any and all sums of money in excess of One  
27 Million Dollars (\$1,000,000) that may be necessary to complete the Project. Prior to  
28 disbursement of County HOME loan funds, the Borrower shall secure or obtain firm

1 commitments from other funding sources for any and all sums of money in excess of One  
2 Million Dollars (\$1,000,000) that may be necessary to complete the Project. The Borrower will  
3 provide evidence of such commitments of funds satisfactory to the County, as specified in  
4 Section I, Paragraph F-2 of this Agreement. The failure to secure all sums of money in excess  
5 of One Million Dollars (\$1,000,000) that may be necessary to complete the Project shall be  
6 deemed a material breach of this Agreement as discussed in Section IX, Paragraph E of this  
7 Agreement.

8                   3. The Borrower shall require that all documents with other lenders to the  
9 Project include a clause stating all Notice of Default statements be provided to the County, who  
10 shall have thirty (30) days, or such longer applicable cure period as set forth in the promissory  
11 note, to cure said default. During said cure period, the County shall forbear from taking any  
12 action to perfect its default remedies.

13                   4. The Borrower will provide matching funds of at least Two Hundred Fifty  
14 Thousand Dollars (\$250,000) (i.e., twenty-five percent (25%) of the County's HOME loan) to  
15 the Project from other non-Federal sources in accordance with 24 CFR § 92.220. The  
16 Borrower shall obtain a letter from the County specifying that the conditions of this Section  
17 have been met.

18                   B. DEVELOPMENT:

19                   1. The Borrower is prohibited from undertaking or committing any funds to  
20 physical or choice-limiting actions, including property acquisition, demolition, movement,  
21 rehabilitation, conversion, repair or construction prior to the environmental clearance. A  
22 violation of this provision will result in the denial of HOME loan funds under this Agreement.

23                   2. Prior to the execution of loan documents, the Borrower will provide the  
24 County with a copy of the appraisal establishing the fair market value of the land on which the  
25 Project is to be built. Such appraisal shall be performed by a State certified real estate  
26 appraiser or other appraiser acceptable to the County.

27                   3. The Borrower shall develop and construct the Project as new  
28 construction rental housing for households earning no more than sixty percent (60%) of the

1 AMI for Fresno County, as defined by HUD at time of initial occupancy. Additionally, in  
2 accordance with 24 CFR § 92.252, rental projects with five (5) or more HOME-assisted rental  
3 units must provide a minimum of twenty percent (20%) of the HOME-assisted units for  
4 occupancy by very low income families earning no more than fifty percent (50%) of AMI during  
5 the HOME loan term specified in the Note.

6 4. Prior to award of the construction contract, the Borrower will provide the  
7 County an independent cost-estimate for the Project to determine cost-reasonableness in order  
8 to obtain from the County written approval of the contractor, the award, amount of the contract,  
9 and the final Project budget. Prior to the date the work is to begin, the Borrower will provide  
10 both the contractor and the County with a copy of the Notice to Proceed.

11 5. Prior to award of contracts, the Borrower will furnish the name of the  
12 general contractor to the County so that the County can verify with the HUD Labor Relations  
13 Division that the general contractor has not been debarred or suspended from participating in  
14 Federal projects.

15 6. To the extent contractors and/or subcontractors are utilized on this  
16 Project, the Borrower will conduct outreach to minority- and women-owned business  
17 enterprises (MWBE), and ensure that contractors/subcontractors are informed of the  
18 requirements of Section 3 of the Housing and Urban Development Act of 1968 (hereinafter  
19 "Section 3") applicable to the Project and are licensed in accordance with the regulations of the  
20 Contractors State License Board.

21 7. The Borrower will conduct a pre-construction meeting with the contractor  
22 and will notify the County at least ten (10) working days prior to the meeting, so that a  
23 representative of the County can be in attendance to discuss HOME labor compliance  
24 requirements and the applicable Section 3 and MWBE policies for the Project. Attachment C to  
25 this Agreement, which is incorporated herein by reference, provides the required Section 3  
26 compliance forms to be provided by the County to the Borrower and the contractor to complete  
27 and return to the County.

28 8. Prior to the start of construction, the Borrower will secure all required

1 permits from the City of Sanger. The Borrower will provide to the County copies of all such  
2 permits.

3 9. The Borrower shall comply with the mitigation measures and conditions  
4 identified in Environmental Assessment No. 7253, which is incorporated herein by reference.

5 C. DISBURSEMENT:

6 1. The Borrower may not request disbursement of loan funds under this  
7 Agreement until all conditions stated under Section III, Section IV and Section VIII of this  
8 Agreement have been satisfied. HOME loan funds will be distributed to the Borrower on a  
9 reimbursement basis for actual eligible costs.

10 2. In the event that the total Project cost is less than the current estimated  
11 total Project cost of Nineteen Million, One Hundred Two Thousand, Five Hundred Ninety-Two  
12 Dollars (\$19,102,592), the Borrower will notify the County of such savings. The County may  
13 then, at its sole discretion, reduce the County's contribution in direct proportion to the  
14 percentage of savings.

15 D. LOAN DOCUMENTS:

16 1. Prior to execution of the County's loan documents, the Borrower shall  
17 submit to the County all loan documents and related security documents, and any and all other  
18 related documents, and any amendments thereto, including any required deed restrictions from  
19 other funding sources.

20 2. The Borrower will select and use a title company acceptable to the  
21 County for title work.

22 3. The Borrower will record a Notice of Completion and will provide the  
23 County a copy of the Notice of Completion after recordation.

24 4. The Borrower will inform the County in writing of the names and  
25 addresses of all co-owners, all limited partners, and all lenders of the Project. The Partnership  
26 will inform the County in writing of any addition, change, removal, or replacement of any co-  
27 owner, any limited partner, or any lender of the Project.

28 5. The Partnership shall not remove or replace the original Managing

1 General Partner or any proposed partner approved by the County from the Partnership without  
2 the County's prior written approval, which shall not be unreasonably withheld. Furthermore, in  
3 the event the Managing General Partner withdraws from the Partnership, the Partnership will  
4 replace the Managing General Partner with another Managing General Partner approved by  
5 the County, and the new Managing General Partner must be a current member of the  
6 Partnership unless otherwise agreed by County.

