

HOME AGREEMENT

THIS HOME AGREEMENT ("Agreement") is made this 1st day of March, 2016, by and between the COUNTY OF FRESNO, a political subdivision of the State of California (hereinafter the "County") and Shockley Terrace, LP, consisting of Silvercrest Inc., a California non-profit public benefit corporation, as the Managing General Partner and Shockley Terrace 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.

WITNESSETH

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, Shockley Terrace (hereinafter "Project") that will be affordable to very-low to low-income households; and

WHEREAS, the Borrower has requested a loan of Seven Hundred Thousand Dollars (\$700,000) 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

1 WHEREAS, the County has Seven Hundred Thousand Dollars (\$700,000)
2 available from its Federal HOME grant funds to loan to the Borrower for the Project;
3 and

4 WHEREAS, the County has determined the Borrower has the capacity to
5 develop the Project and the Project has been determined to meet HOME requirements
6 for funding; and

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

11 WHEREAS, the total estimated Project cost is Fourteen Million, Five Hundred
12 Fifty-Five Thousand, Nine Hundred Fifty-Six Dollars (\$14,555,956), and the Borrower
13 has or will obtain other funding commitments apart from the County HOME loan to
14 complete the financing for the Project; and

15 WHEREAS, the Project is consistent with the County's Consolidated Plan and
16 the City of Selma General Plan.

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

19 I. PROJECT DESCRIPTION, LOCATION, SECURITY, BUILDING
20 REQUIREMENTS AND BUDGET

21 A. DESCRIPTION:

22 1. The Project consists of the development of a forty-eight (48) unit
23 multi-family rental housing project of which eleven (11) units shall be HOME-assisted
24 and shall satisfy HOME occupancy requirements for no less than the required HOME
25 Period of Affordability. The Period of Affordability will be twenty (20) years beginning
26 on the date the Project is completed and closed in HUD's Integrated Disbursement &
27 Information System (IDIS). The Project includes a mix of one (1), two (2), three (3) and
28 four (4)-bedroom units.

1 2. The Project will provide new rental housing units that will be
2 affordable to households earning no more than sixty percent (60%) of AMI for Fresno
3 County, as reported annually by HUD. These units will have rents, including any
4 tenant-paid utilities, at or below the HOME rent limits for the duration of the Period of
5 Affordability. The Project shall meet the requirements of 24 CFR § 92.252 relating to
6 rent limitations.

7 3. Attachment A to this Agreement, which is incorporated herein by
8 reference, provides a detailed breakdown of the Project unit mix for the forty-eight (48)
9 units including the two (2) one-bedroom units, four (4) two-bedroom units and five (5)
10 three-bedroom units that will be HOME-assisted units for a total of eleven (11) HOME-
11 assisted units. Affordability for the eleven (11) HOME-assisted units must follow the
12 AMI and the Rents for Fresno County, as reported annually by HUD, as described in
13 Attachment A. All eleven (11) units shall float within the Project as necessary to ensure
14 compliance with the HOME rent and occupancy requirements. The eleven (11) HOME-
15 assisted units must at minimum be the approximate square footage designated or
16 larger.

17 B. LOCATION:

18 The Project will be developed on an approximately 4.36 acre site
19 located at the south side of Peach Street between Locust Street and Olive Street in
20 Selma, CA 93662 (the "Property") and will consist of six (6) one-story and two-story
21 residential structures.

22 C. SECURITY:

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

1 D. BUILDING REQUIREMENTS:

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

6 2. Rental Housing Quality Standards: The Project shall meet the
7 requirements of 24 CFR § 92.251 relating to property standards and all applicable local
8 housing code requirements for the duration of this Agreement and any modifications or
9 amendments or successor agreements thereto.

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

14 E. BUDGET:

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

19 2. The total preliminary Project budget estimate is \$14,555,956. The
20 proposed work to be funded with County HOME loan funds for the development of the
21 forty-eight (48) multi-family rental housing units in the Project is as follows:

22 Expenses to be paid with HOME loan funds:

23 Construction Costs \$700,000

24 TOTAL HOME loan funds \$700,000

25 Notwithstanding the estimates described in the above preliminary Project budget,
26 disbursements for the eleven (11) HOME-assisted units in the Project from HOME loan
27 funds will be based on the actual costs and shall not exceed the total amount of
28 \$700,000. Disbursement of HOME funds is subject to approval and execution of loan,

1 security, and related documents acceptable to the County, in its sole discretion.

