

**BUTTE COUNTY AFFORDABLE HOUSING
DEVELOPMENT CORPORATION
Board of Directors Special Meeting**

2039 Forest Avenue
Chico, CA 95928

SPECIAL MEETING AGENDA

January 16, 2020
2:00 p.m.

The Board of Directors welcomes and encourages public participation in the Board meetings. Members of the public may be heard on any items on the Directors' agenda. A person addressing the Directors will be limited to 5 minutes unless the Chairperson grants a longer period of time. Comments by members of the public on any item on the agenda will only be allowed during consideration of the item by the Directors. Members of the public desiring to be heard on matters under jurisdiction of the Directors, but not on the agenda, may address the Directors during agenda item 6.

If you are disabled and need special assistance to participate in this meeting, please contact the Housing Authority office at 895-4474. Notification at least 48 hours prior to the meeting will enable the Board of Directors to make reasonable arrangements.

NEXT RESOLUTION NO. 20-1C

ITEMS OF BUSINESS

1. ROLL CALL
2. AGENDA AMENDMENTS
3. CONSENT CALENDAR
4. CORRESPONDENCE
5. REPORTS FROM PRESIDENT
 - 5.1 Memorandum of Agreement (MOA), Pacific West Communities, Inc. – Authorize MOA with Pacific West Communities for Development and Operation of Affordable Housing at Liberty Bell Apartments, Orland.

Recommendation: Resolution No. 20-1C

- 5.2 Memorandum of Agreement (MOA), Pacific West Communities Inc. – Authorize MOA with Pacific West Communities for Development and Operation of Affordable Housing at Woodward Apartments, Orland.

Recommendation: Resolution No. 20-2C

- 5.3 Memorandum of Agreement (MOA), Pacific West Communities Inc. – Authorize MOA with Pacific West Communities for Development and Operation of Affordable Housing at Riverbend Apartments, Oroville.

Recommendation:

Resolution No. 20-3C

6. MEETING OPEN FOR PUBLIC DISCUSSION
7. MATTERS CONTINUED FOR DISCUSSION
8. SPECIAL REPORTS
9. REPORTS FROM DIRECTORS
10. MATTERS INITIATED BY DIRECTORS
11. EXECUTIVE SESSION
12. DIRECTORS' CALENDAR

Next meeting – February 20, 2020.

13. ADJOURNMENT

BUTTE COUNTY AFFORDABLE HOUSING DEVELOPMENT CORPORATION

RESOLUTION NO. 20-1C

MEMORANDUM OF UNDERSTANDING WITH PACIFIC WEST COMMUNITIES FOR DEVELOPMENT
AND OPERATION OF LIBERTY BELL COURTYARDS SENIOR APARTMENTS, ORLAND

WHEREAS, the Butte County Affordable Housing Development Corporation (BCAHDC), in response to need, seeks to increase the availability of affordable housing in the communities and jurisdiction it serves; and

WHEREAS, Pacific West Communities (PWC) has approached the Butte County Affordable Housing Development Corporation (BCAHDC) to participate in development of thirty-two (32) units of affordable low-income senior housing in Orland, CA, such development called Liberty Bell Court Apartments, to be located at 134 North 6th Street, Orland, Glenn County, CA (Project); and

WHEREAS, such development is proposed to be accomplished by means of corporate partnership, such partnership structured and suitable for access to affordable housing subsidy sources, such as, but not limited to, the federal IRS Low Income Housing Tax Credit program as administered by the State of California Tax Credit Allocation Committee; and

WHEREAS, BCAHDC, seeks to act as Managing General Partner in the Limited Partnership (Partnership) that will own and operate the Project, in materially participating in the development and operation of the Property, and ensuring its ongoing affordability to the community; and

WHEREAS, on December 19, 2019, by means of Resolution No. 4763, the Housing Authority of the County of Butte (HACB) resolved to award the Project Section 8 Project-Based Voucher authority supporting (26) 1-Bedroom and (5) 2-Bedroom units; and

WHEREAS, an MOA has been drafted which substantially identifies the roles of the parties to the MOA; and,

WHEREAS, time is of the essence in proceeding with development of the Project; and

WHEREAS, the MOA as drafted has been determined to be sufficient for purposes of identifying roles and advancing project interests until such time as the formal Partnership Agreement is determined, based on the best interests of BCAHDC, and PWC;

THEREFORE BE IT RESOLVED by the Board of Directors of the Butte County Affordable Housing Development Corporation (BCAHDC) to authorize its President to execute the Memorandum of Agreement (MOA) between BCAHDC and Pacific West Communities (PWC) for purposes of participation in the affordable housing development project known as Liberty Bell Court Apartments, to be located at 134 North 6th Street, Orland, CA, provided such negotiation not substantively change the terms of the MOA, attached to and made a part of this Resolution No. 20-1C.

Dated: January 16, 2020.

Edward S. Mayer President

ATTEST:

Marysol Perez, Secretary

MEMORANDUM OF AGREEMENT

THIS AGREEMENT is entered into this 9th day of January, 2020 by and between ***Pacific West Communities, Inc.***, an Idaho corporation (hereafter “PWC”), and ***Butte County Affordable Housing Development Corporation***, a California nonprofit public benefit corporation (hereafter “BCAHDC”).

RECITALS

WHEREAS, PWC and its affiliates have the experience and expertise necessary to prepare Tax Credit applications, prepare architectural designs and plans, obtain construction and permanent financing, construct the Project, and syndicate tax credits; and

WHEREAS, PWC, or related party, has secured site control of an approximately 2.34 acre property located at 134 N. 6th Street, Orland, CA, and desires to develop 32 units of senior affordable housing on the site (“Project”) as described in the attached Exhibit A; and

WHEREAS, BCAHDC provide affordable housing opportunity to households in Glenn County, including the City of Orland; and

WHEREAS, PWC has approached BCAHDC to seek BCAHDC’s participation as non-profit Managing General Partner in the LIHTC Partnership that would develop, own and operate such affordable senior housing development in Orland; and

WHEREAS, BCAHDC have determined it in the best interest of BCAHDC, their clients, and the community they serve to work with PWC in seeking to create affordable housing opportunity through construction of new residential units meeting the needs of low-income seniors in Orland;

IT IS, THEREFORE, AGREED AS FOLLOWS:

1. PWC shall seek financing for the Project suitable to BCAHDC. PWC shall also use its best possible efforts to obtain a commitment to purchase tax credits at the best possible terms. PWC shall also perform any and all procedures and pay all expenses necessary to syndicate said tax credits. This agreement is conditional upon securing an allocation of low-income housing tax credits that PWC deems sufficient for financing of the Project.
2. PWC and BCAHDC shall work jointly to prepare and submit any financing applications required for the development of the Project. BCAHDC shall be given an opportunity to review any tax credit or other financing applications submitted for the Project. PWC shall advance any and all predevelopment funds required for the applications and will also pay any other costs incurred prior to the start of construction.
3. Providing financing sufficient for development of the Project is awarded, PWC and BCAHDC shall work jointly together to obtain all federal, state and local approvals necessary to develop the Project, and shall further execute any and all documents and/or agreements, subject to appropriate review, as may be necessary to move the Project forward.

