

HOME AGREEMENT

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3 THIS HOME AGREEMENT ("Agreement") is made this 17th day of
4 October, 2017, by and between the COUNTY OF FRESNO, a political subdivision of
5 the State of California (hereinafter the "County") and Fowler Magill Terrace, LP, consisting of
6 Silvercrest Inc., a California non-profit public benefit corporation, as the Managing General
7 Partner and Fowler Magill Terrace AGP, LLC, a California limited liability company, as the
8 Administrative General Partner (hereinafter "Borrower" or "Partnership"), whose mailing address
9 is 1331 Fulton Mall, Fresno, CA 93721.

WITNESSETH

10
11 WHEREAS, the County has been designated as a participating jurisdiction to administer
12 and implement the Federal HOME Investment Partnerships (HOME) Program activities of the
13 County in accordance with the Federal HOME regulations, and the laws of the State of California;
14 and

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

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

21 WHEREAS, the Borrower has requested a loan of One Million Dollars (\$1,000,000) from
22 the County of Fresno HOME Program to assist with the construction of the Project, a sixty-unit
23 (60) unit rental housing development of which fifty-nine (59) will be restricted and affordable to
24 very low and low-income person; and of which eleven (11) units will be funded by and subject to
25 the County's Federal HOME funds; and

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

28 WHEREAS, the County has determined the Borrower has the capacity to develop the

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

6 WHEREAS, the total estimated Project cost is Twenty-Six Million, Five Hundred Thirteen
7 Thousand, Two Hundred Sixty-One Dollars (\$26,513,261), and the Borrower has or will obtain
8 other funding commitments apart from the County HOME loan to complete the financing for the
9 Project; and

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

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

14 I. PROJECT DESCRIPTION, LOCATION, SECURITY, BUILDING
15 REQUIREMENTS AND BUDGET

16 A. DESCRIPTION:

17 1. The Project consists of the acquisition, demolition and reconstruction of
18 twenty (20) aging multi-family rental housing units and the development of an additional forty (40)
19 new multi-family rental housing units. The Project will result in the construction of a total of sixty
20 (60) new multi-family rental housing units, of which eleven (11) units shall be HOME-assisted
21 and shall satisfy HOME occupancy requirements for no less than the required HOME Period of
22 Affordability. The Period of Affordability will be twenty (20) years beginning on the date the
23 Project is completed and closed in HUD's Integrated Disbursement & Information System (IDIS).
24 The Project includes a mix of one (1), two (2), three (3) and four (4)-bedroom units.

25 2. The Project will provide new rental housing units that will be affordable to
26 households earning no more than sixty percent (60%) of AMI for Fresno County, as reported
27 annually by HUD. These units will have rents, including any tenant-paid utilities, at or below the
28 HOME rent limits for the duration of the Period of Affordability. The Project shall meet the

1 requirements of 24 CFR § 92.252 relating to rent limitations.

2 3. Attachment A to this Agreement, which is incorporated herein by
3 reference, provides a detailed breakdown of the Project unit mix for the sixty (60) units including
4 the two (2) one-bedroom units, four (4) two-bedroom units, four (4) three-bedroom units and one
5 (1) four-bedroom unit that will be HOME-assisted units for a total of eleven (11) HOME-assisted
6 units. Affordability for the eleven (11) HOME-assisted units must follow the AMI and the Rents
7 for Fresno County, as reported annually by HUD, as described in Attachment A. All eleven (11)
8 units shall float within the Project as necessary to ensure compliance with the HOME rent and
9 occupancy requirements. The eleven (11) HOME-assisted units must at minimum be the
10 approximate square footage designated or larger.

11 B. LOCATION:

12 The Project will be developed on an approximately 4.31 acre site located at
13 401 Nelson Street in Fowler, CA 93625 (the "Property") and will consist of two (2) one-story and
14 five (5) two-story residential structures.

15 C. SECURITY:

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

22 D. BUILDING REQUIREMENTS:

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

26 2. Rental Property Standards: The Project shall meet the requirements of 24
27 CFR § 92.251 relating to property standards and all applicable local housing code requirements
28 for the duration of this Agreement and any modifications or amendments or successor

1 agreements thereto.

2 3. Accessibility Standards: The Project shall meet the requirements of 24
3 CFR § 8.22 relating to handicap accessibility. A minimum of three (3) of the units will be
4 accessible to those with mobility impairments; two (2) additional units will be accessible to those
5 with sensory impairments.