2 F. FUNDING:

3 1. Notwithstanding any other provision of this Agreement, the parties
4 hereto agree and acknowledge that this Agreement does not constitute a commitment
5 of loan funds or site approval, and that such "commitment of loan funds" or approval
6 may occur only upon satisfactory completion of the environmental review and receipt
7 by the County of a Release of Funds from the U.S. Department of Housing and Urban
8 Development under 24 CFR § 58. In addition, no commitment of loan funds will be
9 made until all requirements contained in this Agreement or any other loan, security or
10 other related documents are met by the Borrower as determined by the County. The
11 parties further agree that the loan of any funds to the Project is conditioned upon the
12 County's determination to proceed with, modify or cancel the Project based on the
13 results of the Project's environmental review as specified in Section III of this
14 Agreement. The County will give written notification to the Borrower when these
15 requirements have been met.

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

26 G. CHANGES TO PROJECT:

27 The Borrower will give written notification to the County Department
28 of Public Works and Planning, Community Development Division of any event that

1 changes the scope of the Project and/or the funding sources. The Director of the
2 Department of Public Works and Planning, or his designee, at his discretion, is
3 authorized to permit minor changes to the scope of the Project and/or the funding
4 sources, provided the Director or his designee determines that such changes do not
5 substantively alter the scope of the Project, the maximum amount of HOME loan funds
6 allocated to the Project or the Project's eligibility under the Federal HOME regulations,
7 as more fully set forth in Section IX, Paragraph K of this Agreement.

8 II. OBLIGATIONS OF THE COUNTY

9 A. FUNDING:

10 The County shall reserve up to, but not more than, Seven Hundred
11 Thousand Dollars (\$700,000) from the County's allocation of Federal HOME Program
12 funds for the Project. All funds will be paid to the Borrower, in accordance with Section
13 IX, Paragraph A of this Agreement, subject to the requirements of all applicable Federal
14 and State statutory and regulatory requirements. Notwithstanding changes in the
15 funding sources and amounts identified in Attachment B, disbursements for the Project
16 from HOME Program funds will be contingent upon the County's receipt, review and
17 approval of highly reliable evidence acceptable to County in its sole discretion that the
18 Borrower has obtained or will obtain all funding to meet the Project development costs.
19 Evidence may include, but not be limited to funding commitments and/or loan
20 documentation from other lenders and/or documents regarding tax credit allocation
21 commitments.

22 B. LOAN DOCUMENTS:

23 1. Promissory Note: The County will prepare a Promissory Note for
24 execution by the Borrower in a form and content acceptable to the County, in the
25 County's sole discretion. Said Promissory Note will set forth the terms and conditions
26 and plan for repayment of the \$700,000 HOME loan and other fees or charges,
27 including but not limited to liquidated damages, if applicable. HOME loan funds shall
28 be utilized to assist with the construction of eleven (11) units in the forty-eight (48) unit

1 affordable rental housing complex. In addition to the Promissory Note, HOME loan
2 funds shall be secured with a Deed of Trust recorded against the property, and other
3 required security instruments, as described more fully below.

4 2. Deed of Trust: County shall record against the property a Deed of
5 Trust for the County HOME loan in a form and content acceptable to the County. Said
6 Deed of Trust will be recorded for the purpose of securing repayment of the Seven
7 Hundred Thousand Dollars (\$700,000) loan, and will name the County of Fresno, a
8 political subdivision of the State of California, as beneficiary. Said Deed of Trust will be
9 in third lien position during construction and in second lien position after construction
10 (unless the County provides written approval for a lesser lien position) until the Note
11 described in this Section II is fully repaid.

12 3. HOME Regulatory Agreement and Declaration of Restrictive
13 Covenants: The County will record a HOME Regulatory Agreement and Declaration of
14 Restrictive Covenants signed by the Borrower in a form and content acceptable to the
15 County. Said Regulatory Agreement will impose the requirements of the HOME
16 Investment Partnerships Program as set forth in the Code of Federal Regulations (24
17 CFR Parts 91 and 92) for the eleven (11) HOME-assisted units.

18 C. LABOR COMPLIANCE:

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

24 The County shall be provided at least ten (10) days notice of and
25 shall attend the pre-construction meeting between the Borrower and any project or
26 construction management company contracting with the Borrower (whether those
27 construction contractors are contracting directly with the Borrower or indirectly through
28 the Borrower's project or construction management company) to discuss labor

1 compliance requirements for the Project. The County may monitor Project records and
2 conduct field reviews to ensure that labor compliance and other conditions of the
3 contract have been met.