4. PWC shall work with DG Group Architecture, LLC dba Pacific West Architecture to provide all the necessary design work and building plans subject to mutual approval by PWC and BCAHDC. PWC's affiliate, Pacific West Builders, Inc., being a licensed general contractor in the State of California, shall construct the Project.
5. At the initial closing of the construction loan, PWC, and BCAHDC shall be reimbursed from funding proceeds all project development expenses previously paid relating to the Project. BCAHDC shall also be entitled to a fee of \$10,000 that will represent payment for overhead expenses incurred. PWC shall be paid a fee equal to 90% of the developer fee for the Project, and BCAHDC shall be paid a fee equal to 10% of the developer fee for the Project. If total financing sources are not sufficient to pay all or a portion of the developer fee earned, proceeds from cash flow shall be used until the entire fee is paid in full. Payments of any developer fees shall follow closing of the permanent loan and final tax credit syndication payments from the investor, unless sufficient financing proceeds are available at an earlier date at which time a partial payment may be made. All cost overruns shall be borne by PWC, after full deferral of the developer fee. BCAHDC shall be entitled to reimbursement of up to \$15,000 in legal fees at construction loan closing.
6. BCAHDC shall provide a capital funds loan in the amount of 10% of the developer fee ("NP Loan") to facilitate the development of the Project. NP Loan terms will include a simple interest rate not to exceed 3% with a 55 year term and be secured by a promissory note and deed of trust. Payments on the NP Loan will be a participation in 50% of Residual Receipts, as that term is defined in Exhibit "B" hereto, pro rata with all other soft financing of the Project. NP Loan shall be made only after BCAHDC has been paid their portion of the developer fee for the Project.
7. Upon completion of construction and passing of all inspections, the limited partnership established by an affiliate of PWC and BCAHDC during the predevelopment period, along with the investor limited partner under an amended and restated partnership agreement, shall thereafter own and operate the Project as an affordable housing project subject to the requirements set forth by the tax credit program and other financing agreements. All cash flow and ownership benefits, including the sale of the property shall be 100% owned by PWC. The Managing General Partner of the Project shall also receive an annual fee of \$3,200 (\$100 per unit) after stabilization to the extent the Managing General Partner has and continues to take care of the customary Manager General Partner duties.
8. Managing General Partner – BCAHDC will serve as a Managing General Partner to the Limited Partnership, to be formed, that will own and operate the Project. Upon admittance, BCAHDC shall have all rights and obligations of a Managing General Partner under California law. Notwithstanding, the assignment, delegation or reservation of any duty or obligation under the Partnership or the Property Management Agreement, BCAHDC shall at all times be considered to be continuously and substantially involved in the management and operation of the Partnership and the Project. BCAHDC shall:
 - a) Advise the Partnership concerning particular requirements of low income housing rules and regulations and monitor compliance with all government regulations and file or supervise the filing of all required documents with government agencies.
 - b) Facilitate development and operation of the Project by appearance or correspondence with lenders and government bodies.

- c) In conjunction with the Administrative General Partner execute and deliver all partnership documents on behalf of the Partnership.
 - d) Participate in hiring and overseeing the work of all persons necessary to provide services for the management and operation of the Partnership business.
 - e) Ensure Supportive Services are coordinated and delivered by BCAHDC or others as “delegated” to pursuant to BOE Rule 140.1;
 - f) BCAHDC shall use its best efforts to obtain and maintain the “Welfare Tax Exemption” available to qualified low-income projects through California State Revenue & Taxation Code §§ 214(g), et seq. and related State Board of Equalization (BOE) administrative rules and rules of procedure.
 - g) BCAHDC shall also have any and all necessary authority to ensure compliance with BOE’s rulings and policies, as well as federal and state tax statutes and court rulings relating directly to the above mentioned obligations.
9. PWC shall select a third party management company, with the approval of BCAHDC, to manage the project in accordance with commercially reasonable terms and in compliance with IRC Section 42 guidelines. BCAHDC or its affiliates may elect to provide certain management operations such as maintenance and landscaping, also on commercially reasonable terms.
10. In the event that the partnership elects to sell the project, BCAHDC shall have, after 15 years from the project’s placed-in-service date, the right of first refusal to purchase the project at its fair market value. Said right shall not terminate unless BCAHDC elects to do so in writing.
11. PWC, or BCAHDC may terminate this Agreement without liability upon written notice to the other party if either party determines, in its sole discretion, that (i) the Project or the partnership is infeasible or is not in such party’s best interests or (ii) that sufficient financing to develop the Project will not be awarded by December 31, 2022. In the event the Project becomes infeasible and does not close, all predevelopment costs of the Project incurred by PWC shall be the responsibility of PWC, except those costs described above incurred by BCAHDC prior to admittance of BCAHDC to the Partnership.
12. BCAHDC shall not be responsible for project “guaranties” or indemnities” to the tax credit investor, lenders and any other financial participant to the Project financing. PWC shall also indemnify BCAHDC for its role and participating in the Partnership. PWC, for itself, its subsidiaries, and affiliates agrees that BCAHDC’s liability for failure to perform any duty or obligation under this MOA, the Partnership or any financing or security agreement entered into by the Partnership shall be limited to BCAHDC’s interest in the Partnership.
13. The Parties realize that although it is the sincere desire of each of them for the proposed Project to come completely to fruition, that there is always a degree of risk in pre-development activities and that the Parties each acknowledge that there may be certain circumstances, the occurrence of which may result in the decision that the best course of action is to terminate this Memorandum of Agreement. Such circumstances might include the inability of the project to secure sufficient funds, LIHTC’s, or bond cap authority; the inability of the project despite the best efforts of the Parties to obtain other necessary portions of the project’s financing package (such as loans, or other city funding) or other causes which are not within the control of the parties to this agreement.