7 E. PAYMENT FOR MONITORING/ATTORNEY FEES

8 1. Annual HOME Monitoring Fee: The Partnership shall pay to the County  
9 an annual fee to cover the County's actual costs of monitoring the Project during the Period of  
10 Affordability. The Annual HOME Monitoring Fee shall be in an amount reflecting the County's  
11 actual costs of monitoring, oversight and physical inspection of the Project, in an amount not to  
12 exceed \$5,000 per annum, beginning on the date the Project receives certificates of occupancy  
13 and increasing each year thereafter by three percent (3%).

14 2. Attorney Fees: The Partnership hereby agrees to reimburse and pay to  
15 County, the County's actual costs incurred in having legal counsel review all loan documents,  
16 security documents, and other documents related to the financing of the Project, up to a  
17 maximum of Ten Thousand Dollars (\$10,000).

18 F. COMPLIANCE:

19 1. Prior to distribution of County HOME loan funds, the Borrower or its  
20 property management firm will prepare and provide to the County its Affirmative Marketing  
21 Procedures conforming to the requirements of 24 CFR § 92.351.

22 2. Prior to execution of County loan documents, the Borrower shall provide  
23 evidence to the County of Project's compliance with the applicable site and neighborhood  
24 standards in 24 CFR § 983.6(b) and will meet these standards upon completion.

25 3. The Borrower will comply with the requirements of 24 CFR § 92.252 and  
26 92.504(d), including, but not limited to, the requirements to annually permit on-site inspections  
27 and provide the County with information on rents and occupancy of HOME-assisted units to  
28 demonstrate compliance with the affordability requirements. The eleven (11) HOME-assisted

1 units are designated "floating HOME units" as defined in 24 CFR § 92.252(j).

2 4. The Borrower will provide the County with copies of all leases to be  
3 executed for the HOME-assisted units for County's review and approval. In the event that any  
4 of the basic terms of such leases are changed during the Period of Affordability, the Borrower  
5 will re-submit such lease(s) to the County for review and approval of the changes. The  
6 Borrower agrees to comply with the requirements of 24 CFR § 92.253 regarding tenant leases,  
7 including giving tenants a 30-day notice of rent increases and a 30-day eviction notice.

8 5. The Borrower will not be required to lower rents below the HOME rent  
9 limits in effect at the time of this Agreement for the eleven (11) HOME-assisted units, but must  
10 submit requests for rent increases to the County and receive County's approval of same before  
11 implementing higher rents. HUD's 2016 Rent Limits are listed in Attachment D to this  
12 Agreement, which is incorporated herein by reference. The Borrower agrees to conduct  
13 income determinations utilizing HUD's Part 5 definition of annual income, to certify tenant  
14 income eligibility before renting units to tenant applicants, and to recertify tenant household  
15 income annually.

16 6. The Borrower agrees to comply with the requirements of 24 CFR §  
17 92.252 and will maintain the correct number of high and low HOME rent units and adjust rents  
18 accordingly for tenants whose incomes rise above eighty percent (80%) of the AMI.

19 7. The Borrower will comply with all Federal regulations (including, but not  
20 limited to: 24 CFR Parts 91, 92 and 135) governing the use of HOME funds with Low Income  
21 Housing Tax Credits (LIHTC) and 24 CFR Parts 91 and 92, and specifically Sections 92.203  
22 Income Determinations, 92.205 Eligible Activities-General, 92.206 Eligible Project Costs,  
23 92.207 Eligible Administrative and Planning Costs, 92.214 Prohibited Activities, 92.216 Income  
24 Targeting: Tenant Based Rental Assistance and Rental Units, Sec. 92.250 Maximum Per-Unit  
25 Subsidy Amount and Subsidy Layering, 92.253 Tenant and Participant Protections, 92.255  
26 Converting Rental Units to Homeownership Units for Existing Tenants, 92.350 Other Federal  
27 Requirements and Nondiscrimination, 92.351 Affirmative Marketing; Minority Outreach  
28 Program, 92.353 Displacement, Relocation, and Acquisition, 92.356 Conflict of Interest, 92.503

1 Program Income, Repayments, and Recaptured Funds, 92.505 Applicability of Uniform  
2 Administrative Requirements and 92.354 Labor Provisions; Borrower to comply with all  
3 prevailing wage requirements, as they may apply. Borrower to provide access to all original  
4 documents and provide copies as requested by the County and HUD.

5 V. CONFORMANCE WITH APPLICABLE LAWS AND REGULATIONS

6 The Borrower, its consultants, contractors, and subcontractors will comply with  
7 all applicable State and Federal laws and regulations governing projects that utilize Federal  
8 funds.

9 Whenever the Borrower uses the services of a contractor or property  
10 management company, whether directly or indirectly, the Borrower shall require that the  
11 contractor or property management company comply with all Federal, State and local laws,  
12 ordinances, regulations, this Agreement and Fresno County Charter provisions applicable in  
13 the performance of their work.

14 Because the Borrower will borrow at least One Hundred Thousand Dollars  
15 (\$100,000) for the Project from the County's HOME Program under this Agreement, the  
16 Borrower will complete and submit to the County a "Certification for Contracts, Grants, Loans  
17 and Cooperative Agreements" form and a "LLL-Disclosure of Lobbying Activities" form.  
18 Likewise, before the Borrower awards a contract using at least One Hundred Thousand Dollars  
19 (\$100,000) of such HOME loan funds, the Borrower will require the consultant and/or contractor  
20 and all their sub-consultants and/or subcontractors to complete and submit the two (2) forms  
21 described hereinabove to both the Borrower and the County.

22 VI. PERFORMANCE STANDARDS:

23 The Borrower agrees to meet the following performance standards for this  
24 Project throughout the project's Period of Affordability:

25 A. The property will be adequately maintained to meet the required property  
26 standards; and

27 B. Occupancy reports for rental housing projects must be received by the  
28 County on an annual basis or as requested.

1 VII. FINANCIAL RECORDS REQUIREMENTS:

2 Within nine (9) months after the end of the County's Fiscal Year in which the  
3 Project is completed, and for each subsequent Fiscal Year until the end of the loan term  
4 specified in the Note, Borrower will provide County with audited Statement of Cash Flows,  
5 Distribution of Net Cash Flow, Balance Sheet and Profit and Loss Statements prepared by an  
6 independent, certified public accountant. These statements shall be prepared in accordance  
7 with Generally Accepted Accounting Principles (GAAP).