4 D. RENT REQUIREMENTS AND AFFORDABILITY:

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

9 2. The County shall annually review information provided by the
10 Borrower for the eleven (11) HOME-assisted units and shall periodically conduct on-
11 site inspections to ensure compliance with the affordability requirements of 24 CFR §
12 92.252 and 92.504(d), the tenant and participant protection requirements of 24 CFR §
13 92.253 and compliance with the terms of this Agreement, including but not limited to
14 tenants' income, rents, property standards, and other HOME rental requirements during
15 the Project's Period of Affordability. The County shall provide the Borrower with the
16 approved method for determining income-eligibility. The County requires HUD's Part 5
17 definition of annual income as defined in 24 CFR § 5.609 be used to determine initial
18 eligibility, which shall be used on an annual basis to recertify tenant incomes during the
19 Period of Affordability. Source documentation is required for recertification every year
20 of the Period of Affordability. The County will maintain a record of inspections in its
21 Project file and will provide copies to Borrower upon request.

22 III. PROJECT SUBJECT TO ENVIRONMENTAL CLEARANCE and
23 RELEASE OF FUNDS

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

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

4 IV. OBLIGATIONS OF THE BORROWER

5 A. FUNDING:

6 1. The Borrower hereby certifies the authenticity and accuracy of the
7 information provided to the County with regards to the fiscal soundness of the Borrower
8 and Borrower's capacity to undertake the proposed Project. The Borrower further
9 certifies that it has examined the Project neighborhood market conditions and
10 determined there is adequate need for the Project.

11 2. The Borrower will provide any and all sums of money in excess of
12 Seven Hundred Thousand Dollars (\$700,000) that may be necessary to complete the
13 Project. Prior to disbursement of County HOME loan funds, the Borrower shall secure
14 or obtain firm commitments from other funding sources for any and all sums of money
15 in excess of Seven Hundred Thousand Dollars (\$700,000) that may be necessary to
16 complete the Project. The Borrower will provide evidence of such commitments of
17 funds satisfactory to the County, as specified in Section I, Paragraph F-2 of this
18 Agreement. The failure to secure all sums of money in excess of Seven Hundred
19 Thousand Dollars (\$700,000) that may be necessary to complete the Project shall be
20 deemed a material breach of this Agreement as discussed in Section IX, Paragraph E
21 of this Agreement.

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

27 4. The Borrower will provide matching funds of at least One Hundred
28 Seventy-Five Thousand Dollars (\$175,000) (i.e., twenty-five percent (25%) of the

County's HOME loan) to the Project from other non-Federal sources in accordance with 24 CFR § 92.220. The Borrower shall obtain a letter from the County specifying that the conditions of this Section have been met.

B. DEVELOPMENT:

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

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

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

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

5. Prior to award of contracts, the Borrower will furnish the name of the general contractor to the County so that the County can verify with the HUD Labor

1 Relations Division that the general contractor has not been debarred or suspended
2 from participating in Federal projects.

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

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

16 8. Prior to the start of construction, the Borrower will secure all
17 required permits from the City of Selma. The Borrower will provide to the County
18 copies of all such permits.

19 9. The Borrower shall comply with the mitigation measures and
20 conditions identified in Environmental Assessment No. 7034, which is incorporated
21 herein by reference.

22 C. DISBURSEMENT:

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

27 2. In the event that the total Project cost is less than the current
28 estimated total Project cost of Fourteen Million, Five Hundred Fifty-Five Thousand,

1 Nine Hundred Fifty-Six Dollars (\$14,555,956), the Borrower will notify the County of
2 such savings. The County may then, at its sole discretion, reduce the County's
3 contribution in direct proportion to the percentage of savings.

4 D. LOAN DOCUMENTS:

5 1. Prior to execution of the County's loan documents, the Borrower
6 shall submit to the County all loan documents and related security documents, and any
7 and all other related documents, and any amendments thereto, including any required
8 deed restrictions from other funding sources.