14. In the event such a termination is necessary for any reason by either Party, PWC and BCAHDC hereto agree that each of them shall indemnify and hold harmless each of the other parties from any and all claims, causes of action or alleged injuries other than those caused by the gross negligence of one of the parties.
15. The Parties agree and understand that in all other respects each of them shall move forward and negotiate in good faith all issues necessary to plan the structure and financing of the above-mentioned affordable housing apartment complex.
16. Formal notices, demands, and communications among the Parties shall not be deemed given unless dispatched by certified mail, return receipt requested, by facsimile delivery with correct answerback received, by electronic mail or by reputable delivery service with a delivery receipt, to the Parties' principal offices as follows:

BCAHDC: Butte County Affordable Housing Development Corporation
2039 Forest Avenue
Chico, CA 95928
Attention: Edward S. Mayer, President
Telephone: 530-895-4474 x 215
Fax: (530) 895-4459
Email: edm@butte-housing.com

PWC: Pacific West Communities, Inc.
430 East State St., Suite 100
Eagle, ID 83616
Attention: Caleb Roope
Telephone: 208-461-0022
Fax: 208-461-3267
Email: calebr@tpchousing.com

IN WITNESS WHEREOF, the parties hereto executed this Agreement as of the date first written above.

Pacific West Communities, Inc.

By: Caleb Roope
Its: President

Butte County Affordable Housing Development Corporation

By: Edward S. Mayer
Its: President

Exhibit A

Liberty Bell Courtyards, Orland, Glenn County, California

Location

The site for the proposed project, Liberty Bell Courtyards, is situated at 134 N. 6th Street in the City of Orland, Glenn County. The site consists of a 2.34 +/- acre parcel on which 1 residential building and 1 community building will be constructed.

Housing Type

The proposed development will be a 32-unit rental new construction project. With a mix of 26 one-bedroom units (approximately 613 sq. ft.) and 6 two-bedroom units (approximately 805 sq. ft.), Liberty Bell Courtyards will provide affordable housing for seniors earning up to 50% of the area median income (AMI) for Glenn County.

Construction Design & Project Description

The units will be newly constructed garden style apartments. The type of construction will be wood frame supported by perimeter foundations with concrete slab flooring. This type of construction will allow the building to conform to the natural terrain with only minor amounts of grading. The exterior will be a combination of vinyl lap and shake siding with Class A composite roof shingles and stone veneer accents. Architectural accents will be incorporated, providing an aesthetically appealing exterior that blends with the character of the surrounding neighborhood and the community of Orland. Minimum construction standards will be adhered to in order to assure that a quality senior housing development is provided.

The buildings will be oriented appropriately throughout the site with the intent to create a community concept. For the benefit and welfare of its residents, the project will include a 1,300 square foot community building consisting of an office, maintenance room, computer learning center, laundry facilities, exercise room and a resident lounge with a kitchen. An on-site resident manager will provide assistance and management while residing in a two-bedroom manager's unit. The development provides a fenced dog park, two bocce ball courts, a community garden with raised planter beds, and two covered picnic area with tables and BBQ grills.

The unit mix will be as follows:

Number of Units	Bedrooms	Unit Size	AMI
26	1	613 sq. ft. (approximate)	40%, 50%
5	2	805 sq. ft. (approximate)	40%, 50%
1 (Manager's Unit)	2	805 sq. ft. (approximate)	

Within the units, residents will enjoy standard features such as energy efficient refrigerators, exhaust fans, dishwashers, disposals, and ranges with ovens. All units will include washers and dryers as well as feature a covered patio or balcony. The design of these apartments will adhere to all necessary

requirements to satisfy Section 504 as well as any additional mandates that the local jurisdiction deems appropriate.

Unit Amenities

All units will feature:

- Refrigerators
- Exhaust fans
- Dishwashers
- Garbage disposals
- Ranges with ovens
- Covered patio or balcony
- Washer/Dryer hook-ups

Project Amenities

- Approximately 1,300 sq. ft. community building
- Resident lounge including TV, seating and kitchen
- Computer room
- Exercise room
- Community laundry room
- Fenced Dog Park
- Community Garden with raised planter beds
- Two covered picnic areas with BBQ and tables

Development Schedule

The anticipated construction phase will be approximately twelve (12) months.

BUTTE COUNTY AFFORDABLE HOUSING DEVELOPMENT CORPORATION

RESOLUTION NO. 20-2C

MEMORANDUM OF UNDERSTANDING WITH PACIFIC WEST COMMUNITIES FOR DEVELOPMENT
AND OPERATION OF WOODWARD FAMILY APARTMENTS, ORLAND

WHEREAS, the Butte County Affordable Housing Development Corporation (BCAHDC), in response to need, seeks to increase the availability of affordable housing in the communities and jurisdiction it serves; and

WHEREAS, Pacific West Communities (PWC) has approached the Butte County Affordable Housing Development Corporation (BCAHDC) to participate in development of thirty-six (36) units of affordable low-income family housing in Orland, CA, such development called Woodward Family Apartments, to be located at 211 Swift Street, Orland, Glenn County, CA (Project); and

WHEREAS, such development is proposed to be accomplished by means of corporate partnership, such partnership structured and suitable for access to affordable housing subsidy sources, such as, but not limited to, the federal IRS Low Income Housing Tax Credit program as administered by the State of California Tax Credit Allocation Committee; and

WHEREAS, BCAHDC, seeks to act as Managing General Partner in the Limited Partnership (Partnership) that will own and operate the Project, in materially participating in the development and operation of the Property, and ensuring its ongoing affordability to the community; and

WHEREAS, on December 19, 2019, by means of Resolution No. 4763, the Housing Authority of the County of Butte (HACB) resolved to award the Project Section 8 Project-Based Voucher authority supporting (13) 2-Bedroom and (12) 1-Bedroom units; and

WHEREAS, an MOA has been drafted which substantially identifies the roles of the parties to the MOA; and,

WHEREAS, time is of the essence in proceeding with development of the Project; and

WHEREAS, the MOA as drafted has been determined to be sufficient for purposes of identifying roles and advancing project interests until such time as the formal Partnership Agreement is determined, based on the best interests of BCAHDC, and PWC;

THEREFORE BE IT RESOLVED by the Board of Directors of the Butte County Affordable Housing Development Corporation (BCAHDC) to authorize its President to execute the Memorandum of Agreement (MOA) between BCAHDC and Pacific West Communities (PWC) for purposes of participation in the affordable housing development project known as Woodward Family Apartments, to be located at 211 East Swift Street, Orland, CA, provided such negotiation not substantively change the terms of the MOA, attached to and made a part of this Resolution No. 20-2C.