8 VIII. INSURANCE

9 Without limiting the County's right to obtain indemnification from the Borrower or  
10 any third parties, the Borrower, at its sole expense, will maintain in full force and effect the  
11 following insurance policies throughout the term of this Agreement:

12 A. PROPERTY INSURANCE:

13 A policy of Property Insurance to the extent of not less than one hundred  
14 percent (100%) of the actual full replacement cost (without depreciation) of all buildings and  
15 improvements located on the Property, insuring against loss or damage by fire, extended  
16 coverage perils and such other hazards, casualties or other contingencies (other than damage  
17 from earthquakes) as from time to time may be reasonably required by the County of Fresno.

18 The Borrower will obtain endorsements to the Property Insurance naming  
19 the County of Fresno, its officers, agents, and employees, individually and collectively, as  
20 additional insured, but only insofar as the operations under this Agreement are concerned.  
21 Such coverage for additional insured will apply as primary insurance and any other insurance,  
22 or self-insurance, maintained by the County, its officers, agents and employees shall be excess  
23 only and not contributing with insurance provided under the Borrower's policies herein. This  
24 insurance shall not be cancelled or changed without a minimum of thirty (30) days advance  
25 written notice given to the County.

26 B. COMMERCIAL GENERAL LIABILITY INSURANCE:

27 Commercial General Liability Insurance with limits of not less than One  
28 Million Dollars (\$1,000,000) per occurrence and an annual aggregate of Two Million Dollars

1 (\$2,000,000) is required. This policy will be issued on a per occurrence basis. The County  
2 may require specific coverage including completed operations, product liability, contractual  
3 liability, Explosion-Collapse-Underground, fire, extended coverage, legal liability or any other  
4 liability insurance deemed necessary because of the nature of this Agreement.

5 The Borrower will obtain endorsements to the Commercial General Liability  
6 Insurance, fire, and extended coverage, naming the County of Fresno, its officers, agents, and  
7 employees, individually and collectively, as additional insured, but only insofar as the  
8 operations under this Agreement are concerned. Such coverage for additional insured will  
9 apply as primary insurance and any other insurance, or self-insurance, maintained by the  
10 County, its officers, agents and employees shall be excess only and not contributing with  
11 insurance provided under the Borrower's policies herein. This insurance shall not be cancelled  
12 or changed without a minimum of thirty (30) days advance written notice given to the County.

13 C. AUTOMOBILE LIABILITY INSURANCE:

14 Comprehensive Automobile Liability Insurance with limits for bodily injury of  
15 not less than Two Hundred Fifty Thousand Dollars (\$250,000) per person, Five Hundred  
16 Thousand Dollars (\$500,000) per accident and for property damages of not less than Fifty  
17 Thousand Dollars (\$50,000) or such coverage with a combined single limit of Five Hundred  
18 Thousand Dollars (\$500,000) is required. Coverage should include owned and non-owned  
19 vehicles used in connection with this Agreement.

20 D. PROFESSIONAL LIABILITY INSURANCE:

21 If the Borrower employs licensed professional staff (e.g., Ph.D., R.N.,  
22 L.C.S.W., M.F.C.C., Engineer, Architect) in providing services, Professional Liability Insurance  
23 with limits of not less than One Million Dollars (\$1,000,000) per occurrence, Two Million Dollars  
24 (\$2,000,000) annual aggregate is required.

25 E. WORKER'S COMPENSATION INSURANCE:

26 A policy of Worker's Compensation Insurance as may be required by the  
27 California Labor Code.

28 Within thirty (30) days of the date the Borrower signs this Agreement, the

1 Borrower will provide certificates of insurance and endorsement as stated above for all of the  
2 listed policies, as required herein, to the County of Fresno, Community Development Division,  
3 Manager, Affordable Housing Programs, 2220 Tulare Street, 6th Floor, Fresno, CA 93721,  
4 stating that such insurance coverages have been obtained and are in full force; that the County  
5 of Fresno, its officers, agents and employees will not be responsible for any premiums on the  
6 policies; that such Commercial General Liability Insurance names the County of Fresno, its  
7 officers, agents and employees, individually and collectively, as additionally insured, but only  
8 insofar as the operations under this Agreement are concerned; that such coverage for  
9 additional insured shall apply as primary insurance and any other insurance, or self-insurance,  
10 maintained by the County, its officers, agents and employees, shall be excess only and not  
11 contributing with insurance provided under the Borrower's policies herein; and that this  
12 insurance shall not be cancelled or changed without a minimum of thirty (30) days advance,  
13 written notice given to the County.

14 In the event the Borrower fails to keep in effect at all times insurance  
15 coverage as herein provided, the County may, in addition to other remedies it may have,  
16 suspend or terminate this Agreement upon the occurrence of such event.

17 All policies will be with admitted insurers licensed to do business in the  
18 State of California. Insurance purchased will be purchased from companies possessing a  
19 current A.M. Best, Inc. rating of A FSC VII or better.

20 F. BOND INSURANCE:

21 Borrower acknowledges as a condition of receiving County HOME funds  
22 that the Borrower shall obtain a performance bond and a labor and materials (payment) bond,  
23 in the amount of one hundred percent (100%) of the contract sum, prior to the execution of all  
24 HOME loan documents and related documents. These bonds shall comply with the  
25 requirements of California Civil Code Section 3248. The bonds shall be in recordable form and  
26 shall name such parties as indicated by Owner as co-obligees or assignees. Borrower  
27 understands and acknowledges that the aforementioned requirements for both bonds are a  
28 condition precedent to Borrower's receipt of any County HOME funds and Borrower's failure to

1 procure such bonds shall be considered a material breach of this Agreement.

2 IX. GENERAL REQUIREMENTS AND POLICIES

3 A. LOAN DISBURSEMENT

4 1. Amount: The total amount of HOME funds available to be loaned for the  
5 Project shall not exceed the total sum of One Million Dollars (\$1,000,000).