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

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

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

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

25 E. PAYMENT FOR MONITORING/ATTORNEY FEES

26 1. Annual HOME Monitoring Fee: The Partnership shall pay to the
27 County an annual fee to cover the County's actual costs of monitoring the Project
28 during the Period of Affordability. The Annual HOME Monitoring Fee shall be in an

1 amount reflecting the County's actual costs of monitoring, oversight and physical
2 inspection of the Project, in an amount not to exceed \$5,000 per annum, beginning on
3 the date the Project receives certificates of occupancy and increasing each year
4 thereafter by three percent (3%).

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

9 F. COMPLIANCE:

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

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

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

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

1 increases and a 30-day eviction notice.

2 5. The Borrower will not be required to lower rents below the HOME
3 rent limits in effect at the time of this Agreement for the eleven (11) HOME-assisted
4 units, but must submit requests for rent increases to the County and receive County's
5 approval of same before implementing higher rents. HUD's 2015 Rent Limits are listed
6 in Attachment D to this Agreement, which is incorporated herein by reference. The
7 Borrower agrees to conduct income determinations utilizing HUD's Part 5 definition of
8 annual income, to certify tenant income eligibility before renting units to tenant
9 applicants, and to recertify tenant household income annually.

10 6. The Borrower agrees to comply with the requirements of 24 CFR §
11 92.252 and will maintain the correct number of high and low HOME rent units and
12 adjust rents accordingly for tenants whose incomes rise above eighty percent (80%) of
13 the AMI.

14 7. The Borrower will comply with all Federal regulations (including,
15 but not limited to: 24 CFR Parts 91, 92 and 135) governing the use of HOME funds with
16 Low Income Housing Tax Credits (LIHTC) and 24 CFR Parts 91 and 92, and
17 specifically Sections 92.203 Income Determinations, 92.205 Eligible Activities-General,
18 92.206 Eligible Project Costs, 92.207 Eligible Administrative and Planning Costs,
19 92.214 Prohibited Activities, 92.216 Income Targeting: Tenant Based Rental
20 Assistance and Rental Units, Sec. 92.250 Maximum Per-Unit Subsidy Amount and
21 Subsidy Layering, 92.253 Tenant and Participant Protections, 92.255 Converting
22 Rental Units to Homeownership Units for Existing Tenants, 92.350 Other Federal
23 Requirements and Nondiscrimination, 92.351 Affirmative Marketing; Minority Outreach
24 Program, 92.353 Displacement, Relocation, and Acquisition, 92.356 Conflict of Interest,
25 92.503 Program Income, Repayments, and Recaptured Funds, 92.505 Applicability of
26 Uniform Administrative Requirements and 92.354 Labor Provisions; Borrower to
27 comply with all prevailing wage requirements, as they may apply. Borrower to provide
28 access to all original documents and provide copies as requested by the County and

1 HUD.

2 V. CONFORMANCE WITH APPLICABLE LAWS AND REGULATIONS

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

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

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

20 VI. PERFORMANCE STANDARDS:

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

23 A. The property will be adequately maintained to meet the required
24 property standards; and

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

27 VII. FINANCIAL RECORDS REQUIREMENTS:

28 Within nine (9) months after the end of the County's Fiscal Year in which

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

7 VIII. INSURANCE

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

11 A. PROPERTY INSURANCE:

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

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

27 B. COMMERCIAL GENERAL LIABILITY INSURANCE:

28 Commercial General Liability Insurance with limits of not less than

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

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

16 C. AUTOMOBILE LIABILITY INSURANCE:

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

23 D. PROFESSIONAL LIABILITY INSURANCE:

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

28 ///

1 E. WORKER'S COMPENSATION INSURANCE:

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

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

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

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

25 F. BOND INSURANCE:

26 Borrower acknowledges as a condition of receiving County HOME
27 funds that the Borrower shall obtain a performance bond and a labor and materials
28 (payment) bond, in the amount of 100% of the contract sum, prior to the execution of all

HOME loan documents and related documents. These bonds shall comply with the requirements of California Civil Code Section 3248. The bonds shall be in recordable form and shall name such parties as indicated by Owner as co-obligees or assignees. Borrower understands and acknowledges that the aforementioned requirements for both bonds are a condition precedent to Borrower's receipt of any County HOME funds and Borrower's failure to procure such bonds shall be considered a material breach of this Agreement.

IX. GENERAL REQUIREMENTS AND POLICIES

A. LOAN DISBURSEMENT

1. Amount: The total amount of HOME funds available to be loaned for the Project shall not exceed the total sum of Seven Hundred Thousand Dollars (\$700,000).