Dated: January 16, 2020.

Edward S. Mayer President

ATTEST:

Marysol Perez, Secretary

MEMORANDUM OF AGREEMENT

THIS AGREEMENT is entered into this 16th day of January, 2020 by and between ***Pacific West Communities, Inc.***, an Idaho corporation (hereafter “PWC”), and ***Butte County Affordable Housing Development Corporation***, a California nonprofit public benefit corporation (hereafter “BCAHDC”).

RECITALS

WHEREAS, PWC and its affiliates have the experience and expertise necessary to prepare Tax Credit applications, prepare architectural designs and plans, obtain construction and permanent financing, construct the Project, and syndicate tax credits; and

WHEREAS, PWC, or related party, has secured site control of an approximately 1.57 acre property located at 211 Swift St, Orland, CA, and desires to develop 36 units of family affordable housing on the site (“Project”) as described in the attached Exhibit A; and

WHEREAS, BCAHDC provide affordable housing opportunity to households in Glenn County, including the City of Orland; and

WHEREAS, PWC has approached BCAHDC to seek BCAHDC’s participation as non-profit Managing General Partner in the LIHTC Partnership that would develop, own and operate such affordable family housing development in Orland; and

WHEREAS, BCAHDC have determined it in the best interest of BCAHDC, their clients, and the community they serve to work with PWC in seeking to create affordable housing opportunity through construction of new residential units meeting the needs of low-income families in Orland;

IT IS, THEREFORE, AGREED AS FOLLOWS:

1. PWC shall seek financing for the Project suitable to BCAHDC. PWC shall also use its best possible efforts to obtain a commitment to purchase tax credits at the best possible terms. PWC shall also perform any and all procedures and pay all expenses necessary to syndicate said tax credits. This agreement is conditional upon securing an allocation of low-income housing tax credits that PWC deems sufficient for financing of the Project.
2. PWC and BCAHDC shall work jointly to prepare and submit any financing applications required for the development of the Project. BCAHDC shall be given an opportunity to review any tax credit or other financing applications submitted for the Project. PWC shall advance any and all predevelopment funds required for the applications and will also pay any other costs incurred prior to the start of construction.
3. Providing financing sufficient for development of the Project is awarded, PWC and BCAHDC shall work jointly together to obtain all federal, state and local approvals necessary to develop the Project, and shall further execute any and all documents and/or agreements, subject to appropriate review, as may be necessary to move the Project forward.

4. PWC shall work with DG Group Architecture, LLC dba Pacific West Architecture to provide all the necessary design work and building plans subject to mutual approval by PWC and BCAHDC. PWC's affiliate, Pacific West Builders, Inc., being a licensed general contractor in the State of California, shall construct the Project.
5. At the initial closing of the construction loan, PWC, and BCAHDC shall be reimbursed from funding proceeds all project development expenses previously paid relating to the Project. BCAHDC shall also be entitled to a fee of \$10,000 that will represent payment for overhead expenses incurred. PWC shall be paid a fee equal to 90% of the developer fee for the Project, and BCAHDC shall be paid a fee equal to 10% of the developer fee for the Project. If total financing sources are not sufficient to pay all or a portion of the developer fee earned, proceeds from cash flow shall be used until the entire fee is paid in full. Payments of any developer fees shall follow closing of the permanent loan and final tax credit syndication payments from the investor, unless sufficient financing proceeds are available at an earlier date at which time a partial payment may be made. All cost overruns shall be borne by PWC, after full deferral of the developer fee. BCAHDC shall be entitled to reimbursement of up to \$15,000 in legal fees at construction loan closing.
6. BCAHDC shall provide a capital funds loan in the amount of 10% of the developer fee ("NP Loan") to facilitate the development of the Project. NP Loan terms will include a simple interest rate not to exceed 3% with a 55 year term and be secured by a promissory note and deed of trust. Payments on the NP Loan will be a participation in 50% of Residual Receipts, as that term is defined in Exhibit "B" hereto, pro rata with all other soft financing of the Project. NP Loan shall be made only after BCAHDC has been paid their portion of the developer fee for the Project.
7. Upon completion of construction and passing of all inspections, the limited partnership established by an affiliate of PWC and BCAHDC during the predevelopment period, along with the investor limited partner under an amended and restated partnership agreement, shall thereafter own and operate the Project as an affordable housing project subject to the requirements set forth by the tax credit program and other financing agreements. All cash flow and ownership benefits, including the sale of the property shall be 100% owned by PWC. The Managing General Partner of the Project shall also receive an annual fee of \$3,600 (\$100 per unit) after stabilization to the extent the Managing General Partner has and continues to take care of the customary Manager General Partner duties.
8. Managing General Partner – BCAHDC will serve as a Managing General Partner to the Limited Partnership, to be formed, that will own and operate the Project. Upon admittance, BCAHDC shall have all rights and obligations of a Managing General Partner under California law. Notwithstanding, the assignment, delegation or reservation of any duty or obligation under the Partnership or the Property Management Agreement, BCAHDC shall at all times be considered to be continuously and substantially involved in the management and operation of the Partnership and the Project. BCAHDC shall:
 - a) Advise the Partnership concerning particular requirements of low income housing rules and regulations and monitor compliance with all government regulations and file or supervise the filing of all required documents with government agencies.
 - b) Facilitate development and operation of the Project by appearance or correspondence with lenders and government bodies.