6 2. Disbursement Requests

7 a. The Borrower will submit written requests to the County for loan  
8 disbursements to pay actual costs incurred in the performance of this Agreement. Any such  
9 request for disbursement from HOME loan funds will be accompanied by a written certification  
10 from the Borrower that the request for disbursement is consistent with the amount of work that  
11 has been completed and that to the best of the Borrower's knowledge, the work is in  
12 accordance with this Agreement.

13 b. Requests for disbursement shall be accompanied by supporting  
14 documentation acceptable to the County detailing the items comprising the total sought to be  
15 reimbursed, such as invoices or vouchers for services or materials purchased, contractors'  
16 costs or other costs chargeable to the Project. After appropriate review and progress  
17 inspection, the County shall make disbursements to the Borrower from HOME loan funds  
18 provided in this Agreement for all verified eligible costs specified herein. The Project's  
19 proposed disbursement schedule is provided in Attachment E to this Agreement, which is  
20 incorporated herein by reference. A ten percent (10%) retention of the total loan amount of  
21 One Million Dollars (\$1,000,000) will be held back from disbursement for thirty-five (35) days  
22 after the Notice of Completion has been filed with the County Recorder's Office. A copy of the  
23 Notice of Completion must accompany the request for disbursement of the retained funds.

24 c. All requests for disbursement and supporting documentation shall be  
25 sent to:

26 Department of Public Works and Planning  
27 Community Development Division  
28 Program Manager, Affordable Housing Programs  
2220 Tulare Street, 6<sup>th</sup> Floor  
Fresno, CA 93721

1 d. The County shall not be obligated to make any disbursement of funds  
2 for the Project under this Agreement if the request for disbursement is submitted by the  
3 Borrower more than sixty (60) days after the Notice of Completion has been filed with the  
4 County Recorder's Office. The Director of the Department of Public Works and Planning, or his  
5 designee, prior to the deadline, may grant an extension to the sixty (60) day period if the  
6 Borrower can demonstrate just cause for the delay.

7 3. All requests for disbursements will be processed via Special Run check  
8 processing or a wire transfer as determined by the County and processed by the County's  
9 Auditor-Controller-Treasurer/Tax Collector ("ACTTC").

10 4. Outside Agreements: The County will not be bound by any agreement  
11 between the Borrower and any of its partners, agents, employees or subcontractors. The  
12 County will be bound only by the terms of this Agreement. It is understood and agreed by the  
13 parties hereto that no third party beneficiary status or rights are created by or under this  
14 Agreement and that no other person, firm, corporation, or entity shall be deemed a third party  
15 beneficiary of this Agreement.

16 5. Generally Accepted Accounting Principles: The Borrower will establish  
17 accounting and bookkeeping procedures in accordance with Generally Accepted Accounting  
18 Principles (GAAP) and standard bookkeeping practices, including, but not limited to, employee  
19 timecards, payrolls and other records of all transactions to be paid with HOME loan funds in  
20 accordance with the performance of this Agreement. All records and accounts will be available  
21 for inspection by the County, the State of California, the Federal government and if applicable,  
22 the Comptroller General of the United States or any of their duly authorized representatives, at  
23 all reasonable times for a period of at least five (5) years following the term of this Agreement  
24 or the closure of all other related pending matters, whichever is later. The Borrower will certify  
25 accounts when required or requested by the County.

26 B. AUDITS

27 The Borrower is required to comply with the provisions of the Single Audit  
28 Act of 1984 (31 USC Sections 7501 et seq.), as amended. Whenever the Borrower receives

1 HOME loan funds from the County for a project, a copy of any audit performed by the Borrower  
2 in accordance with said Act will be forwarded to the Affordable Housing Programs Manager  
3 within nine (9) months of the end of any fiscal year in which loan funds were distributed,  
4 borrowed, and/or outstanding for the Project. Failure to perform the requisite audit functions as  
5 required by this paragraph may result in the County performing any necessary audit task or, at  
6 the County's option, in the County contracting with a public accountant to perform the audit. All  
7 audit costs related to the Borrower's failure to perform the requisite audit are the sole  
8 responsibility of the Borrower and such audit work costs incurred by the County shall be billed  
9 to the Borrower as determined by the County's ACTTC. The Borrower agrees to take prompt  
10 and appropriate corrective action on any instance of material non-compliance with applicable  
11 laws and regulations.

12 C. INDEMNIFICATION

13 The Borrower will indemnify, save, hold harmless, and at the County's  
14 request, defend the County, its partners, officers, agents, and employees from and against any  
15 and all costs and expenses, damages, liabilities, claims and losses whatsoever occurring or  
16 resulting to the County in connection with the performance, or failure to perform, by the  
17 Borrower, its partners, officers, agents, employees, or any persons, firms, or corporations  
18 furnishing or supplying work, services, materials, or supplies in connection with the  
19 performance of this Agreement, and from any and all claims and losses occurring or resulting  
20 to any person, firm, or corporation who may be injured or damaged, including damage, injury,  
21 or death arising out of or connected with the performance, or failure to perform, of the  
22 Borrower, its partners, officers, agents or employees under this Agreement.

23 D. TIME OF PERFORMANCE

24 1. The term of this Agreement will commence on the date upon which this  
25 Agreement is executed by the County and will expire when the Period of Affordability ends  
26 twenty (20) years after the date the Project is completed and closed in IDIS, or when the loan  
27 of One Million Dollars (\$1,000,000) and such other amounts, including but not limited to  
28 liquidated damages, if applicable, as set forth in the Promissory Note, have been repaid and

1 the Deed of Trust has been reconveyed, whichever is later.

2                   2. The Project, as described in Section I of this Agreement, will commence  
3 on the day the Agreement is executed by the County and will be completed with construction  
4 within eighteen (18) months of the construction start date.

5                   3. The following schedule shall apply to the Project:

6                   a. Award of Tax Credit Allocation Committee (TCAC) funding:

7 November 2016

8                   b. Provide all necessary documents to execute loan documents by:

9 March 2017

10                   c. All other funding sources secured by: March 2017

11                   d. Begin Construction: May 2017

12                   e. Record Notice of Completion: November 2018

13                   f. Project leased up: April 2019

14                   4. The Borrower will give immediate written notification to the Director of the  
15 County Department of Public Works and Planning, or his designee, of any events that occur,  
16 which may affect the Project Schedule and completion date noted above, or any event that may  
17 have significant impact upon the Project or affect the attainment of the Project's objectives.  
18 The Project's proposed schedule is provided in Attachment F to this Agreement, which is  
19 incorporated herein by reference. The Director of the County Department of Public Works and  
20 Planning, or his designee, is authorized to make adjustments in the Project schedule if, in the  
21 Director's or his designee's judgment, the delays are beyond the control of the parties involved.