6 E. BUDGET:

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

11 2. The total preliminary Project budget estimate is \$26,513,261. The
12 proposed work to be funded with County HOME loan funds for the development of the sixty (60)
13 multi-family rental housing units in the Project is as follows:

14 Expenses to be paid with HOME loan funds:

15	Construction Costs	<u>\$1,000,000</u>
16	TOTAL HOME loan funds	\$1,000,000

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

22 F. FUNDING:

23 1. Notwithstanding any other provision of this Agreement, the parties hereto
24 agree and acknowledge that this Agreement does not constitute a commitment of loan funds or
25 site approval, and that such "commitment of loan funds" or approval may occur only upon
26 satisfactory completion of the environmental review and receipt by the County of a Release of
27 Funds from HUD under 24 CFR § 58. In addition, no commitment of loan funds will be made
28 until all requirements contained in this Agreement or any other loan, security or other related

1 documents are met by the Borrower as determined by the County. The parties further agree that
2 the loan of any funds to the Project is conditioned upon the County's determination to proceed
3 with, modify or cancel the Project based on the results of the Project's environmental review as
4 specified in Section III of this Agreement. The County will give written notification to the Borrower
5 when these requirements have been met.

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

15 G. CHANGES TO PROJECT:

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

24 II. OBLIGATIONS OF THE COUNTY

25 A. FUNDING:

26 The County shall reserve up to, but not more than, One Million Dollars
27 (\$1,000,000) from the County's allocation of Federal HOME Program funds for the Project. All
28 funds will be paid to the Borrower, in accordance with Section IX, Paragraph A of this Agreement,

1 subject to the requirements of all applicable Federal and State statutory and regulatory
2 requirements. Notwithstanding changes in the funding sources and amounts identified in
3 Attachment B, disbursements for the Project from HOME Program funds will be contingent upon
4 the County's receipt, review and approval of highly reliable evidence acceptable to County in its
5 sole discretion that the Borrower has obtained or will obtain all funding to meet the Project
6 development costs. Evidence may include, but not be limited to funding commitments and/or
7 loan documentation from other lenders and/or documents regarding tax credit allocation
8 commitments.

9 B. LOAN DOCUMENTS:

10 1. Promissory Note: The County will prepare a Promissory Note for
11 execution by the Borrower in a form and content acceptable to the County, in the County's sole
12 discretion. Said Promissory Note ("Note") will set forth the terms and conditions and plan for
13 repayment of the One Million Dollars (\$1,000,000) HOME loan and other fees or charges,
14 including but not limited to liquidated damages, if applicable. HOME loan funds shall be utilized
15 to assist with the construction of eleven (11) units in the sixty (60) unit affordable rental housing
16 complex. In addition to the Note, HOME loan funds shall be secured with a Deed of Trust
17 recorded against the property, and other required security instruments, as described more fully
18 below.

19 2. Deed of Trust: County shall record against the property a Deed of Trust
20 for the County HOME loan in a form and content acceptable to the County. Said Deed of Trust
21 will be recorded for the purpose of securing repayment of the One Million Dollars (\$1,000,000)
22 loan, and will name the County of Fresno, a political subdivision of the State of California, as
23 beneficiary. Said Deed of Trust will be in third lien position during construction and after
24 construction (unless the County provides written approval for a lesser lien position) until the Note
25 described in this Section II is fully repaid.

26 3. HOME Regulatory Agreement and Declaration of Restrictive Covenants:
27 The County will record a HOME Regulatory Agreement and Declaration of Restrictive Covenants
28 ("Regulatory Agreement") signed by the Borrower in a form and content acceptable to the

1 County. Said Regulatory Agreement will impose the requirements of the HOME Investment
2 Partnerships Program as set forth in the Code of Federal Regulations (24 CFR Parts 91 and 92)
3 for the eleven (11) HOME-assisted units.

4 C. LABOR COMPLIANCE:

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

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

16 D. RENT REQUIREMENTS AND AFFORDABILITY:

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

21 2. The County shall annually review information provided by the Borrower for
22 the eleven (11) HOME-assisted units and shall periodically conduct on-site inspections to ensure
23 compliance with the affordability requirements of 24 CFR § 92.252 and 92.504(d), the tenant and
24 participant protection requirements of 24 CFR § 92.253 and compliance with the terms of this
25 Agreement, including but not limited to tenants' income, rents, property standards, and other
26 HOME rental requirements during the Project's Period of Affordability. The County shall provide
27 the Borrower with the approved method for determining income-eligibility. The County requires
28 HUD's Part 5 definition of annual income as defined in 24 CFR § 5.609 be used to determine

1 initial eligibility, which shall be used on an annual basis to recertify tenant incomes during the
2 Period of Affordability. Source documentation is required for recertification every year of the
3 Period of Affordability. The County will maintain a record of inspections in its Project file and will
4 provide copies to Borrower upon request.