- c) In conjunction with the Administrative General Partner execute and deliver all partnership documents on behalf of the Partnership.
 - d) Participate in hiring and overseeing the work of all persons necessary to provide services for the management and operation of the Partnership business.
 - e) Ensure Supportive Services are coordinated and delivered by BCAHDC or others as “delegated” to pursuant to BOE Rule 140.1;
 - f) BCAHDC shall use its best efforts to obtain and maintain the “Welfare Tax Exemption” available to qualified low-income projects through California State Revenue & Taxation Code §§ 214(g), et seq. and related State Board of Equalization (BOE) administrative rules and rules of procedure.
 - g) BCAHDC shall also have any and all necessary authority to ensure compliance with BOE’s rulings and policies, as well as federal and state tax statutes and court rulings relating directly to the above mentioned obligations.
9. PWC shall select a third party management company, with the approval of BCAHDC, to manage the project in accordance with commercially reasonable terms and in compliance with IRC Section 42 guidelines. BCAHDC or its affiliates may elect to provide certain management operations such as maintenance and landscaping, also on commercially reasonable terms.
10. In the event that the partnership elects to sell the project, BCAHDC shall have, after 15 years from the project’s placed-in-service date, the right of first refusal to purchase the project at its fair market value. Said right shall not terminate unless BCAHDC elects to do so in writing.
11. PWC, or BCAHDC may terminate this Agreement without liability upon written notice to the other party if either party determines, in its sole discretion, that (i) the Project or the partnership is infeasible or is not in such party’s best interests or (ii) that sufficient financing to develop the Project will not be awarded by December 31, 2022. In the event the Project becomes infeasible and does not close, all predevelopment costs of the Project incurred by PWC shall be the responsibility of PWC, except those costs described above incurred by BCAHDC prior to admittance of BCAHDC to the Partnership.
12. BCAHDC shall not be responsible for project “guaranties” or indemnities” to the tax credit investor, lenders and any other financial participant to the Project financing. PWC shall also indemnify BCAHDC for its role and participating in the Partnership. PWC, for itself, its subsidiaries, and affiliates agrees that BCAHDC’s liability for failure to perform any duty or obligation under this MOA, the Partnership or any financing or security agreement entered into by the Partnership shall be limited to BCAHDC’s interest in the Partnership.
13. The Parties realize that although it is the sincere desire of each of them for the proposed Project to come completely to fruition, that there is always a degree of risk in pre-development activities and that the Parties each acknowledge that there may be certain circumstances, the occurrence of which may result in the decision that the best course of action is to terminate this Memorandum of Agreement. Such circumstances might include the inability of the project to secure sufficient funds, LIHTC’s, or bond cap authority; the inability of the project despite the best efforts of the Parties to obtain other necessary portions of the project’s financing package (such as loans, or other city funding) or other causes which are not within the control of the parties to this agreement.

14. In the event such a termination is necessary for any reason by either Party, PWC and BCAHDC hereto agree that each of them shall indemnify and hold harmless each of the other parties from any and all claims, causes of action or alleged injuries other than those caused by the gross negligence of one of the parties.
15. The Parties agree and understand that in all other respects each of them shall move forward and negotiate in good faith all issues necessary to plan the structure and financing of the above-mentioned affordable housing apartment complex.
16. Formal notices, demands, and communications among the Parties shall not be deemed given unless dispatched by certified mail, return receipt requested, by facsimile delivery with correct answerback received, by electronic mail or by reputable delivery service with a delivery receipt, to the Parties' principal offices as follows:

BCAHDC: Butte County Affordable Housing Development Corporation
2039 Forest Avenue
Chico, CA 95928
Attention: Edward S. Mayer, President
Telephone: 530-895-4474 x 215
Fax: (530) 895-4459
Email: edm@butte-housing.com

PWC: Pacific West Communities, Inc.
430 East State St., Suite 100
Eagle, ID 83616
Attention: Caleb Roope
Telephone: 208-461-0022
Fax: 208-461-3267
Email: calebr@tpchousing.com

IN WITNESS WHEREOF, the parties hereto executed this Agreement as of the date first written above.

Pacific West Communities, Inc.

By: Caleb Roope
Its: President

Butte County Affordable Housing Development Corporation

By: Edward S. Mayer
Its: President

Exhibit A

Woodward Family Apartments, Orland, Glenn County, California

Location

The site for the proposed project, Riverbend Family Apartments, is situated at 211 Swift St in the City of Orland, Glenn County. The site consists of a 1.57+/- acre parcel on which 3 residential buildings and 1 community building will be constructed.

Housing Type

The proposed development will be a 36-unit rental new construction project. With a mix of 24 two-bedroom units (approximately 826 sq. ft.) and 12 three-bedroom units (approximately 1,140 sq. ft.), Woodward Family Apartments will provide affordable housing for families earning up to 60% of the area median income (AMI) for Glenn County.

Construction Design & Project Description

The units will be newly constructed garden style apartments. The type of construction will be wood frame supported by perimeter foundations with concrete slab flooring. This type of construction will allow the building to conform to the natural terrain with only minor amounts of grading. The exterior will be stucco with tile roof shingles. Architectural accents will be incorporated, providing an aesthetically appealing exterior that blends with the character of the surrounding neighborhood and the community of Orland. Minimum construction standards will be adhered to in order to assure that a quality family housing development is provided.

The buildings will be oriented appropriately throughout the site with the intent to create a community concept. For the benefit and welfare of its residents, the project will include a 1,830 square foot community building consisting of an office, maintenance room, computer learning center, laundry facilities, exercise room and a resident lounge with a kitchen. An on-site resident manager will provide assistance and management while residing in a three-bedroom manager's unit. The development provides a playground and a covered picnic area with tables. Covered Parking will also be a convenient amenity the project provides to its residents.

The unit mix will be as follows:

Number of Units	Bedrooms	Unit Size	AMI
24	2	826 sq. ft. (approximate)	30%, 60%
11	3	1,140 sq. ft. (approximate)	30%, 60%
1 (Manager's Unit)	3	1,140 sq. ft. (approximate)	

Within the units, residents will enjoy standard features such as energy efficient refrigerators, exhaust fans, dishwashers, disposals, and ranges with ovens. All units will include washers and dryers as well as feature a covered patio or balcony. The design of these apartments will adhere to all necessary

requirements to satisfy Section 504 as well as any additional mandates that the local jurisdiction deems appropriate.

Unit Amenities

All units will feature:

- Refrigerators
- Exhaust fans
- Dishwashers
- Garbage disposals
- Ranges with ovens
- Covered patio or balcony
- Washer/Dryer hook-ups

Project Amenities

- Approximately 1,830 sq. ft. community building
- Resident lounge including TV, seating and kitchen
- Computer room
- Exercise room
- Community laundry room
- Playground
- Covered parking
- Covered picnic area with BBQ and tables

Development Schedule

The anticipated construction phase will be approximately twelve (12) months.