22                   E. BREACH OF AGREEMENT

23                   In the event the Borrower fails to comply with any of the terms of this  
24 Agreement, the County may, at its option, deem the Borrower's failure to be a material breach  
25 of this Agreement and utilize any of the remedies set forth in 24 CFR § 85.43 or that it deems  
26 appropriate. Should the County deem a breach of this Agreement to be a material breach; the  
27 County will immediately be relieved of its obligations to make further loan disbursements as  
28 provided herein. Termination of this Agreement due to breach will not, in any way whatsoever,

1 limit the rights of the County in seeking any other legal relief in a court of law or equity,  
2 including the recovery of damages. In addition to the Agreement being terminated by the  
3 County in accord with a material breach of this Agreement by the Borrower, the County in  
4 accord with 24 CFR § 85.44 may also terminate this Agreement for convenience.

5 F. TERMINATION

6 1. Non-Allocation Of Funds: The terms of this Agreement, and the funds  
7 provided thereunder, are contingent on the award and/or commitment of funds by HUD to the  
8 County, and to the award and/or commitment of funds to the Project by the Sources of Funds  
9 identified in Attachment B of this Agreement. Should HUD fail to award County funds, or  
10 should the County determine in its sole discretion that sufficient funds have not been allocated  
11 by the other sources of funds to complete the development of the forty-eight (48) units  
12 comprising the Project, the County may terminate this Agreement at any time by giving the  
13 Borrower thirty (30) days advance written notice, and the Borrower shall promptly repay to the  
14 County any and all HOME loan funds previously paid, pursuant to all applicable laws and  
15 regulations.

16 2. Termination For Convenience: This Agreement may also be terminated  
17 for convenience by the County in accordance to the requirements of 24 CFR § 85.44. In the  
18 event the County terminates this Agreement solely for convenience, the Borrower promptly  
19 shall repay to the County any and all HOME loan funds, pursuant to all applicable laws and  
20 regulations. However, in the event of termination, the County, at its sole discretion, may  
21 negotiate with the Borrower alternate terms of repayment of HOME loan funds.

22 3. For Cause: The County may elect to terminate this Agreement for cause  
23 as set forth in Paragraph E of this Section IX.

24 G. VENUE; GOVERNING LAW

25 Venue for any action arising out of or relating to this Agreement shall only  
26 be in Fresno County, California. The rights and obligations of the parties and all interpretation  
27 and performance of this Agreement shall be governed in all respects by the laws of the State of  
28 California.

1                   H. INDEPENDENT CONTRACTOR

2                   In performance of the work, duties, and obligations assumed by the  
3 Borrower under this Agreement, it is mutually understood and agreed that the Borrower,  
4 including any and all of the partners, officers, agents and employees, will at all times be acting  
5 and performing as an independent contractor, and shall act in an independent capacity and not  
6 as an officer, agent, servant, employee, joint venture, partner, or associate of the County.  
7 Furthermore, the County shall have no right to control, supervise or direct the manner or  
8 method by which the Borrower shall perform its work and function. However, the County shall  
9 retain the right to administer this Agreement so as to verify that the Borrower is performing its  
10 obligations in accordance with the terms and conditions thereof. The Borrower and the County  
11 shall comply with all applicable provisions of law and the rules and regulations, if any, of  
12 governmental authorities having jurisdiction over matters of the subject thereof.

13                   Because of its status as an independent contractor, the Borrower shall have  
14 absolutely no right to employment rights and benefits available to County employees. The  
15 Borrower shall be solely liable and responsible for providing to, or on behalf of, its employees  
16 all legally required employee benefits. In addition, the Borrower shall be solely responsible and  
17 save the County harmless from all matters relating to payment of the Borrower's employees,  
18 including compliance with Social Security withholding, and all other laws and regulations  
19 governing such matters. It is acknowledged that during the term of this Agreement, the  
20 Borrower may be providing services to others unrelated to the County or to this Agreement.

21                   I. MODIFICATION

22                   Any matters of this Agreement may be modified from time to time by the  
23 written consent of all parties without, in any way, affecting the remainder.

24                   J. NON-ASSIGNMENT

25                   Neither party shall assign, transfer or sub-contract this Agreement nor their  
26 rights or duties under this Agreement without the written consent of the other party. Any  
27 transfer or assignment without the County's prior consent shall be voidable and, at the County's  
28 sole discretion, shall constitute a material breach of this Agreement. No consent to any

1 assignment shall constitute a further waiver of the provisions of this Section IX, Paragraph J.

2 K. AUTHORIZATION AND NOTICES

3 1. County Authority: The Director of the County's Department of Public  
4 Works and Planning, or his duly authorized designee, at his discretion, is hereby authorized to  
5 enter into and sign in the name of the County, all loan documents, security documents and  
6 other related documents, and any amendments thereto, subject to the prior review and  
7 approval of County Counsel and the Auditor-Controller/Treasurer-Tax Collector, as shall be  
8 necessary for the purpose of developing the Project as described in Section I of this  
9 Agreement. Additionally, in the County's experience, changes in circumstances frequently  
10 occur that require a quick response from the County, lest the project and/or its financing fail. In  
11 such cases, where the County's response is time-sensitive, the Director, or his duly authorized  
12 designee, hereby is authorized, but not required, to consent to the following below-noted  
13 matters in the name of the County, subject to the prior review of County Counsel and the  
14 Auditor-Controller/Treasurer-Tax Collector: (1) changes to Attachments to this Agreement that  
15 do not alter the terms of the Agreement or substantively alter the scope of the Project; (2) non-  
16 substantive changes to the scope of the Project, so long as the Director or his designee  
17 determines that the Project remains eligible under the Federal HOME regulations; (3) changes  
18 of funding sources from those specific other entities named in Attachment B, so long as the  
19 Director or his designee determines that the Project remains eligible under the Federal HOME  
20 regulations and this Agreement; (4) changes of the specific dollar amounts set forth in  
21 Attachment B coming from other entities, or the total thereof, provided the total monies coming  
22 from the County under this Agreement does not increase and further provided that the Director  
23 or his designee determines that the Project remains viable, is fully funded and eligible under  
24 the Federal HOME regulations and this Agreement; (5) to sign subordination documents solely  
25 in order to facilitate the placement of permanent financing, and only within the first two years  
26 after the Notice of Completion is recorded; and (6) terminate the Agreement if it has been  
27 determined that the Borrower is not able to acquire the funds necessary to meet the terms  
28 described in the Agreement.