5 III. PROJECT SUBJECT TO ENVIRONMENTAL CLEARANCE and RELEASE OF
6 FUNDS

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

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

14 IV. OBLIGATIONS OF THE BORROWER

15 A. FUNDING:

16 1. The Borrower hereby certifies the authenticity and accuracy of the
17 information provided to the County with regards to the fiscal soundness of the Borrower and
18 Borrower's capacity to undertake the proposed Project. The Borrower further certifies that it has
19 examined the Project neighborhood market conditions and determined there is adequate need
20 for the Project.

21 2. The Borrower will provide any and all sums of money in excess of One
22 Million Dollars (\$1,000,000) that may be necessary to complete the Project. Prior to
23 disbursement of County HOME loan funds, the Borrower shall secure or obtain firm commitments
24 from other funding sources for any and all sums of money in excess of One Million Dollars
25 (\$1,000,000) that may be necessary to complete the Project. The Borrower will provide evidence
26 of such commitments of funds satisfactory to the County, as specified in Section I, Paragraph F-
27 2 of this Agreement. The failure to secure all sums of money in excess of One Million Dollars
28 (\$1,000,000) that may be necessary to complete the Project shall be deemed a material breach

1 of this Agreement as discussed in Section IX, Paragraph E of this Agreement.

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

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

11 B. DEVELOPMENT:

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

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

20 3. The Borrower shall develop and construct the Project as new construction
21 rental housing for households earning no more than sixty percent (60%) of the AMI for Fresno
22 County, as defined by HUD at time of initial occupancy. Additionally, in accordance with 24 CFR
23 § 92.252, rental projects with five (5) or more HOME-assisted rental units must provide a
24 minimum of twenty percent (20%) of the HOME-assisted units for occupancy by very low income
25 families earning no more than fifty percent (50%) of AMI during the HOME loan term specified in
26 the Note.

27 4. Prior to award of the construction contract, the Borrower will provide the
28 County an independent cost-estimate for the Project to determine cost-reasonableness in order

1 to obtain from the County written approval of the contractor, the award, amount of the contract,
2 and the final Project budget. Prior to the date the work is to begin, the Borrower will provide both
3 the contractor and the County with a copy of the Notice to Proceed.

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

8 6. To the extent contractors and/or subcontractors are utilized on this Project,
9 the Borrower will conduct outreach to minority- and women-owned business enterprises
10 (MWBE), and ensure that contractors/subcontractors are informed of the requirements of Section
11 3 of the Housing and Urban Development Act of 1968 (hereinafter "Section 3") applicable to the
12 Project and are licensed in accordance with the regulations of the Contractors State License
13 Board.

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

21 8. Prior to the start of construction, the Borrower will secure all required
22 permits from the City of Fowler. The Borrower will provide to the County copies of all such
23 permits.

24 9. The Borrower shall comply with the mitigation measures and conditions
25 identified in Environmental Assessment No. 7259, which is incorporated herein by reference.

26 C. DISBURSEMENT:

27 1. The Borrower may not request disbursement of loan funds under this
28 Agreement until all conditions stated under Section III, Section IV and Section VIII of this

1 Agreement have been satisfied. HOME loan funds will be distributed to the Borrower on a
2 reimbursement basis for actual eligible costs.

3 2. In the event that the total Project cost is less than the current estimated
4 total Project cost of Twenty-Six Million, Five Hundred Thirteen Thousand, Two Hundred Sixty-
5 One Dollars (\$26,513,261), the Borrower will notify the County of such savings. The County may
6 then, at its sole discretion, reduce the County's contribution in direct proportion to the percentage
7 of savings.

8 D. LOAN DOCUMENTS:

9 1. Prior to execution of the County's loan documents, the Borrower shall
10 submit to the County all loan term sheets, any and all other requested loan documents, and any
11 amendments thereto, including any required deed restrictions from other funding sources.