BUTTE COUNTY AFFORDABLE HOUSING DEVELOPMENT CORPORATION

RESOLUTION NO. 20-3C

MEMORANDUM OF UNDERSTANDING WITH PACIFIC WEST COMMUNITIES FOR DEVELOPMENT
AND OPERATION OF RIVERBEND FAMILY APARTMENTS, OROVILLE

WHEREAS, the Butte County Affordable Housing Development Corporation (BCAHDC), in response to need, seeks to increase the availability of affordable housing in the communities and jurisdiction it serves; and

WHEREAS, Pacific West Communities (PWC) has approached the Butte County Affordable Housing Development Corporation (BCAHDC) to participate in development of seventy-two (72) units of affordable low-income family housing in Oroville, CA, such development called Riverbend Family Apartments, to be located at 203 Table Mountain Boulevard, Oroville, Butte County, CA (Project); and

WHEREAS, such development is proposed to be accomplished by means of corporate partnership, such partnership structured and suitable for access to affordable housing subsidy sources, such as, but not limited to, the federal IRS Low Income Housing Tax Credit program as administered by the State of California Tax Credit Allocation Committee; and

WHEREAS, BCAHDC, seeks to act as Managing General Partner in the Limited Partnership (Partnership) that will own and operate the Project, in materially participating in the development and operation of the Property, and ensuring its ongoing affordability to the community; and

WHEREAS, an MOA has been drafted which substantially identifies the roles of the parties to the MOA; and,

WHEREAS, time is of the essence in proceeding with development of the Project; and

WHEREAS, the MOA as drafted has been determined to be sufficient for purposes of identifying roles and advancing project interests until such time as the formal Partnership Agreement is determined, based on the best interests of BCAHDC, and PWC;

THEREFORE BE IT RESOLVED by the Board of Directors of the Butte County Affordable Housing Development Corporation (BCAHDC) to authorize its President to execute the Memorandum of Agreement (MOA) between BCAHDC and Pacific West Communities (PWC) for purposes of participation in the affordable housing development project known as Riverbend Family Apartments, to be located at 203 Table Mountain Boulevard, Oroville, CA, provided such negotiation not substantively change the terms of the MOA, attached to and made a part of this Resolution No. 20-3C.

Dated: January 16, 2020.

Edward S. Mayer President

ATTEST:

Marysol Perez, Secretary

MEMORANDUM OF AGREEMENT

THIS AGREEMENT is entered into this 16th day of January, 2020 by and between ***Pacific West Communities, Inc.***, an Idaho corporation (hereafter “PWC”), and ***Butte County Affordable Housing Development Corporation***, a California nonprofit public benefit corporation (hereafter “BCAHDC”).

RECITALS

WHEREAS, PWC and its affiliates have the experience and expertise necessary to prepare Tax Credit applications, prepare architectural designs and plans, obtain construction and permanent financing, construct the Project, and syndicate tax credits; and

WHEREAS, PWC, or related party, has secured site control of an approximately 4.36 acre property located at 203 Table Mountain Blvd, Oroville, CA, and desires to develop 72 units of family affordable housing on the site (“Project”) as described in the attached Exhibit A; and

WHEREAS, BCAHDC provide affordable housing opportunity to households in Butte County, including the City of Oroville; and

WHEREAS, PWC has approached BCAHDC to seek BCAHDC’s participation as non-profit Managing General Partner in the LIHTC Partnership that would develop, own and operate such affordable family housing development in Oroville; and

WHEREAS, BCAHDC have determined it in the best interest of BCAHDC, their clients, and the community they serve to work with PWC in seeking to create affordable housing opportunity through construction of new residential units meeting the needs of low-income families in Oroville;

IT IS, THEREFORE, AGREED AS FOLLOWS:

1. PWC shall seek financing for the Project suitable to BCAHDC. PWC shall also use its best possible efforts to obtain a commitment to purchase tax credits at the best possible terms. PWC shall also perform any and all procedures and pay all expenses necessary to syndicate said tax credits. This agreement is conditional upon securing an allocation of low-income housing tax credits that PWC deems sufficient for financing of the Project.
2. PWC and BCAHDC shall work jointly to prepare and submit any financing applications required for the development of the Project. BCAHDC shall be given an opportunity to review any tax credit or other financing applications submitted for the Project. PWC shall advance any and all predevelopment funds required for the applications and will also pay any other costs incurred prior to the start of construction.
3. Providing financing sufficient for development of the Project is awarded, PWC and BCAHDC shall work jointly together to obtain all federal, state and local approvals necessary to develop the Project, and shall further execute any and all documents and/or agreements, subject to appropriate review, as may be necessary to move the Project forward.

4. PWC shall work with DG Group Architecture, LLC dba Pacific West Architecture to provide all the necessary design work and building plans subject to mutual approval by PWC and BCAHDC. PWC's affiliate, Pacific West Builders, Inc., being a licensed general contractor in the State of California, shall construct the Project.
5. At the initial closing of the construction loan, PWC, and BCAHDC shall be reimbursed from funding proceeds all project development expenses previously paid relating to the Project. BCAHDC shall also be entitled to a fee of \$10,000 that will represent payment for overhead expenses incurred. PWC shall be paid a fee equal to 90% of the developer fee for the Project, and BCAHDC shall be paid a fee equal to 10% of the developer fee for the Project. If total financing sources are not sufficient to pay all or a portion of the developer fee earned, proceeds from cash flow shall be used until the entire fee is paid in full. Payments of any developer fees shall follow closing of the permanent loan and final tax credit syndication payments from the investor, unless sufficient financing proceeds are available at an earlier date at which time a partial payment may be made. All cost overruns shall be borne by PWC, after full deferral of the developer fee. BCAHDC shall be entitled to reimbursement of up to \$15,000 in legal fees at construction loan closing.
6. BCAHDC shall provide a capital funds loan in the amount of 10% of the developer fee ("NP Loan") to facilitate the development of the Project. NP Loan terms will include a simple interest rate not to exceed 3% with a 55 year term and be secured by a promissory note and deed of trust. Payments on the NP Loan will be a participation in 50% of Residual Receipts, as that term is defined in Exhibit "B" hereto, pro rata with all other soft financing of the Project. NP Loan shall be made only after BCAHDC has been paid their portion of the developer fee for the Project.
7. Upon completion of construction and passing of all inspections, the limited partnership established by an affiliate of PWC and BCAHDC during the predevelopment period, along with the investor limited partner under an amended and restated partnership agreement, shall thereafter own and operate the Project as an affordable housing project subject to the requirements set forth by the tax credit program and other financing agreements. All cash flow and ownership benefits, including the sale of the property shall be 100% owned by PWC. The Managing General Partner of the Project shall also receive an annual fee of \$7,600 (\$100 per unit) after stabilization to the extent the Managing General Partner has and continues to take care of the customary Manager General Partner duties.
8. Managing General Partner – BCAHDC will serve as a Managing General Partner to the Limited Partnership, to be formed, that will own and operate the Project. Upon admittance, BCAHDC shall have all rights and obligations of a Managing General Partner under California law. Notwithstanding, the assignment, delegation or reservation of any duty or obligation under the Partnership or the Property Management Agreement, BCAHDC shall at all times be considered to be continuously and substantially involved in the management and operation of the Partnership and the Project. BCAHDC shall:
 - a) Advise the Partnership concerning particular requirements of low income housing rules and regulations and monitor compliance with all government regulations and file or supervise the filing of all required documents with government agencies.
 - b) Facilitate development and operation of the Project by appearance or correspondence with lenders and government bodies.