1                   2. Borrower Authority: The CEO/Executive Director of the Housing  
2 Authority of Fresno County, as the sole member and manager of the Administrative General  
3 Partner of the Borrower, has authority to enter into and sign this Agreement, and the loan,  
4 security and all other related documents, and any amendments thereto on behalf of the  
5 Partnership, as shall be necessary for the purpose of borrowing the funds to develop the  
6 Project as described in Section I of this Agreement.

7                   3. The persons and their addresses having authority to give and receive  
8 notices under this Agreement include the following:

9                   County:

10                           County of Fresno  
11                           Department of Public Works and Planning  
12                           Community Development Division  
13                           Attention: Program Manager, Affordable Housing Programs  
14                           2220 Tulare Street, 6<sup>th</sup> Floor  
15                           Fresno, CA 93721

16                   Borrower:

17                           Sanger Memorial Village, LP  
18                           c/o Housing Authority of Fresno County, CA  
19                           Attention: CEO/Executive Director  
20                           1331 Fulton Mall  
21                           Fresno, CA 93721

22                   Copy to:

23                           U.S. Bancorp Community Development Corporation  
24                           950 17<sup>th</sup> Street, Floor 3  
25                           Denver, CO 80202  
26                           Attention: Rebecca Applegate

27                   And:

28                           Ballard Spahr, LLP  
29                           300 East Lombard Street, 18<sup>th</sup> Floor  
30                           Baltimore, MD 21202-3268  
31                           Attention: Teri Guarnaccia

32                   And:

33                           Davis Wright Tremaine  
34                           865 S. Figueroa Street, Suite 2400  
35                           Los Angeles, CA 90017  
36                           Attention: Tiffany Switzer

37                   And:

38                           Kutak Rock LLP  
39                           1650 Farnam Street  
40                           Omaha, NE 68102  
41                           Attention: Jill Goldstein

1 L. ENTIRE AGREEMENT

2 This Agreement constitutes the entire Agreement to date between the  
3 Borrower and the County with respect to the subject matter hereof and supersedes all previous  
4 discussions, negotiations, proposals, commitments, writings, advertisements, publications and  
5 understandings of any nature whatsoever unless expressly included in this Agreement.

6 M. EFFECTIVE DATE

7 The effective date of this Agreement shall be the date upon which it is  
8 executed by the County. The County shall place the day and month upon which it signs this  
9 Agreement on Page 1 in the space provided.

10 N. DISCLOSURE OF SELF-DEALING TRANSACTIONS

11 This provision is only applicable if the Borrower is operating as a corporation  
12 (a for-profit or non-profit corporation) or if during the term of this Agreement, the Borrower  
13 changes its status to operate as a corporation.

14 Members of the Borrower's Board of Directors shall disclose any self-  
15 dealing transactions that they are a party to while the Borrower is providing goods or  
16 performing services under this Agreement. A self-dealing transaction shall mean a transaction  
17 to which the Borrower is a party and in which one or more of its directors has a material  
18 financial interest. Members of the Board of Directors shall disclose any self-dealing  
19 transactions that they are a party to by completing and signing a *Self-Dealing Transaction*  
20 *Disclosure Form* (Exhibit 1) and submitting it to the County prior to commencing with the self-  
21 dealing transaction or immediately thereafter.

22 ///

23 ///

24 ///

25 ///

26 ///

27 ///

28 ///

1 IN WITNESS WHEREOF, the parties have executed this Agreement on the date set forth  
2 above.

3 SANGER MEMORIAL VILLAGE, LP,  
4 A California limited partnership

COUNTY OF FRESNO

5 By:   
6 Preston Prince, Secretary/Director  
7 Silvercrest, Inc.,  
8 a California non-profit public benefit  
9 corporation,  
10 Its Managing General Partner

  
Brian Pacheco, Chairman  
Board of Supervisors

Date: March 7, 2017

9 Date: 1-20-17

ATTEST: Bernice E. Seidel, Clerk  
Board of Supervisors

By: 

12 SANGER MEMORIAL VILLAGE AGP, LLC  
13 a California limited liability company  
14 Its administrative general partner

APPROVED AS TO ACCOUNTING FORM  
Oscar J. Garcia, CPA  
Auditor-Controller/ Treasurer - Tax

14 By:   
15 Preston Prince  
16 Executive Director  
17 Housing Authority of Fresno County,  
18 California,  
19 a public body corporate and politic,  
20 Its sole member and manager

By:   
Deputy

19 Date: 1-20-17

APPROVED AS TO LEGAL FORM  
Daniel C. Cederborg, County Counsel

20 REVIEWED AND RECOMMENDED  
21 FOR APPROVAL

By:   
Deputy

22 By:   
23 Steven E. White, Director  
24 Department of Public Works and  
25 Planning

25 FUND NO: 0001 /0001  
26 SUBCLASS NO: 10000 / 10000  
27 ORG NO.: 55122008 / 0710  
28 ACCOUNT NO.: 7295 & 5800 / 5040

REMIT TO:  
Housing Authority of  
Fresno County, CA  
Attention: CEO/Executive Director  
1331 Fulton Mall  
Fresno, CA 93721  
Telephone: (559) 443-8400