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

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

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

20 5. The Partnership shall not remove or replace the original Managing
21 General Partner or any proposed partner approved by the County from the Partnership without
22 the County's prior written approval, which shall not be unreasonably withheld. Furthermore, in
23 the event the Managing General Partner withdraws from the Partnership, the Partnership will
24 replace the Managing General Partner with another Managing General Partner approved by the
25 County, and the new Managing General Partner must be a current member of the Partnership
26 unless otherwise agreed by County.

27 E. PAYMENT FOR MONITORING/ATTORNEY FEES

28 1. Annual HOME Monitoring Fee: The Partnership shall pay to the County

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

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

10 F. COMPLIANCE:

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

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

17 3. The Borrower will comply with the requirements of 24 CFR § 92.252 and
18 92.504(d), including, but not limited to, the requirements to annually permit on-site inspections
19 and provide the County with information on rents and occupancy of HOME-assisted units to
20 demonstrate compliance with the affordability requirements. The eleven (11) HOME-assisted
21 units are designated "floating HOME units" as defined in 24 CFR § 92.252(j).

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

28 5. The Borrower will not be required to lower rents below the HOME rent

1 limits in effect at the time of this Agreement for the eleven (11) HOME-assisted units, but must
2 submit requests for rent increases to the County and receive County's approval of same before
3 implementing higher rents. HUD's 2017 Rent Limits are listed in Attachment D to this Agreement,
4 which is incorporated herein by reference. The Borrower agrees to conduct income
5 determinations utilizing HUD's Part 5 definition of annual income, to certify tenant income
6 eligibility before renting units to tenant applicants, and to recertify tenant household income
7 annually.

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

11 7. The Borrower will comply with all Federal regulations (including, but not
12 limited to: 24 CFR Parts 91, 92 and 135) governing the use of HOME funds with Low Income
13 Housing Tax Credits (LIHTC) and 24 CFR Parts 91 and 92, and specifically Sections 92.203
14 Income Determinations, 92.205 Eligible Activities-General, 92.206 Eligible Project Costs, 92.207
15 Eligible Administrative and Planning Costs, 92.214 Prohibited Activities, 92.216 Income
16 Targeting: Tenant Based Rental Assistance and Rental Units, Sec. 92.250 Maximum Per-Unit
17 Subsidy Amount and Subsidy Layering, 92.253 Tenant and Participant Protections, 92.255
18 Converting Rental Units to Homeownership Units for Existing Tenants, 92.350 Other Federal
19 Requirements and Nondiscrimination, 92.351 Affirmative Marketing; Minority Outreach Program,
20 92.353 Displacement, Relocation, and Acquisition, 92.356 Conflict of Interest, 92.503 Program
21 Income, Repayments, and Recaptured Funds, 92.505 Applicability of Uniform Administrative
22 Requirements and 92.354 Labor Provisions; Borrower to comply with all prevailing wage
23 requirements, as they may apply. Borrower to provide access to all original documents and
24 provide copies as requested by the County and HUD.

25 V. CONFORMANCE WITH APPLICABLE LAWS AND REGULATIONS

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

28 Whenever the Borrower uses the services of a contractor or property

1 management company, whether directly or indirectly, the Borrower shall require that the
2 contractor or property management company comply with all Federal, State and local laws,
3 ordinances, regulations, this Agreement and Fresno County Charter provisions applicable in the
4 performance of their work.

5 Because the Borrower will borrow at least One Hundred Thousand Dollars
6 (\$100,000) for the Project from the County's HOME Program under this Agreement, the Borrower
7 will complete and submit to the County a "Certification for Contracts, Grants, Loans and
8 Cooperative Agreements" form and a "LLL-Disclosure of Lobbying Activities" form. Likewise,
9 before the Borrower awards a contract using at least One Hundred Thousand Dollars (\$100,000)
10 of such HOME loan funds, the Borrower will require the consultant and/or contractor and all their
11 sub-consultants and/or subcontractors to complete and submit the two (2) forms described
12 hereinabove to both the Borrower and the County.

13 VI. PERFORMANCE STANDARDS:

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

16 A. The property will be adequately maintained to meet the required property
17 standards; and

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

20 VII. FINANCIAL RECORDS REQUIREMENTS:

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

27 VIII. INSURANCE

28 Without limiting the County's right to obtain indemnification from the Borrower or

1 any third parties, the Borrower, at its sole expense, will maintain in full force and effect the
2 following insurance policies throughout the term of this Agreement:

3 A. PROPERTY INSURANCE:

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

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

17 B. COMMERCIAL GENERAL LIABILITY INSURANCE:

18 Commercial General Liability Insurance with limits of not less than One Million
19 Dollars (\$1,000,000) per occurrence and an annual aggregate of Two Million Dollars
20 (\$2,000,000) is required. This policy will be issued on a per occurrence basis. The County may
21 require specific coverage including completed operations, product liability, contractual liability,
22 Explosion-Collapse-Underground, fire, extended coverage, legal liability or any other liability
23 insurance deemed necessary because of the nature of this Agreement.

