

HOME AGREEMENT

THIS HOME AGREEMENT ("Agreement") is made this 5th day of November, 2019, by and between the COUNTY OF FRESNO, a political subdivision of the State of California ("County") whose address is 2220 Tulare Street, 6th Floor, Fresno CA 93721 and Kingsburg Linnaea Villas, LP, a California limited partnership consisting of Silvercrest, Inc., a California non-profit corporation, as the Managing General Partner and Kingsburg Linnaea Villas AGP, LLC, a California limited liability company, as the Administrative General Partner ("Borrower" or "Partnership"), whose address is 1331 Fulton Street, 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;

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;

WHEREAS, the Borrower has applied to the County for HOME funds to assist with the development of an affordable senior apartment complex, Linnaea Villas ("Project"), which will be affordable to very-low to low-income households;

WHEREAS, the Borrower requested a loan of One Million Dollars (\$1,000,000) from the County of Fresno HOME Program to assist with the construction of the Project, a forty-seven unit (47) rental housing development, of which six (6) units will be unrestricted income units, and forty-one (41) units will be restricted, and affordable to very low and low-income persons, with eleven (11) units of the forty-one (41) affordable units funded by, and subject to, the County's Federal HOME funds ("HOME-assisted");

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

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

1 WHEREAS, the Project will increase the supply of affordable rental housing units in Fresno
2 County for households earning no more than eighty percent (80%) of the Area Median Income (AMI), as
3 reported annually by the U.S. Department of Housing and Urban Development (HUD);

4 WHEREAS, the total estimated Project cost is Twenty-One Million, Nine Hundred Nineteen
5 Thousand, Four Hundred Eight Dollars (\$21,919,408), and the Borrower has, or will obtain, other funding
6 commitments apart from the County HOME loan to complete the financing for the Project; and

7 WHEREAS, the Project is consistent with the County's Consolidated Plan and the City of
8 Kingsburg General Plan.

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

11 I. PROJECT DESCRIPTION, LOCATION, SECURITY, BUILDING REQUIREMENTS AND
12 BUDGET

13 A. DESCRIPTION:

14 1. The Project consists of the acquisition and construction of forty-seven (47) new
15 senior rental housing units, of which six (6) units will be unrestricted income units, and forty-one (41) units
16 will be restricted, and affordable to very low and low-income households. The Project will result in the
17 construction of a total of forty-seven (47) new senior rental housing units, of which eleven (11) units shall
18 be HOME-assisted, and shall satisfy HOME occupancy requirements for no less than the required HOME
19 Period of Affordability ("Period of Affordability"). The Period of Affordability will be twenty (20) years,
20 beginning on the date the Project is completed and closed in HUD's Integrated Disbursement &
21 Information System (IDIS). The Project's HOME-assisted units include a mix of eight (8) 1-bedroom units,
22 and three (3) 2-bedroom units.

23 2. The Project will provide new rental housing units that will be affordable to
24 households earning no more than eighty percent (80%) of AMI for Fresno County, except six (6) units
25 that will be unrestricted, as reported annually by HUD. The eleven (11) HOME-assisted units will have
26 rents, including any tenant-paid utilities, at or below the HOME Rent limits for the duration of the Period
27 of Affordability. The Project shall meet the requirements of 24 CFR § 92.252, relating to rent limitations.

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3. Attachment A to this Agreement, which is incorporated by this reference, provides a detailed breakdown of the Project unit mix for the forty-seven (47) units; this includes the eleven (11) HOME-assisted units, composed of eight (8) 1-bedroom units, and three (3) 2-bedroom units. Affordability for the eleven (11) HOME-assisted units must follow the AMI and the Rents for Fresno County, as reported annually by HUD, and as described in Attachment A. All eleven (11) units shall float within the Project as necessary to ensure compliance with the HOME Rent and occupancy requirements. The eleven (11) HOME-assisted units must at a minimum be the approximate square footage designated, or larger.

B. LOCATION:

The Project site currently consists of 4.84 gross acres; on which approximately 3.5 net acres will be developed after street dedications are complete. The site located at the southwest corner of Sierra Street and Madsen Avenue in Kingsburg, CA (the "Property") and will consist of one (1) 1-story residential structure, one (1) 2-story residential structure, and one (1) 1-story community center.