- c) In conjunction with the Administrative General Partner execute and deliver all partnership documents on behalf of the Partnership.
 - d) Participate in hiring and overseeing the work of all persons necessary to provide services for the management and operation of the Partnership business.
 - e) Ensure Supportive Services are coordinated and delivered by BCAHDC or others as “delegated” to pursuant to BOE Rule 140.1;
 - f) BCAHDC shall use its best efforts to obtain and maintain the “Welfare Tax Exemption” available to qualified low-income projects through California State Revenue & Taxation Code §§ 214(g), et seq. and related State Board of Equalization (BOE) administrative rules and rules of procedure.
 - g) BCAHDC shall also have any and all necessary authority to ensure compliance with BOE’s rulings and policies, as well as federal and state tax statutes and court rulings relating directly to the above mentioned obligations.
9. PWC shall select a third party management company, with the approval of BCAHDC, to manage the project in accordance with commercially reasonable terms and in compliance with IRC Section 42 guidelines. BCAHDC or its affiliates may elect to provide certain management operations such as maintenance and landscaping, also on commercially reasonable terms.
 10. In the event that the partnership elects to sell the project, BCAHDC shall have, after 15 years from the project’s placed-in-service date, the right of first refusal to purchase the project at its fair market value. Said right shall not terminate unless BCAHDC elects to do so in writing.
 11. PWC, or BCAHDC may terminate this Agreement without liability upon written notice to the other party if either party determines, in its sole discretion, that (i) the Project or the partnership is infeasible or is not in such party’s best interests or (ii) that sufficient financing to develop the Project will not be awarded by December 31, 2022. In the event the Project becomes infeasible and does not close, all predevelopment costs of the Project incurred by PWC shall be the responsibility of PWC, except those costs described above incurred by BCAHDC prior to admittance of BCAHDC to the Partnership.
 12. BCAHDC shall not be responsible for project “guaranties” or indemnities” to the tax credit investor, lenders and any other financial participant to the Project financing. PWC shall also indemnify BCAHDC for its role and participating in the Partnership. PWC, for itself, its subsidiaries, and affiliates agrees that BCAHDC’s liability for failure to perform any duty or obligation under this MOA, the Partnership or any financing or security agreement entered into by the Partnership shall be limited to BCAHDC’s interest in the Partnership.
 13. The Parties realize that although it is the sincere desire of each of them for the proposed Project to come completely to fruition, that there is always a degree of risk in pre-development activities and that the Parties each acknowledge that there may be certain circumstances, the occurrence of which may result in the decision that the best course of action is to terminate this Memorandum of Agreement. Such circumstances might include the inability of the project to secure sufficient funds, LIHTC’s, or bond cap authority; the inability of the project despite the best efforts of the Parties to obtain other necessary portions of the project’s financing package (such as loans, or other city funding) or other causes which are not within the control of the parties to this agreement.

14. In the event such a termination is necessary for any reason by either Party, PWC and BCAHDC hereto agree that each of them shall indemnify and hold harmless each of the other parties from any and all claims, causes of action or alleged injuries other than those caused by the gross negligence of one of the parties.
15. The Parties agree and understand that in all other respects each of them shall move forward and negotiate in good faith all issues necessary to plan the structure and financing of the above-mentioned affordable housing apartment complex.
16. Formal notices, demands, and communications among the Parties shall not be deemed given unless dispatched by certified mail, return receipt requested, by facsimile delivery with correct answerback received, by electronic mail or by reputable delivery service with a delivery receipt, to the Parties' principal offices as follows:

BCAHDC: Butte County Affordable Housing Development Corporation
2039 Forest Avenue
Chico, CA 95928
Attention: Edward S. Mayer, President
Telephone: 530-895-4474 x 215
Fax: (530) 895-4459
Email: edm@butte-housing.com

PWC: Pacific West Communities, Inc.
430 East State St., Suite 100
Eagle, ID 83616
Attention: Caleb Roope
Telephone: 208-461-0022
Fax: 208-461-3267
Email: calebr@tpchousing.com

IN WITNESS WHEREOF, the parties hereto executed this Agreement as of the date first written above.

Pacific West Communities, Inc.

By: Caleb Roope
Its: President

Butte County Affordable Housing Development Corporation

By: Edward S. Mayer
Its: President

Exhibit A

Riverbend Family Apartments, Oroville, Butte County, California

Location

The site for the proposed project, Riverbend Family Apartments, is situated at 203 Table Mountain Boulevard in the City of Oroville, Butte County. The site consists of a 4.36 +/- acre parcel on which 6 residential buildings and 1 community building will be constructed.

Housing Type

The proposed development will be a 72-unit rental new construction project. With a mix of 36 two-bedroom units (approximately 821 sq. ft.) and 36 three-bedroom units (approximately 1,022 sq. ft.), Riverbend Family Apartments will provide affordable housing for families earning up to 60% of the area median income (AMI) for Butte County.

Construction Design & Project Description

The units will be newly constructed garden style apartments. The type of construction will be wood frame supported by perimeter foundations with concrete slab flooring. This type of construction will allow the building to conform to the natural terrain with only minor amounts of grading. The exterior will be stucco with tile roof shingles. Architectural accents will be incorporated, providing an aesthetically appealing exterior that blends with the character of the surrounding neighborhood and the community of Oroville. Minimum construction standards will be adhered to in order to assure that a quality family housing development is provided.

The buildings will be oriented appropriately throughout the site with the intent to create a community concept. For the benefit and welfare of its residents, the project will include a 2,734 square foot community building consisting of an office, maintenance room, computer learning center, laundry facilities, exercise room and a resident lounge with a kitchen. An on-site resident manager will provide assistance and management while residing in a three-bedroom manager's unit. The development provides a pool, fenced dog park, half basketball court, playground, and a covered picnic area with tables. Covered Parking will also be a convenient amenity the project provides to its residents.

The unit mix will be as follows:

Number of Units	Bedrooms	Unit Size	AMI
36	2	821 sq. ft. (approximate)	30%, 50%, 60%
35	3	1,022 sq. ft. (approximate)	30%, 50%, 60%
1 (Manager's Unit)	3	1,022 sq. ft. (approximate)	

Within the units, residents will enjoy standard features such as energy efficient refrigerators, exhaust fans, dishwashers, disposals, and ranges with ovens. All units will include washers and dryers as well

as feature a covered patio or balcony. The design of these apartments will adhere to all necessary requirements to satisfy Section 504 as well as any additional mandates that the local jurisdiction deems appropriate.