24 The Borrower will obtain endorsements to the Commercial General Liability
25 Insurance, fire, and extended coverage, naming the County of Fresno, its officers, agents, and
26 employees, individually and collectively, as additional insured, but only insofar as the operations
27 under this Agreement are concerned. Such coverage for additional insured will apply as primary
28 insurance and any other insurance, or self-insurance, maintained by the County, its officers,

1 agents and employees shall be excess only and not contributing with insurance provided under
2 the Borrower's policies herein. This insurance shall not be cancelled or changed without a
3 minimum of thirty (30) days advance written notice given to the County.

4 C. AUTOMOBILE LIABILITY INSURANCE:

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

11 D. PROFESSIONAL LIABILITY INSURANCE:

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

16 E. WORKER'S COMPENSATION INSURANCE:

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

19 Within thirty (30) days of the date the Borrower signs this Agreement, the
20 Borrower will provide certificates of insurance and endorsement as stated above for all of the
21 listed policies, as required herein, to the County of Fresno, Community Development Division,
22 Program Manager, Affordable Housing Programs, 2220 Tulare Street, 6th Floor, Fresno, CA
23 93721, stating that such insurance coverages have been obtained and are in full force; that the
24 County of Fresno, its officers, agents and employees will not be responsible for any premiums
25 on the policies; that such Commercial General Liability Insurance names the County of Fresno,
26 its officers, agents and employees, individually and collectively, as additionally insured, but only
27 insofar as the operations under this Agreement are concerned; that such coverage for additional
28 insured shall apply as primary insurance and any other insurance, or self-insurance, maintained

1 by the County, its officers, agents and employees, shall be excess only and not contributing with
2 insurance provided under the Borrower's policies herein; and that this insurance shall not be
3 cancelled or changed without a minimum of thirty (30) days advance, written notice given to the
4 County.

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

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

11 F. BOND INSURANCE:

12 Borrower acknowledges as a condition of receiving County HOME funds that
13 the Borrower shall obtain a performance bond and a labor and materials (payment) bond, in the
14 amount of one hundred percent (100%) of the contract sum, prior to the execution of all HOME
15 loan documents and related documents. These bonds shall comply with the requirements of
16 California Civil Code Section 3248. The bonds shall be in recordable form and shall name such
17 parties as indicated by Owner as co-obligees or assignees. Borrower understands and
18 acknowledges that the aforementioned requirements for both bonds are a condition precedent
19 to Borrower's receipt of any County HOME funds and Borrower's failure to procure such bonds
20 shall be considered a material breach of this Agreement.

21 IX. GENERAL REQUIREMENTS AND POLICIES

22 A. LOAN DISBURSEMENT

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

25 2. Disbursement Requests

26 a. The Borrower will submit written requests to the County for loan
27 disbursements to pay actual costs incurred in the performance of this Agreement. Any such
28 request for disbursement from HOME loan funds will be accompanied by a written certification

1 from the Borrower that the request for disbursement is consistent with the amount of work that
2 has been completed and that to the best of the Borrower's knowledge, the work is in accordance
3 with this Agreement.

4 b. Requests for disbursement shall be accompanied by supporting
5 documentation acceptable to the County detailing the items comprising the total sought to be
6 reimbursed, such as invoices or vouchers for services or materials purchased, contractors' costs
7 or other costs chargeable to the Project. After appropriate review and progress inspection, the
8 County shall make disbursements to the Borrower from HOME loan funds provided in this
9 Agreement for all verified eligible costs specified herein. The Project's proposed disbursement
10 schedule is provided in Attachment E to this Agreement, which is incorporated herein by
11 reference. A ten percent (10%) retention of the total loan amount of One Million Dollars
12 (\$1,000,000) will be held back from disbursement for thirty-five (35) days after the Notice of
13 Completion has been filed with the County Recorder's Office. A copy of the Notice of Completion
14 must accompany the request for disbursement of the retained funds.