C. SECURITY:

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

D. BUILDING REQUIREMENTS:

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

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

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

E. BUDGET:

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

2. The total preliminary Project budget estimate is \$21,919,408. The proposed work to be funded with County HOME loan funds for the development of the eleven (11) senior rental housing units in the Project is as follows:

Expenses to be paid with HOME loan funds:

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

F. FUNDING:

1. Notwithstanding any other provision of the Agreement, the parties hereto agree and acknowledge that this Agreement does not constitute a commitment of loan funds or site approval, and that such "commitment of loan funds" or approval may occur only upon satisfactory completion of the environmental review of the Project, and receipt by the County of a Release of Funds from HUD under 24 CFR § 58. In addition, no commitment of loan funds will be made until all requirements contained in this Agreement or any other loan, security, or other related documents are met by the Borrower, as determined by the County. The parties further agree that the loan of any funds to the Project is conditioned upon the County's determination to proceed with, modify, or cancel the Project based on the

1 results of the Project's environmental review, as specified in Section III of this Agreement. The County
2 will give written notification to the Borrower when these requirements have been met.

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

11 G. CHANGES TO PROJECT:

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

20 II. OBLIGATIONS OF THE COUNTY

21 A. FUNDING:

22 The County shall reserve up to, but not more than, One Million Dollars (\$1,000,000)
23 from the County's allocation of Federal HOME Program funds for the Project. All funds will be paid to the
24 Borrower in accordance with Section IX, (A) of this Agreement, subject to the requirements of all
25 applicable Federal and State statutory and regulatory requirements. Notwithstanding changes in the
26 funding sources and amounts identified in Attachment B, disbursements for the Project from HOME
27 Program funds will be contingent upon the County's receipt, review, and approval of highly reliable
28 evidence acceptable to the County, in its sole discretion, showing that the Borrower has obtained, or will

1 obtain, all funding to meet the Project development costs. Evidence may include, but shall not be limited
2 to, funding commitments and/or loan documentation from other lenders, and/or documents regarding tax
3 credit allocation commitments.

4 B. LOAN DOCUMENTS:

5 1. Promissory Note: The County will prepare a Promissory Note for execution by the
6 Borrower in a form and content acceptable to the County, in the County's sole discretion. Said Promissory
7 Note ("Note") will set forth the terms and conditions and plan for repayment of the One Million Dollars
8 (\$1,000,000) HOME loan and other fees or charges, including but not limited to liquidated damages, if
9 applicable. HOME loan funds shall be utilized to assist with the construction of eleven (11) units in the
10 forty-seven (47) unit affordable senior rental housing complex, of which six (6) units will be unrestricted.
11 In addition to the Note, HOME loan funds shall be secured with a Deed of Trust recorded against the
12 Property, and other required security instruments, as described more fully below.

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

19 3. HOME Regulatory Agreement and Declaration of Restrictive Covenants: The
20 County will record a HOME Regulatory Agreement and Declaration of Restrictive Covenants ("Regulatory
21 Agreement") signed by the Borrower in a form and content acceptable to the County. Said Regulatory
22 Agreement will impose the requirements of the HOME Investment Partnerships Program, as set forth in
23 the Code of Federal Regulations (24 CFR Parts 91 and 92) for the eleven (11) HOME-assisted units.

24 C. LABOR COMPLIANCE:

25 The County shall verify with the Labor Relations Division of HUD that the Project
26 general contractor has not been debarred or suspended from participating in Federal projects, in
27 accordance with Section IV, subsection (B-5) of the Agreement. The County will provide Borrower with
28 written notification that this requirement has been met.

1 The County shall be provided at least ten (10) days' notice of, and shall attend, the
2 pre-construction meeting between the Borrower and any project or construction management company
3 contracting with the Borrower (whether those construction contractors are contracting directly with the
4 Borrower or indirectly through the Borrower's project or construction management company) to discuss
5 labor compliance requirements for the Project. The County may monitor Project records and conduct field
6 reviews to ensure that labor compliance and other conditions of this Agreement have been met.

7 D. RENT REQUIREMENTS AND AFFORDABILITY:

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

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

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

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

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

IV. OBLIGATIONS OF THE BORROWER

A. FUNDING:

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

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

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

4. The Borrower will provide matching funds of at least Two Hundred Fifty Thousand Dollars (\$250,000) (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,

1 conversion, repair, or construction prior to the environmental clearance. A violation of this provision will
2 result in the denial of HOME loan funds under this Agreement.