## ATTACHMENT A

### Rent Schedule

#### TOTAL UNITS (48)

Unit Type	Rent Level	Number of Units	Unit Sq.Ft.	Max HOME Rent	Gross Rent	Utility Allowance	Net Rent
1 Bedroom	30%	0	705	553	331	44	287
1 Bedroom	40%	3	705	553	442	44	398
1 Bedroom	45%	3	705	553	497	44	453
1 Bedroom	55%	2	705	553	506	44	462
1 Bedroom	60%	1	705	553	663	44	619
2 Bedroom	30%	2	907	663	398	61	337
2 Bedroom	40%	7	907	663	531	61	470
2 Bedroom	45%	2	907	663	597	61	536
2 Bedroom	55%	5	907	663	645	61	584
2 Bedroom	60%	6	907	663	796	61	735
3 Bedroom	30%	2	1178	766	459	77	382
3 Bedroom	40%	2	1178	766	613	77	536
3 Bedroom	55%	4	1178	766	842	77	765
3 Bedroom	60%	6	1178	766	919	77	842
4 Bedroom	30%	1	1355	855	513	93	420
4 Bedroom	55%	1	1355	855	940	93	847
3 Bedroom	<i>Manager</i>	1	907	N/A	N/A	N/A	N/A
<b>Total</b>		<b>48</b>					

### Maximum HOME Allowable Rent

#### HOME UNITS (11)

Unit Type	Rent Level	Number of Units	Unit Sq.Ft.	Max HOME Rent	Gross Rent	Utility Allowance	Net Rent
1 Bedroom	40%	1	705	553	331	44	287
1 Bedroom	45%	2	705	553	497	44	453
2 Bedroom	30%	1	907	663	398	61	337
2 Bedroom	40%	3	907	663	531	61	470
3 Bedroom	30%	1	1178	766	459	77	382
3 Bedroom	40%	1	1178	766	613	77	536
3 Bedroom	55%	1	1178	766	842	77	765
4 Bedroom	30%	1	1355	855	513	93	420
<b>Total</b>		<b>11</b>					

## ATTACHMENT B

Sources and Uses of Funds are anticipated as follows:

### Sources of Funds

1.	Construction Loan	\$11,656,749
2.	Housing Authority of Fresno County	\$2,100,000
3.	County of Fresno HOME Loan Funds	\$1,000,000
4.	Housing Relinquished Fund Corp.	\$1,060,000
5.	Developer (Deferred Costs)	\$1,314,594
6.	Federal Affordable Housing Program Loan	\$ 540,000
8.	Tax Credit Equity	\$1,431,249
	Total Sources	\$19,102,592

### Uses of Funds:

1.	Acquisition Costs	\$3,174,060
2.	Construction Costs	\$11,534,761
3.	Financing Costs	\$702,618
4.	Operating Reserves	\$153,220
5.	Soft Costs and Development Fees	\$3,537,933
	Total Project Cost	\$19,102,592

## ATTACHMENT C

### SECTION 3 REQUIREMENTS

- A. The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C 1701u ("Section 3"). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- B. The parties to this contract agree to comply with HUD's regulations in 24 CFR Part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with part 135 regulations.
- C. The Contractor agrees to send to each labor organization or representative of workers with which the Contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the Contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions, and the anticipated date the work shall begin.
- D. The Contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The Contractor will not subcontract with any subcontractor where the Contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.
- E. The Contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the Contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the Contractor's obligations under 24 CFR part 135.
- F. Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD-assisted contracts.

**SECTION 3 ASSURANCES**

**[FORM MUST BE COMPLETED AND SUBMITTED PRIOR TO AWARD]**

I/We, the undersigned \_\_\_\_\_ (representative), as official representative of \_\_\_\_\_ (Contractor) agree to comply with Section 3 requirements for the \_\_\_\_\_ (Project). It is understood that failure to comply may result in the following sanctions: cancellation, termination, or suspension in whole or in part of this contract. A copy of this executed form and the charts for hires and contractors will be provided to the County along with any back up documentation requested prior to execution of contract.

**Complete for Staffing:**

- A. How many new full time (permanent, temporary, seasonal) positions will be needed on this project? \_\_\_\_\_
- B. How many new employment training positions will be created? \_\_\_\_\_
- C. If New Hires and Employment Training will take place, how many positions are projected to be filled by local low income area residents? \_\_\_\_\_ (see goal below).

If new hires or employment training are anticipated then Contractor must provide copies of outreach efforts, any preferences given, and any actual Section 3 hires completed. If there were no Section 3 residents hired or the goals were not met, then an explanation of why this happened will be provided.

- D. If new hires or training were made available, did Contractor reach 30% Section 3 goal/target? \_\_\_\_\_

**See attached chart with list of all New Hires / Transfers for this Project**

Complete for construction subcontractors and non-construction contracts:

- A. How many construction subcontractors will be utilized for this project? \_\_\_\_\_
- B. Of these subcontractors, how many are Section 3 subcontractors? \_\_\_\_\_
  - 1) Was the Section 3 Goal/target of 10% of project dollar amount reached? \_\_\_\_\_
- C. How many non-construction contracts will be utilized? \_\_\_\_\_
- D. Of these, how many are Section 3 businesses? \_\_\_\_\_
  - 1) Was the Section 3 Goal/target of 3% of project dollar amount reached? \_\_\_\_\_

**See attached chart with list of all Contractors hired for this Project**

Authorized Signature \_\_\_\_\_

Date: \_\_\_\_\_

### Section 3 Resident Eligibility Certification

The U.S. Department of Housing and Urban Development (HUD) monitors our hiring practices on Section 3-funded projects. It is important, therefore that the information below be provided. Please be aware that your response, though needed, is voluntary and has no effect on your employment status.

Because these questions are personal in nature, your answers will be treated with confidentiality. Thank you for assisting us.

Sincerely,

Fresno County Community Development Division

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1. Name: \_\_\_\_\_

Address: \_\_\_\_\_

2. Number of individuals living in your household (include yourself): \_\_\_\_\_

3. Total annual household income (please CIRCLE one):

Household Size	30%	50%	60%	65%	80%
1	\$12,400	\$20,650	\$24,780	\$26,830	\$33,000
2	\$14,150	\$23,600	\$28,320	\$30,630	\$37,700
3	\$15,900	\$26,550	\$31,860	\$34,450	\$42,400
4	\$17,650	\$29,450	\$35,340	\$38,260	\$47,100
5	\$19,100	\$31,850	\$38,220	\$41,350	\$50,900
6	\$20,500	\$34,200	\$41,040	\$44,400	\$54,650
7	\$21,900	\$36,550	\$43,860	\$47,490	\$58,450
8	\$23,300	\$38,900	\$46,680	\$50,510	\$62,200
	Check Box If Above \$62,200				

4. Are you currently employed? \_\_\_\_\_ Yes \_\_\_\_\_ No

I certify that the statements made on this sheet are true, complete and correct to be best of my knowledge and belief, and made in good faith.