15 c. All requests for disbursement and supporting documentation shall be
16 sent to:

17 Department of Public Works and Planning
18 Community Development Division
19 Program Manager, Affordable Housing Programs
20 2220 Tulare Street, 6th Floor
21 Fresno, CA 93721

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

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

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

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

17 B. AUDITS

18 The Borrower is required to comply with the provisions of the Single Audit Act
19 of 1984 (31 USC Sections 7501 et seq.), as amended. Whenever the Borrower receives HOME
20 loan funds from the County for a project, a copy of any audit performed by the Borrower in
21 accordance with said Act will be forwarded to the Affordable Housing Programs Manager within
22 nine (9) months of the end of any fiscal year in which loan funds were distributed, borrowed,
23 and/or outstanding for the Project. Failure to perform the requisite audit functions as required by
24 this paragraph may result in the County performing any necessary audit task or, at the County's
25 option, in the County contracting with a public accountant to perform the audit. All audit costs
26 related to the Borrower's failure to perform the requisite audit are the sole responsibility of the
27 Borrower and such audit work costs incurred by the County shall be billed to the Borrower as
28 determined by the County's ACTTC. The Borrower agrees to take prompt and appropriate

1 corrective action on any instance of material non-compliance with applicable laws and
2 regulations.

3 C. INDEMNIFICATION

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

14 D. TIME OF PERFORMANCE

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

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

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

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

26 June 2017

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

28 October 2017

- 1 c. All other funding sources secured by: October 2017
- 2 d. Begin Construction: December 2017
- 3 e. Record Notice of Completion: March 2019
- 4 f. Project leased up: May 2019

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

13 E. BREACH OF AGREEMENT

14 In the event the Borrower fails to comply with any of the terms of this
15 Agreement, the County may, at its option, deem the Borrower's failure to be a material breach of
16 this Agreement and utilize any of the remedies set forth in 24 CFR § 85.43 or that it deems
17 appropriate. Should the County deem a breach of this Agreement to be a material breach; the
18 County will immediately be relieved of its obligations to make further loan disbursements as
19 provided herein. Termination of this Agreement due to breach will not, in any way whatsoever,
20 limit the rights of the County in seeking any other legal relief in a court of law or equity, including
21 the recovery of damages. In addition to the Agreement being terminated by the County in accord
22 with a material breach of this Agreement by the Borrower, the County in accord with 24 CFR §
23 85.44 may also terminate this Agreement for convenience.

24 F. TERMINATION

25 1. Non-Allocation Of Funds: The terms of this Agreement, and the funds
26 provided thereunder, are contingent on the award and/or commitment of funds by HUD to the
27 County, and to the award and/or commitment of funds to the Project by the Sources of Funds
28 identified in Attachment B of this Agreement. Should HUD fail to award County funds, or should

1 the County determine in its sole discretion that sufficient funds have not been allocated by the
2 other sources of funds to complete the development of the sixty (60) units comprising the Project,
3 the County may terminate this Agreement at any time by giving the Borrower thirty (30) days
4 advance written notice, and the Borrower shall promptly repay to the County any and all HOME
5 loan funds previously paid, pursuant to all applicable laws and regulations.

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

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

14 G. VENUE; GOVERNING LAW

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

19 H. INDEPENDENT CONTRACTOR

20 In performance of the work, duties, and obligations assumed by the Borrower
21 under this Agreement, it is mutually understood and agreed that the Borrower, including any and
22 all of the partners, officers, agents and employees, will at all times be acting and performing as
23 an independent contractor, and shall act in an independent capacity and not as an officer, agent,
24 servant, employee, joint venture, partner, or associate of the County. Furthermore, the County
25 shall have no right to control, supervise or direct the manner or method by which the Borrower
26 shall perform its work and function. However, the County shall retain the right to administer this
27 Agreement so as to verify that the Borrower is performing its obligations in accordance with the
28 terms and conditions thereof. The Borrower and the County shall comply with all applicable

1 provisions of law and the rules and regulations, if any, of governmental authorities having
2 jurisdiction over matters of the subject thereof.

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

11 I. MODIFICATION

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

14 J. NON-ASSIGNMENT

15 Neither party shall assign, transfer or sub-contract this Agreement nor their
16 rights or duties under this Agreement without the written consent of the other party. Any transfer
17 or assignment without the County's prior consent shall be voidable and, at the County's sole
18 discretion, shall constitute a material breach of this Agreement. No consent to any assignment
19 shall constitute a further waiver of the provisions of this Section IX, Paragraph J.