2. Disbursement Requests

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

b. Requests for disbursement shall be accompanied by supporting documentation acceptable to the County detailing the items comprising the total sought to be reimbursed, such as invoices or vouchers for services or materials purchased, contractors' costs or other costs chargeable to the Project. After appropriate review and progress inspection, the County shall make disbursements to the Borrower from HOME loan funds provided in this Agreement for all verified eligible costs specified herein. The Project's proposed disbursement schedule is provided in Attachment E to this Agreement, which is incorporated herein by reference. A ten percent (10%) retention of the total loan amount of Seven Hundred Thousand Dollars (\$700,000) will

1 be held back from disbursement for thirty-five (35) days after the Notice of Completion
2 has been filed with the County Recorder's Office. A copy of the Notice of Completion
3 must accompany the request for disbursement of the retained funds.

4 c. All requests for disbursement and supporting documentation
5 shall be sent to:

6 Department of Public Works and Planning
7 Community Development Division
8 Manager, Affordable Housing Programs
2220 Tulare Street, 6th Floor
Fresno, CA 93721

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

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

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

24 5. Generally Accepted Accounting Principles: The Borrower will
25 establish accounting and bookkeeping procedures in accordance with Generally
26 Accepted Accounting Principles (GAAP) and standard bookkeeping practices,
27 including, but not limited to, employee timecards, payrolls and other records of all
28 transactions to be paid with HOME loan funds in accordance with the performance of

1 this Agreement. All records and accounts will be available for inspection by the
2 County, the State of California, the Federal government and if applicable, the
3 Comptroller General of the United States or any of their duly authorized
4 representatives, at all reasonable times for a period of at least five (5) years following
5 the term of this Agreement or the closure of all other related pending matters,
6 whichever is later. The Borrower will certify accounts when required or requested by
7 the County.

8 B. AUDITS

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

23 C. INDEMNIFICATION

24 The Borrower will indemnify, save, hold harmless, and at the
25 County's request, defend the County, its partners, officers, agents, and employees from
26 and against any and all costs and expenses, damages, liabilities, claims and losses
27 whatsoever occurring or resulting to the County in connection with the performance, or
28 failure to perform, by the Borrower, its partners, officers, agents, employees, or any

1 persons, firms, or corporations furnishing or supplying work, services, materials, or
2 supplies in connection with the performance of this Agreement, and from any and all
3 claims and losses occurring or resulting to any person, firm, or corporation who may be
4 injured or damaged, including damage, injury, or death arising out of or connected with
5 the performance, or failure to perform, of the Borrower, its partners, officers, agents or
6 employees under this Agreement.

7 D. TIME OF PERFORMANCE

8 1. The term of this Agreement will commence on the date upon which
9 this Agreement is executed by the County and will expire when the Period of
10 Affordability ends twenty (20) years after the date the Project is completed and closed
11 in IDIS, or when the loan of Seven Hundred Thousand Dollars (\$700,000) and such
12 other amounts, including but not limited to liquidated damages, if applicable, as set
13 forth in the Promissory Note, have been repaid and the Deed of Trust has been
14 reconveyed, whichever is later.

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

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

19 a. Award of Tax Credit Allocation Committee (TCAC) funding: July
20 2015

21 b. Provide all necessary documents to execute loan documents
22 by: January 2016

23 c. All other funding sources secured by: March 2016

24 d. Begin Construction: March 2016

25 e. Record Notice of Completion: March 2017

26 f. Project leased up: June 2017

27 1. The Borrower will give immediate written notification to the Director
28 of the County Department of Public Works and Planning, or his designee, of any events

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

8 E. BREACH OF AGREEMENT

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

20 F. TERMINATION

21 1. Non-Allocation Of Funds: The terms of this Agreement, and the
22 funds provided thereunder, are contingent on the award and/or commitment of funds by
23 HUD to the County, and to the award and/or commitment of funds to the Project by the
24 Sources of Funds identified in Attachment B of this Agreement. Should HUD fail to
25 award County funds, or should the County determine in its sole discretion that sufficient
26 funds have not been allocated by the other sources of funds to complete the
27 development of the forty-eight (48) units comprising the Project, the County may
28 terminate this Agreement at any time by giving the Borrower thirty (30) days advance

1 written notice, and the Borrower shall promptly repay to the County any and all HOME
2 loan funds previously paid, pursuant to all applicable laws and regulations.