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

7 3. The Borrower shall develop and construct the Project as new construction rental
8 housing for households earning no more than eighty percent (80%) of the AMI for Fresno County, as
9 defined by HUD at time of initial occupancy, except six (6) units will be unrestricted. Additionally, in
10 accordance with 24 CFR § 92.252, rental projects with five (5) or more HOME-assisted rental units must
11 provide a minimum of twenty percent (20%) of the HOME-assisted units for occupancy by very low
12 income families earning no more than fifty percent (50%) of AMI during the HOME loan term specified in
13 the Note.

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

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

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

27 7. The Borrower will conduct a pre-construction meeting with the Contractor, and will
28 notify the County at least ten (10) working days prior to the meeting, so that a representative of the County

1 can be in attendance to discuss HOME labor compliance requirements and the applicable Section 3 and
2 MWBE policies for the Project. Attachment C to this Agreement, which is incorporated by this reference,
3 provides the required Section 3 compliance forms to be provided by the County to the Borrower and the
4 contractor to complete and return to the County.

5 8. Prior to the start of the construction, the Borrower will secure all permits required
6 by the City of Kingsburg. The Borrower will provide copies of all such permits to the County.

7 9. The Borrower shall comply with the mitigation measures and conditions identified
8 in Environmental Assessment No. 7519, which is incorporated herein by reference.

9 C. DISBURSEMENT:

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

14 2. In the event that the Project costs less than the current estimated total Project cost
15 of Twenty One Million, Nine Hundred Nineteen Thousand, Four Hundred Eight Dollars (\$21,919,408),
16 the Borrower will notify the County of such savings. The County may then, at its sole discretion, reduce
17 the County's contribution in direct proportion to the percentage of savings.

18 D. LOAN DOCUMENTS:

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

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

24 3. The Borrower will record a Notice of Completion, and will provide the County a
25 copy of the Notice of Completion after recordation.

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

1 lender of the Project.

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

8 E. PAYMENT FOR MONITORING/ATTORNEY FEES

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

15 2. Attorney Fees: The Partnership hereby agrees to reimburse and pay to County,
16 the County's actual costs incurred in having legal counsel review all loan documents, security documents,
17 and other documents related to the financing of the Project, up to a maximum of Ten Thousand Dollars
18 (\$10,000).

19 F. COMPLIANCE:

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

23 2. Prior to execution of County loan documents, the borrower shall provide evidence
24 to the County of the Project's compliance with the applicable site and neighborhood standards in 24 CFR
25 § 92.202, and will meet these standards upon completion.

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

1 the affordability requirements. The eleven (11) HOME-assisted units are designated "floating HOME
2 units" as defined in 24 CFR § 92.252(j).

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

9 5. The Borrower will not be required to lower rents below the HOME Rent limits in
10 effect at the time of this Agreement for the eleven (11) HOME-assisted units, but must submit requests
11 for rent increases to the County and receive County's approval of same before implementing higher rents.
12 HUD's 2019 Rent Limits are listed in Attachment D to this Agreement, which is incorporated by this
13 reference. The Borrower agrees to conduct income determinations utilizing HUD's Part 5 definition of
14 annual income, to certify tenant income eligibility before renting units to tenant applicants, and to recertify
15 tenant household income annually.

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

19 7. The Borrower will comply with all Federal regulations (including, but not limited to:
20 24 CFR Parts 91, 92 and 135) governing the use of HOME funds with Low Income Housing Tax Credits
21 (LIHTC) and 24 CFR Parts 91 and 92, and specifically Sections 92.203 Income Determinations, 92.205
22 Eligible Activities-General, 92.206 Eligible Project Costs, 92.207 Eligible Administrative and Planning
23 Costs, 92.214 Prohibited Activities and Fees, 92.216 Income Targeting: Tenant-Based Rental Assistance
24 and Rental Units, 92.250 Maximum Per-Unit Subsidy Amount, Underwriting, and Subsidy Layering,
25 92.253 Tenant Protections and Selection, 92.255 Converting Rental Units to HOME ownership Units for
26 Existing Tenants, 92.350 Other Federal Requirements and Nondiscrimination, 92.351 Affirmative
27 Marketing; Minority Outreach Program, 92.353 Displacement, Relocation, and Acquisition, 92.354 Labor,
28 92.356 Conflict of Interest, 92.503 Program Income, Repayments, and Recaptured Funds, and 92.505

1 Applicability of Uniform Administrative Requirements. Borrower shall comply with all prevailing wage
2 requirements, as they may apply. Borrower shall provide access to all original documents and provide
3 copies, as requested by the County and HUD.