Unit Amenities

All units will feature:

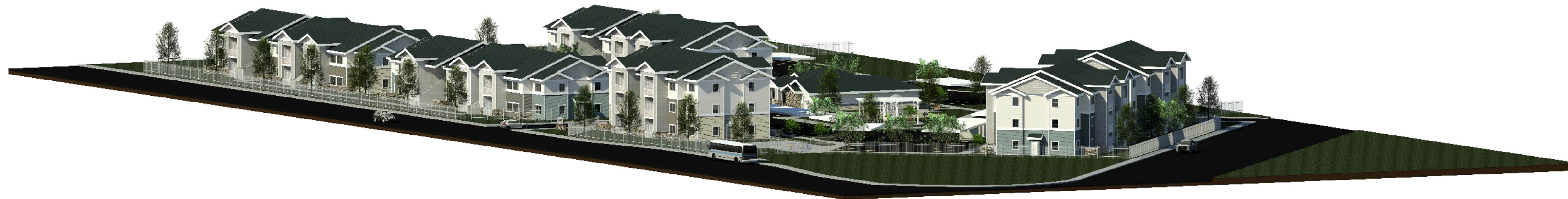
- Refrigerators
- Exhaust fans
- Dishwashers
- Garbage disposals
- Ranges with ovens
- Covered patio or balcony
- Washer/Dryer hook-ups

Project Amenities

- Approximately 2,734 sq. ft. community building
- Resident lounge including TV, seating and kitchen
- Computer room
- Exercise room
- Community laundry room
- Fenced Dog Park
- Half basketball court
- Pool
- Playground
- Covered parking
- Covered picnic area with BBQ and tables

Development Schedule

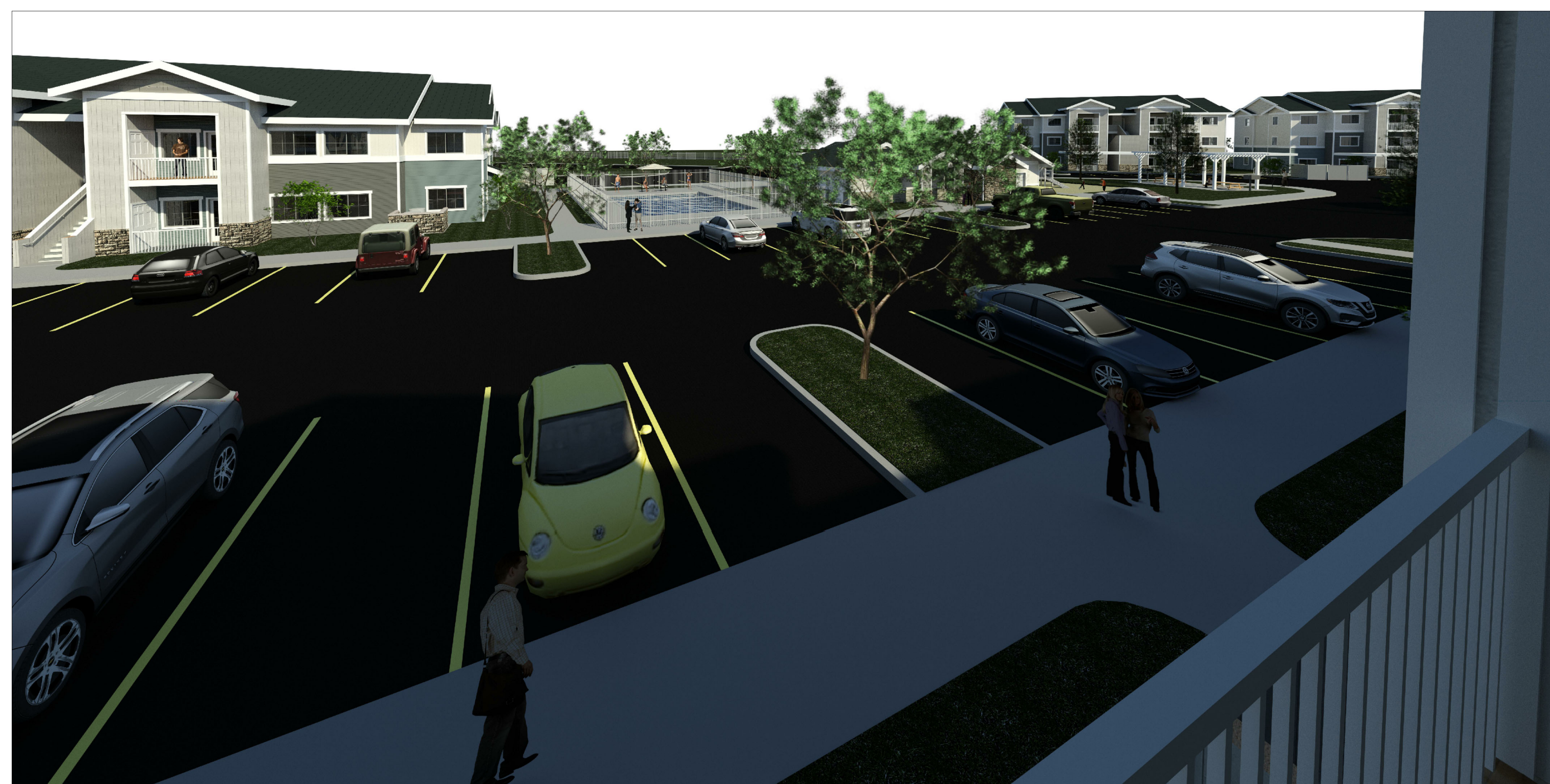
The anticipated construction phase will be approximately twelve (12) months.



AERIAL VIEW LOOKING NORTH WEST



NELSON AVENUE ENTRANCE



2ND FLOOR DECK -POOL VIEW

REVISIONS

COPYRIGHT DATE

12/17/19

	DRAWN BY

DE

	PROJECT #
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Pacific West Architecture

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PROJECT RIVERBEND FAMILY APARTMENTS

NWC NELSON AVE. & TABLE MOUNTAIN RD. OROVILLE, CA

NWC NELSON AVE. & TABLE MOUNTAIN RD. OROVILLE, CA

SCHEMATIC SET / NOT FOR CONSTRUCTION

A6.1