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

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

12 G. VENUE; GOVERNING LAW

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

17 H. INDEPENDENT CONTRACTOR

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

1 authorities having jurisdiction over matters of the subject thereof.

2 Because of its status as an independent contractor, the Borrower
3 shall have absolutely no right to employment rights and benefits available to County
4 employees. The Borrower shall be solely liable and responsible for providing to, or on
5 behalf of, its employees all legally required employee benefits. In addition, the
6 Borrower shall be solely responsible and save the County harmless from all matters
7 relating to payment of the Borrower's employees, including compliance with Social
8 Security withholding, and all other laws and regulations governing such matters. It is
9 acknowledged that during the term of this Agreement, the Borrower may be providing
10 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
13 by the 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
16 nor their rights or duties under this Agreement without the written consent of the other
17 party. Any transfer or assignment without the County's prior consent shall be voidable
18 and, at the County's sole discretion, shall constitute a material breach of this
19 Agreement. No consent to any assignment shall constitute a further waiver of the
20 provisions of this Section IX, Paragraph J.

21 K. AUTHORIZATION AND NOTICES

22 1. County Authority: The Director of the County's Department of
23 Public Works and Planning, or his duly authorized designee, at his discretion, is hereby
24 authorized to enter into and sign in the name of the County, all loan documents,
25 security documents and other related documents, and any amendments thereto,
26 subject to the prior review and approval of County Counsel and the Auditor-
27 Controller/Treasurer-Tax Collector, as shall be necessary for the purpose of developing
28 the Project as described in Section I of this Agreement. Additionally, in the County's

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

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

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

County:

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

Borrower:

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

Copy to:

U.S. Bancorp Community Development Corporation
1307 Washington Avenue, Suite 300
Mail Code: SL MO RMCD
St. Louis, MO 63103
Attention: Director of LIHTC Asset Management

And:

Kutak Rock LLP
1650 Farnam Street
Omaha, NE 68102
Attention: Jill Goldstein

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.

N. DISCLOSURE OF SELF-DEALING TRANSACTIONS

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

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

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

3 SHOCKLEY TERRACE, LP,
4 A California limited partnership

COUNTY OF FRESNO

5 By: Tracewell Hanrahan
6 Tracewell Hanrahan, Treasurer
7 Silvercrest, Inc.,
8 a California non-profit public benefit
9 corporation,
10 Its Managing General Partner

Ernest Buddy Mendes
Ernest Buddy Mendes, Chairman
Board of Supervisors

Date: March 1, 2016

11 Date: 1/14/16

ATTEST: Bernice E. Seidel, Clerk
Board of Supervisors

By: Rosa Cuyt, Deputy

12 SHOCKLEY TERRACE AGP, LLC
13 a California limited liability company
14 Its administrative general partner

APPROVED AS TO ACCOUNTING
FORM

Vicki Crow, C.P.A.
Auditor-Controller/ Treasurer -Tax

15 By: Tracewell Hanrahan
16 Tracewell Hanrahan
17 Deputy Executive Director
18 Housing Authority of Fresno County,
19 California,
20 a public body corporate and politic,
21 Its sole member and manager

By: Vicki Crow
Deputy

22 Date: 1/14/16

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

23 REVIEWED AND RECOMMENDED
24 FOR APPROVAL

By: James J. Brown
Deputy

25 By: Alan Weaver
26 Alan Weaver, Director
27 Department of Public Works and
28 Planning

FUND NO: 0001
SUBCLASS NO: 10000
ORG NO.: 55122008
ACCOUNT NO.: 7400

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	Project Gross Rent	Project Utility Allowance	Project Net Rent
1 Bedroom	45%	3	714	543	482	50	432
1 Bedroom	50%	1	714	543	535	50	485
1 Bedroom	55%	4	714	676	570	50	520
2 Bedroom	30%	2	948-1018	652	391	68	323
2 Bedroom	45%	6	948-1018	652	583	68	515
2 Bedroom	50%	4	948-1018	652	638	68	570
2 Bedroom	55%	5	948-1018	826	711	68	643
2 Bedroom	60%	4	948-1018	826	775	68	707
3 Bedroom	30%	2	1100-1164	753	453	86	367
3 Bedroom	45%	3	1100-1164	753	675	86	589
3 Bedroom	50%	5	1100-1164	753	749	86	663
3 Bedroom	55%	2	1100-1164	945	823	86	737
3 Bedroom	60%	4	1100-1164	945	897	86	811
4 Bedroom	30%	1	1277	840	520	103	417
4 Bedroom	55%	1	1277	1035	933	103	830
2 Bedroom	Manager	1	986	N/A	N/A	N/A	N/A
Total		48					