4 V. CONFORMANCE WITH APPLICABLE LAWS AND REGULATIONS

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

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

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

18 VI. PERFORMANCE STANDARDS:

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

21 A. The property will be adequately maintained to meet the required property standards;
22 and

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

25 VII. FINANCIAL RECORDS REQUIREMENTS:

26 Within nine (9) months after the end of the County's Fiscal Year in which the Project is
27 completed, and for each subsequent Fiscal Year until the end of the loan term specified in the Note,
28 Borrower will provide County with audited Statement of Cash Flows, Distribution of Net Cash Flow,

Balance Sheet and Profit and Loss Statements prepared by an independent, certified public accountant. These statements shall be prepared in accordance with Generally Accepted Accounting Principles (GAAP).

VIII. INSURANCE

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

A. PROPERTY INSURANCE:

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

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

B. COMMERCIAL GENERAL LIABILITY INSURANCE:

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

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

9 C. AUTOMOBILE LIABILITY INSURANCE:

10 Comprehensive Automobile Liability Insurance with limits for bodily injury of not less
11 than Two Hundred Fifty Thousand Dollars (\$250,000) per person, Five Hundred Thousand Dollars
12 (\$500,000) per accident and for property damages of not less than Fifty Thousand Dollars (\$50,000) or
13 such coverage with a combined single limit of Five Hundred Thousand Dollars (\$500,000) is required.
14 Coverage should include owned and non-owned vehicles used in connection with this Agreement.

15 D. PROFESSIONAL LIABILITY INSURANCE:

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

20 E. WORKER'S COMPENSATION INSURANCE:

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

23 Borrower hereby waives its right to recover from County, its officers, agents, and
24 employees any amounts paid by the policy of worker's compensation insurance required by this
25 Agreement. Borrower is solely responsible to obtain any endorsement to such policy that may be
26 necessary to accomplish such waiver of subrogation, but Borrower's waiver of subrogation under this
27 paragraph is effective whether or not Borrower obtains such an endorsement.

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

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

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

22 F. BOND INSURANCE:

23 Borrower acknowledges as a condition of receiving County HOME funds that the
24 Borrower shall obtain a performance bond and a labor and materials (payment) bond, in the amount of
25 one hundred percent (100%) of the construction contract sum, prior to the execution of all HOME loan
26 documents and related documents. These bonds shall comply with the requirements of California Civil
27 Code Section 3248 and acceptable to the County. The bonds shall be in recordable form, and shall name
28 such parties as indicated by Borrower 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 One Million Dollars (\$1,000,000).

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 One Million Dollar (\$1,000,000) loan amount will be held back from disbursement, to be disbursed thirty-five (35) days after the Notice of Completion has been filed with the County Recorder's Office. A copy of the Notice of Completion must accompany the request for disbursement of the retained funds.

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

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

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

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

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

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

22 B. AUDITS

23 The Borrower is required to comply with the provisions of the Single Audit Act of 1984
24 (31 USC Sections 7501 et seq.), as amended. Whenever the Borrower receives HOME loan funds from
25 the County for a project, a copy of any audit performed by the Borrower in accordance with said Act shall
26 be forwarded to the Affordable Housing Programs Manager within nine (9) months of the end of any fiscal
27 year in which loan funds were distributed, borrowed, and/or outstanding for the Project. Failure to perform
28 the requisite audit functions as required by this paragraph may result in the County performing any

necessary audit task or, at the County's option, contracting with a public accountant to perform the audit. All audit costs related to the Borrower's failure to perform the requisite audit are the sole responsibility of the Borrower, and such audit work costs incurred by the County shall be billed to the Borrower as determined by the County's ACTTC. The Borrower agrees to take prompt and appropriate corrective action on any instance of material non-compliance with applicable laws and regulations.

C. INDEMNIFICATION

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

The provisions of this Section IX(C) shall survive termination of this Agreement.

D. TIME OF PERFORMANCE

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

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

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3. The following schedule shall apply to the Project:

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

June 2019

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

November 2019

c. All other funding sources secured by: November 2019

d. Begin Construction: December 2019

e. Record Notice of Completion: August 2021

f. Project leased up: November 2021

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

E. BREACH OF AGREEMENT

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

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1 F. TERMINATION

2 1. Non-Allocation of Funds: The terms of this Agreement, and the funds provided
3 thereunder, are contingent on the award and/or commitment of funds by HUD to the County, and to the
4 award and/or commitment of funds to the Project by the Sources of Funds identified in Attachment B of
5 this Agreement. Should HUD fail to award funds to County, or should the County determine, in its sole
6 discretion, that sufficient funds have not been allocated by the other sources of funds to complete the
7 development of the forty-seven (47) units comprising the Project, the County may terminate this
8 Agreement at any time without penalty by giving the Borrower thirty (30) days advance written notice,
9 and the Borrower shall promptly repay to the County any and all HOME loan funds previously paid,
10 pursuant to all applicable laws and regulations.