20 K. AUTHORIZATION AND NOTICES

21 1. County Authority: The Director of the County's Department of Public
22 Works and Planning, or his duly authorized designee, at his discretion, is hereby authorized to
23 enter into and sign in the name of the County, all loan documents, security documents and other
24 related documents, and any amendments thereto, subject to the prior review and approval of
25 County Counsel and the Auditor-Controller/Treasurer-Tax Collector, as shall be necessary for
26 the purpose of developing the Project as described in Section I of this Agreement. Additionally,
27 in the County's experience, changes in circumstances frequently occur that require a quick
28 response from the County, lest the project and/or its financing fail. In such cases, where the

1 County's response is time-sensitive, the Director, or his duly authorized designee, hereby is
2 authorized, but not required, to consent to the following below-noted matters in the name of the
3 County, subject to the prior review of County Counsel and the Auditor-Controller/Treasurer-Tax
4 Collector: (1) changes to Attachments to this Agreement that do not alter the terms of the
5 Agreement or substantively alter the scope of the Project; (2) non-substantive changes to the
6 scope of the Project, so long as the Director or his designee determines that the Project remains
7 eligible under the Federal HOME regulations; (3) changes of funding sources from those specific
8 other entities named in Attachment B, so long as the Director or his designee determines that
9 the Project remains eligible under the Federal HOME regulations and this Agreement; (4)
10 changes of the specific dollar amounts set forth in Attachment B coming from other entities, or
11 the total thereof, provided the total monies coming from the County under this Agreement does
12 not increase and further provided that the Director or his designee determines that the Project
13 remains viable, is fully funded and eligible under the Federal HOME regulations and this
14 Agreement; (5) to sign subordination documents solely in order to facilitate the placement of
15 permanent financing, and only within the first two years after the Notice of Completion is
16 recorded; and (6) terminate the Agreement if it has been determined that the Borrower is not able
17 to acquire the funds necessary to meet the terms described in the Agreement.

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

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

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- 27 ///
- 28 ///

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County:
County of Fresno
Department of Public Works and Planning
Community Development Division
Attention: Program Manager, Affordable Housing Programs
2220 Tulare Street, 6th Floor
Fresno, CA 93721

Borrower:
Fowler Magill Terrace, LP
c/o Housing Authority of Fresno County, CA
Attention: CEO/Executive Director
1331 Fulton Mall
Fresno, CA 93721

Copy to:
Wells Fargo Community Lending & Investment
333 Market Street, 18th Floor
San Francisco, CA 94105
Attention: Tim McCann

And:
Ballard Spahr, LLP
300 East Lombard Street, 18th Floor
Baltimore, MD 21202-3268
Attention: Teri Guarnaccia

And:
Sidley Austin LLP
One South Dearborn
Chicago, IL 60603
Attention: Fredrick Meyer

And:
Davis Wright Tremaine
865 S. Figueroa Street, Suite 2400
Los Angeles, CA 90017
Attention: Nancy Clapp

L. ENTIRE AGREEMENT

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

M. EFFECTIVE DATE

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

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

2 FOWLER MAGILL TERRACE, LP,
3 A California limited partnership

COUNTY OF FRESNO

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


Brian Pacheco, Chairman
Board of Supervisors

Date: October 17, 2017

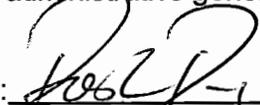
8 Date: 8/22/17

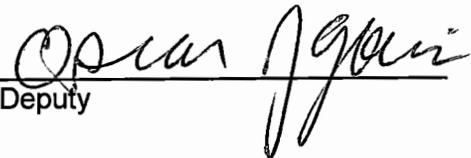
ATTEST: Bernice E. Seidel, Clerk
Board of Supervisors

9 By: 

10
11 FOWLER MAGILL TERRACE AGP, LLC
12 a California limited liability company
13 Its administrative general partner

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

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

By: 
Deputy

17 Date: 8/22/17

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

19 REVIEWED AND RECOMMENDED
20 FOR APPROVAL

By: 
Deputy

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

24 FUND NO: 0001
25 SUBCLASS NO: 10000
26 ORG NO.: 55122008
27 ACCOUNT NO.: 7295

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 (60)