Signature \_\_\_\_\_

Date: \_\_\_\_\_

### Section 3 Business Eligibility Certification

The U.S. Department of Housing and Urban Development (HUD) monitors our hiring practices on Section 3-covered projects. It is important, therefore that the information below be provided. Please be aware that your response, though needed, is voluntary and has no effect on your contracting.

Your answers will be treated with confidentiality. Thank you for assisting us.

Sincerely,

Fresno County Community Development Division

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Business Name: \_\_\_\_\_

Address: \_\_\_\_\_

1. Are 51% of the business owners qualified Section 3 Residents? \_\_\_\_\_

If YES stop, if NO proceed.

2. Are at least 30% of the employees Section 3 Residents (or were they when they started less three years ago)? \_\_\_\_\_

If YES stop, if NO proceed.

3. Will the business subcontract more than 25% of the proposed work under the contract to business concerns that meet the qualification set forth in number 1 & 2 above? \_\_\_\_\_

If YES stop, if NO proceed.

\_\_\_\_\_ We currently do not qualify as a Section 3 business

I certify that the statements made on this sheet are true, complete and correct to be best of my knowledge and belief, and made in good faith.

Signature \_\_\_\_\_

Date: \_\_\_\_\_

**SECTION 3 Project Work Force Breakdown**

Job Category	Total Positions Needed for Project	No. Positions Occupied by Permanent Employees	Number of Positions not Occupied	Number of Positions filled with Section 3 residents
Supervisor				
Professional				
Technical				
Office/Cleric.				
Others				
TRADE:				
Journeyman				
Apprentices				
Trainees				
Others				
TRADE:				
Journeyman				
Apprentices				
Trainees				
Others				

**\*Section 3 Resident:**

Individual residing within the Section 3 Area Whose family income does not exceed 80% of the median income in the Metropolitan Statistical Area or the county if not within a MSA in which the Section 3 covered project is located. See attached income schedule.

\_\_\_\_\_  
Company

\_\_\_\_\_  
Project

\_\_\_\_\_  
Project Number

NOTE: This document must be submitted with bid documents.

Person Completing Form: \_\_\_\_\_ Date: \_\_\_\_\_





**ATTACHMENT D**

**U.S. DEPARTMENT OF HUD 04/2016  
STATE: CALIFORNIA 2016  
Fresno, CA MSA**

**2016 HOME PROGRAM RENTS**

<b>PROGRAM</b>	<b>Efficiency</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4 BR</b>	<b>5 BR</b>	<b>6 BR</b>
<b>Low HOME Rent Limit</b>	516	553	663	766	855	943	1030
<b>High HOME Rent Limit</b>	662	690	862	994	1089	1182	1277
<b>For Information Only:</b>							
<b>Fair Market Rent</b>	662	690	862	1216	1430	1645	1859
<b>50% Rent Limit</b>	516	553	663	766	855	943	1030
<b>65% Rent Limit</b>	671	721	867	994	1089	1182	1277

**HOME Rents**

Every HOME-assisted unit is subject to rent limits designed to help make rents affordable to low income households. These maximum rents are referred to as "HOME Rents." Annually, the U.S. Department of Housing and Urban Development establishes maximum monthly rents for HOME-assisted rental projects. Based on changes in area income levels or market conditions, HOME rents, as calculated by HUD and approved by the Department, may increase.

## ATTACHMENT E

### Project Disbursement Schedule

#### Sanger Memorial Village

Draw No.	Percentage of Funds	Dollar Amount Requested	10% Retention	Amount Disbursed
1	Deposit at escrow	\$0	\$0	\$0
2	25% of Total Loan Amount (First construction draw)	\$250,000	\$25,000	\$225,000
3	25% of Total Loan Amount	\$250,000	\$25,000	\$225,000
4	25% of Total Loan Amount	\$250,000	\$25,000	\$225,000
5	25% of Total Loan Amount	\$250,000	\$25,000	\$225,000
	<b>Total Amounts</b>	<b>\$1,000,000</b>	<b>\$100,000</b>	<b>\$900,000</b>
	Retention Amount (pay at the end of construction)			\$100,000

# ATTACHMENT F

## Sanger Memorial Village

PROJECT TIMELINE	
ACTION	PROPOSED DATE
TCAC Application Award	September 2016
Building Permits	May 2017
Loan Documents	March 2017
Construction Start	May 2017
Market Units	November 2018
Construction Complete	November 2018
Lease Up Complete	April 2019
Permanent Loan Closing	November 2019

# EXHIBIT 1

## SELF-DEALING TRANSACTION DISCLOSURE FORM

In order to conduct business with the County of Fresno (hereinafter referred to as "County"), members of a contractor's board of directors (hereinafter referred to as "County Contractor"), must disclose any self-dealing transactions that they are a party to while providing goods, performing services, or both for the County. A self-dealing transaction is defined below:

*"A self-dealing transaction means a transaction to which the corporation is a party and in which one or more of its directors has a material financial interest"*

The definition above will be utilized for purposes of completing this disclosure form.

### INSTRUCTIONS

- (1) Enter board member's name, job title (if applicable), and date this disclosure is being made.
- (2) Enter the board member's company/agency name and address.
- (3) Describe in detail the nature of the self-dealing transaction that is being disclosed to the County. At a minimum, include a description of the following:
  - a. The name of the agency/company with which the corporation has the transaction; and
  - b. The nature of the material financial interest in the Corporation's transaction that the board member has.
- (4) Describe in detail why the self-dealing transaction is appropriate based on applicable provisions of the Corporations Code.
- (5) Form must be signed by the board member that is involved in the self-dealing transaction described in Sections (3) and (4).

<b>(1) Company Board Member Information:</b>			
<b>Name:</b>		<b>Date:</b>	
<b>Job Title:</b>			
<b>(2) Company/Agency Name and Address:</b>			
<b>(3) Disclosure (Please describe the nature of the self-dealing transaction you are a party to):</b>			
<b>(4) Explain why this self-dealing transaction is consistent with the requirements of Corporations Code 5233 (a):</b>			
<b>(5) Authorized Signature</b>			
<b>Signature:</b>		<b>Date:</b>	