11 2. Termination For Convenience: This Agreement may also be terminated for
12 convenience by the County. In the event the County terminates this Agreement solely for convenience,
13 the Borrower promptly shall repay to the County any and all HOME loan funds, pursuant to all applicable
14 laws and regulations. However, in the event of termination, the County, at its sole discretion, may
15 negotiate with the Borrower alternate terms of repayment of HOME loan funds

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

18 G. VENUE; GOVERNING LAW

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

22 H. INDEPENDENT CONTRACTOR

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

1 However, the County shall retain the right to administer this Agreement so as to verify that the Borrower
2 is performing its obligations in accordance with the terms and conditions thereof. The Borrower and the
3 County shall comply with all applicable provisions of law and the rules and regulations, if any, of
4 governmental authorities having jurisdiction over matters of the subject thereof.

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

13 I. MODIFICATION

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

16 J. NON-ASSIGNMENT

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

22 K. AUTHORIZATION AND NOTICES

23 1. County Authority: The Director of the County's Department of Public Works and
24 Planning, or his duly authorized designee, at his discretion, is hereby authorized to enter into and sign in
25 the name of the County, all loan documents, security documents and other related documents, and any
26 amendments thereto, 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 the Project as
28 described in Section I of this Agreement. Additionally, in the County's experience, changes in

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

18 2. Borrower Authority: The Administrative General Partner of Kingsburg Linnaea
19 Villa, LP, has authority to enter into and sign this Agreement, and the loan, security and all other related
20 documents, and any amendments thereto on behalf of the Partnership, as shall be necessary for the
21 purpose of borrowing the funds to develop the Project as described in Section I herein.

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

24 County:

25 County of Fresno
26 Department of Public Works and Planning
27 Community Development Division
28 Attention: Manager, Affordable Housing Programs
29 2220 Tulare Street, 6th Floor
30 Fresno, CA 93721

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1 Borrower:

2 Kingsburg Linnaea Villas, LP
3 c/o Housing Authority of Fresno County, CA
4 1331 Fulton Street
5 Fresno, CA 93721
6 Attention: CEO/Executive Director

7 Copy to:

8 Wells Fargo Community Lending & Investment
9 333 Market Street, 18th Floor
10 San Francisco, CA 94105
11 Attention: Tim McCann

12 And:

13 Ballard Spahr, LLP
14 300 East Lombard Street, 18th Floor
15 Baltimore, MD 21202-3268
16 Attention: Teri Guarnaccia

17 And:

18 Sidley Austin, LLP
19 One South Dearborn
20 Chicago, Illinois 60603
21 Attention: Philip Spahn

22 And:

23 Davis Wright Tremaine
24 865 South Figueroa Street, Suite 2400
25 Los Angeles, CA 90017-2566
26 Attention: Nancy Clapp

27 L. ENTIRE AGREEMENT

28 This Agreement constitutes the entire Agreement 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

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

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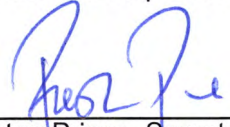
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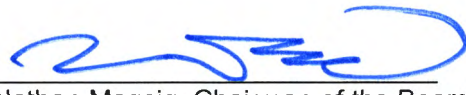
28 ///

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

2 KINGSBURG LINNAEA VILLAS, LP,
3 A California limited partnership

COUNTY OF FRESNO

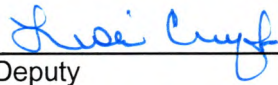
4 By: 
5 Preston Prince, Secretary/Director
6 Silvercrest, Inc.,
7 a California non-profit corporation,
8 Its Managing General Partner