MAXIMUM HOME ALLOWABLE RENT

HOME UNITS (11)

Unit Type	Rent Level	Number of Units	Unit Sq. Ft.	HOME Gross Rent	Project Gross Rent	Project Utility Allowance*	Project Net Rent
1 Bedroom	45%	1	714	543	482	50	432
1 Bedroom	50%	1	714	543	535	50	485
2 Bedroom	30%	1	948-1018	652	391	68	323
2 Bedroom	45%	2	948-1018	652	583	68	515
2 Bedroom	55%	1	948-1018	826	711	68	643
3 Bedroom	30%	1	1100-1164	753	453	86	367
3 Bedroom	45%	2	1100-1164	753	675	86	589
3 Bedroom	50%	2	1100-1164	753	749	86	663
Total		11					

ATTACHMENT B

Sources and Uses of Funds are anticipated as follows:

Sources of Funds

1.	Construction Loan	\$9,742,630
2.	Housing Authority of Fresno County	\$1,150,000
3.	County of Fresno HOME Loan Funds	\$700,000
4.	Housing Authority of Fresno County Capital Fund	\$587,489
5.	Housing Relinquished Fund Corp.	\$100,000
6.	Developer (Deferred Costs)	\$1,075,737
7.	General Partner	100
8.	Tax Credit Equity	\$1,200,000
	Total Sources	\$14,555,956

Uses of Funds:

1.	Acquisition Costs	\$1,150,000
2.	Construction Costs	\$9,999,786
3.	Financing Costs	\$728,109
4.	Operating Reserves	\$144,513
5.	Soft Costs and Development Fees	\$2,533, 548
	Total Project Cost	\$14,555,956

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	\$11,950	\$19,950	\$23,940	\$25,870	\$31,850
2	\$13,650	\$22,800	\$27,360	\$29,570	\$36,400
3	\$15,350	\$25,650	\$30,780	\$33,270	\$40,950
4	\$17,050	\$28,450	\$34,140	\$36,960	\$45,500
5	\$18,450	\$30,750	\$36,900	\$39,930	\$49,150
6	\$19,800	\$33,050	\$39,660	\$42,900	\$52,800
7	\$21,150	\$35,300	\$42,360	\$45,860	\$56,450
8	\$22,550	\$37,600	\$45,120	\$48,830	\$60,100
Check Box If Above \$60,100					

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 Contracts / Subcontracts Breakdown

Type of Contract (Business or Profession)	Total Number	Total Approx. Dollar Amount	Estimated No. of Contracts to Section 3 Businesses	Estimated Dollar Amount to Sec. 3 Businesses

NOTE: This document is to be submitted by the Contractor with bid documents

Company

Project

Project Number

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 03/2015
STATE: CALIFORNIA 2015
Fresno, CA MSA

2015 HOME PROGRAM RENTS

PROGRAM	Efficiency	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Low HOME Rent Limit	507	543	652	753	840	926	1013
High HOME Rent Limit	640	676	826	945	1035	1123	1212
For Information Only: Fair Market Rent	649	676	853	1199	1399	1609	1819
50% Rent Limit	507	543	652	753	840	926	1013
65% Rent Limit	640	687	826	945	1035	1123	1212

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

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)	\$175,000	\$17,500	\$157,500
3.	25% of Total Loan Amount	\$175,000	\$17,500	\$157,500
4.	25% of Total Loan Amount	\$175,000	\$17,500	\$157,500
5.	25% of Total Loan Amount	\$175,000	\$17,500	\$157,500
	Total Amounts	\$700,000	\$70,000	\$630,000
	Retention Amount (Pay at the end of construction)			\$70,000

ATTACHMENT F

PROJECT TIMELINE	
ACTION	PROPOSED DATE
Site Control	
All City Planning Approvals	July 2015
TCAC Application Submitted	July 2015
Construction Loan Commitment	June 2015
Developer Application to County	October 2015
TCAC Application Award	September 2015
Finance Structuring Conference Calls	January – February 2016
Final Construction Loan Docs to County for Review	
Building Permits	February 2016
Construction Start	March 2016
Market Units	January 2017
Construction Complete	March 2017
Lease Up Complete	June 2017
Permanent Loan Closing	June 2018