Unit Type	Rent Level	Number of Units	Unit Sq.Ft.	Max HOME Rent	Gross Rent	Utility Allowance	Net Rent
1 Bedroom	30%	1	715	553	331	74	257
1 Bedroom	45%	2	715	553	497	74	423
1 Bedroom	50%	3	715	553	553	74	479
1 Bedroom	60%	2	715	690	663	74	589
2 Bedroom	30%	3	944	663	398	103	295
2 Bedroom	45%	7	944	663	597	103	494
2 Bedroom	50%	9	944	663	663	103	560
2 Bedroom	60%	6	944	862	796	103	693
3 Bedroom	30%	3	1112	766	459	134	325
3 Bedroom	45%	5	1112	766	689	134	555
3 Bedroom	50%	12	1112	766	766	134	632
3 Bedroom	60%	4	1112	994	919	134	785
4 Bedroom	30%	1	1280	855	513	166	347
4 Bedroom	45%	1	1280	855	769	166	603
2 Bedroom	<i>Manager</i>	1	944	N/A	N/A	N/A	N/A
Total		60					

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	30%	1	715	553	331	74	257
1 Bedroom	45%	1	715	553	497	74	423
2 Bedroom	30%	1	944	663	398	103	295
2 Bedroom	45%	1	944	663	597	103	494
2 Bedroom	50%	2	944	663	663	103	560
3 Bedroom	30%	1	1112	766	459	134	325
3 Bedroom	45%	1	1112	766	689	134	555
3 Bedroom	50%	2	1112	766	766	134	632
4 Bedroom	30%	1	1280	855	769	166	603
Total		11					

ATTACHMENT B

Sources and Uses of Funds are anticipated as follows:

Sources of Funds

1.	Construction Loan	\$18,275,596
2.	Housing Authority of Fresno County	\$1,240,000
3.	County of Fresno HOME Loan Funds	\$1,000,000
4.	Housing Relinquished Fund Corp.	\$1,625,000
5.	Developer (Deferred Costs)	\$1,665,839
6.	Housing Authority of Fresno County Capital Fund	\$ 575,000
7.	Tax Credit Equity	\$2,131,826
	Total Sources	\$26,513,261

Uses of Funds:

1.	Acquisition Costs	\$1,570,000
2.	Construction Costs	\$16,837,602
3.	Financing Costs	\$1,293,096
4.	Operating Reserves	\$423,000
5.	Soft Costs and Development Fees	\$6,389,563
	Total Project Cost	\$26,513,261

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

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	\$12,600	\$21,000	\$25,200	\$27,250	\$33,550
2	\$14,400	\$24,000	\$28,800	\$31,150	\$38,350
3	\$16,200	\$27,000	\$32,400	\$35,050	\$43,150
4	\$17,950	\$29,950	\$35,940	\$38,910	\$47,900
5	\$19,400	\$32,350	\$38,820	\$42,040	\$51,750
6	\$20,850	\$34,750	\$41,700	\$45,170	\$55,600
7	\$22,300	\$37,150	\$44,580	\$48,260	\$59,400
8	\$23,700	\$39,550	\$47,460	\$51,390	\$63,250
	Check Box If Above \$63,250				

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

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: _____

SECTION 3 BUSINESS UTILIZATION REPORT

Project No. : _____

Total Dollar Amount of Contract: \$ _____

Federal ID No. : _____

Address: _____

Name of Prime Contractor:

Name of Subcontractor	Sec 3 Y/N	Address/Telephone	Trade/Service or Supply	Contract Amount	Award Date	Competitive or Negotiated Bid	Federal Identification No.

Total Dollar Amount Awarded to Section 3 Businesses:
\$ _____

Company _____

NOTE: This report must be completed and submitted by the Contractor (monthly) with each payment request.

Project _____

Project Number _____

Date

Person Completing Form

ATTACHMENT D

U.S. DEPARTMENT OF HUD 04/2017
STATE:CALIFORNIA 2017
Fresno, CA MSA

2017 HOME PROGRAM RENTS

PROGRAM	Efficiency	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Low HOME Rent Limit	525	562	675	778	868	958	1048
High HOME Rent Limit	670	709	887	1065	1169	1271	1373

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

Fowler Magill Terrace

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
	Total Amounts	\$1,000,000	\$100,000	\$900,000
	Retention Amount (pay at the end of construction)			\$100,000

ATTACHMENT F

Fowler Magill Terrace

PROJECT TIMELINE	
ACTION	PROPOSED DATE
TCAC Application Award	June 2017
Building Permits	
Loan Documents	October 2017
Construction Start	December 2017
Market Units	December 2018
Construction Complete	March 2019
Lease Up Complete	May 2019
Permanent Loan Closing	December 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).

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