Nathan Magsig, Chairman of the Board
of Supervisors of the County of Fresno

9 Date: 9-26-19

Date: November 5, 2019

10 ATTEST:
11 Bernice E. Seidel
12 Clerk of the Board of Supervisors
13 County of Fresno, State of California

14 By: 
Deputy

15
16
17
18
19
20
21
22 FUND NO: 0001
23 SUBCLASS NO: 10000
24 ORG NO: 55122008
25 ACCOUNT NO: 7295

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

26
27 G:\7205ComDev\AHP\CHDO - Rental\CHDO PROJECTS\CHDO Projects in Review\Kingsburg Seniors\Agreement\1105_KingsburgLinnaeaVillas_agmt.docx
28

ATTACHMENT A

Unit Mix and Rent Schedule

TOTAL UNITS (47)

Unit Type	Rent Level	Number of Units	Unit Sq.Ft.	Max HOME Rent	Gross Rent	Utility Allowance	Net Rent
1 Bedroom	30%	3	705-745	608	364	46	318
1 Bedroom	40%	15	705-745	608	486	46	440
1 Bedroom	50%	5	705-745	608	608	46	562
1 Bedroom	60%	6	705-745	769	730	46	684
1 Bedroom	80%	6	705-745	769	730	46	684
1 Bedroom	MKT	3	705-745	N/A	750	N/A	N/A
2 Bedroom	30%	2	890	730	438	62	376
2 Bedroom	40%	3	890	730	584	62	522
2 Bedroom	60%	1	890	929	876	62	814
2 Bedroom	MKT	2	890	N/A	910	N/A	N/A
3 Bedroom	N/A	1	1,190	N/A	N/A	N/A	N/A
Total		47					

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%	2	705-745	608	364	46	318
1 Bedroom	40%	6	705-745	608	486	46	440
2 Bedroom	30%	1	890	730	438	62	376
2 Bedroom	40%	2	890	730	584	62	522
Total		11					

ATTACHMENT B

Sources and Uses of Funds are anticipated as follows:

Sources of Funds

1.	Construction Loan	\$16,023,004
2.	County of Fresno HOME Loan Funds	\$1,000,000
3.	City of Kingsburg Land Donation	\$1,001,000
4.	City of Kingsburg Deferred Fee	\$390,460
5.	Housing Relinquished Fund Corp.	\$515,000
6.	General Partner	\$100
7.	Developer (Deferred Costs)	\$1,409,159
8.	Tax Credit Equity	\$1,580,685
	Total Sources	\$21,919,408

Uses of Funds:

1.	Acquisition Costs	\$1,631,110
2.	Construction Costs	\$13,394,923
3.	Financing Costs	\$1,253,732
4.	Operating Reserves	\$220,228
5.	Soft Costs and Development Fees	\$5,419,415
	Total Project Cost	\$21,919,408

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	\$ 13,650	\$ 22,700	\$ 27,240	\$ 29,490	\$ 36,300
2	\$ 15,600	\$ 25,950	\$ 31,140	\$ 33,710	\$ 41,500
3	\$ 17,550	\$ 29,200	\$ 35,040	\$ 37,940	\$ 46,700
4	\$ 19,450	\$ 32,400	\$ 38,880	\$ 42,120	\$ 51,850
5	\$ 21,050	\$ 35,000	\$ 42,000	\$ 45,500	\$ 56,000
6	\$ 22,600	\$ 37,600	\$ 45,120	\$ 48,870	\$ 60,150
7	\$ 24,150	\$ 40,200	\$ 48,240	\$ 52,240	\$ 64,300
8	\$ 25,700	\$ 42,800	\$ 51,360	\$ 55,610	\$ 68,450
	Check Box If Above \$68,450				

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.

NOTE: This document must be submitted with bid documents.

Company

Project

Project Number

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:
\$ _____

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

Date

Company

Project

Project Number

Person Completing Form

ATTACHMENT D

U.S. DEPARTMENT OF HUD 2019
STATE: CALIFORNIA 2019
Fresno, CA MSA

2019 HOME PROGRAM RENTS

PROGRAM	Efficiency	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Low HOME Rent Limit	567	608	730	842	940	1037	1134
High HOME Rent Limit	668	769	929	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 Kingsburg Linnaea Villas

Draw 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)	\$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 35 days after the recordation of the Notice of Completion)			\$100,000

ATTACHMENT F

Kingsburg Linnaea Villas

PROJECT TIMELINE	
TCAC Application	Mar-19
TCAC Award	Jun-19
Building Permits	Dec-19
Loan Documents	Dec-19
Construction Start	Dec-19
Market Units	Jul-21
Construction Complete	Aug-21
Lease Up Complete	Nov-21
Permanent Loan Closing	May-22

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:	