

**BUTTE COUNTY AFFORDABLE HOUSING
DEVELOPMENT CORPORATION
Board of Directors Special Meeting
2039 Forest Avenue
Chico, CA 95928**

SPECIAL MEETING AGENDA

October 15, 2020
2:00 p.m.

Coronavirus (COVID-19) Advisory Notice: The health and safety of Butte County residents and community members, public officials and employees is a top priority for Butte County Affordable Housing Development Corporation and the Board of Directors, of BCAHDC.

Pursuant to current State Public Health directives to shelter-in-place and practice social distancing, and as authorized by Governor Gavin Newsom's Executive Orders N-25-20 and N-29-20, Board of Directors meetings will be closed to the public for the foreseeable future. Members of the Board of Directors and BCAHDC staff will be participating either in person or via teleconference. The Board of Directors encourages members of the public to participate remotely from a safe location.

Please join my meeting from your computer, tablet or smartphone.

<https://global.gotomeeting.com/join/811101357>

Dial in instructions:

United States (Toll Free): 1 866 899 4679

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Access Code: 811-101-357

If you have any trouble accessing the meeting agenda, or attachments; or if you are disabled and need special assistance to participate in this meeting, please email marysolp@butte-housing.com or call 530-895-4474 x.210.

Notification at least 24 hours prior to the meeting will enable the Housing Authority to make a reasonable attempt to assist you.

NEXT RESOLUTION NO. 20-11C

ITEMS OF BUSINESS

1. ROLL CALL
2. AGENDA AMENDMENTS
3. CONSENT CALENDAR
4. CORRESPONDENCE

*Butte County Affordable Housing Development Corporation
Board of Directors*

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5. REPORTS FROM PRESIDENT

5.1 Harvest Park Budget – Adoption of FY2021 Harvest Park Budget.

Recommendation: Resolution No. 20-11C

5.2 1200 Park Ave LP – Limited Partner PSA Authorization, including Assignment and Assumption Agreement, LPA Amendment, and Form of 8823 Certification.

Recommendation: Resolution No. 20-12C

5.3 Prospect View Apartments, Oroville: Permanent Supportive Housing (PSH) – Development MOA with Pacific West Communities (PWC)

Recommendation: Resolution No. 20-13C

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 – November 19, 2020

13. ADJOURNMENT

MEMO

October 9, 2020

To: BCAHDC Board of Directors

From: Larry Guanzon, HACB Deputy Executive Director
Sue Kemp, BCAHDC CFO

Subject: Chico Harvest Park, LP Proposed 2021 Operating Budget

Attached please find a proposed Operating Budget for Chico Harvest Park, LP calendar year 2021. The proposed budget was prepared by WINN Residential, third party property manager, along with Central California Housing Corporation (Administrative General Partner, aka AHDC). HACB reviewed the draft and provided input on behalf of BCAHDC.

The budget was compiled using current and historical trends. Vacancy loss is projected at 1.34%, to allow for turnovers. Estimated sources and uses are as follows: Operating Income of \$958,523; Operating Expenses of \$407,279; Reserves deposits of \$27,996; and withdrawals of \$0; Debt Service of \$279,345; Misc. Fees of \$13,400; Capital Expenditures of \$56,546; and Mortgagor (Partnership) Expenses of \$41,440, resulting in an estimated positive cash flow of \$132,517 for the year.

The Capital Expenditures from operations include tree trimming; building improvements; computer room upgrades and new equipment; and appliance replacements.

If you have any questions we will gladly answer them at the Board Meeting.

Recommend motion to approve Resolution No. 20-11C

BUTTE COUNTY AFFORDABLE HOUSING DEVELOPMENT CORPORATION

RESOLUTION NO. 20-11C

APPROVAL OF THE FISCAL YEAR 2021 OPERATING BUDGET FOR
HARVEST PARK APARTMENTS, CHICO CA

WHEREAS, Butte County Affordable Housing Development Corporation (BCAHDC) approves its Operating Budget on an annual basis; and

WHEREAS, BCAHDC, as Managing General Partner of Chico Harvest Park LP (Partnership), itself owner of Harvest Park Apartments, Chico, California, prepares the budget for Harvest Park Apartments in conjunction with the Partnership's Administrative General Partner, Chico Harvest Park, LLC, its Managing General Partner agent, Housing Authority of the County of Butte, and the Harvest Park Apartments property manager, WINN Residential; and

WHEREAS, the Board of Directors of BCAHDC has reviewed the budget as proposed and found the budget to be in the best interest of the Harvest Park Apartments property, its residents, the Partnership, and BCAHDC;

THEREFORE, BE IT RESOLVED by the Board of Directors of the Butte County Affordable Housing Development Corporation, acting as Managing General Partner of Chico Harvest Park LP, owner of the Harvest Park Apartments, Chico, CA, to hereby approve and adopt the Operating Budget for fiscal year 2020 for Harvest Park Apartments, Chico, California, such Operating Budget attached to and made a part of this Resolution No. 20-11C.

Dated: October 15, 2020.

Edward S. Mayer, President

ATTEST:

Marysol Perez, Secretary

WinnResidential LLC
2021 Proposed Operating Budget
Site Name - Harvest Park

Account Description	2021 Budget	2020 Budget	\$ Variance 2021 Budget vs 2020 Budget	% Variance 2021 Budget vs 2020 Budget	Comment
INCOME					
RENTAL INCOME					
5120-0000 Rental Income	980,461	933,240	47,221	4.8	Rental income for first 6 months based on new managers cert eff 10/1/2020 incorporating new UA's and income rent limits, recommend doing an increase from current rents prior to end of year 2020. 2% increase eff July 2021 through Dec 2021 *Adjusted rents per Ownerships request included some sec8 overlay. Manager cert currently at \$77,271 GPR/month. Differential is coming from sec8 vouchers..
5150-0000 Rental Assistance	0	0	0	0.0	
5221-0000 Gain/(Loss) to Lease	0	0	0	0.0	
Total RENTAL INCOME	980,461	933,240	47,221	4.8	
MISC INCOME					
5330-0000 Tenant Services	75	0	75	100.0	NSF Fees.
5332-0000 Application Fees	595	700	-105	-17.6	\$35 application fee @ 20 applications.
5341-0000 Cable Revenue	4,260	4,800	-540	-12.7	Budget This quarterly based on the last 2 payments received in the months 1/21,4/21,7/21 and 10/21.
5341-0001 Contra Cable Revenue	-1,064	-1,200	136	-12.8	Budget this based on 25% of GL 5341-0000 in the same months.
5385-0000 Late/Term Fees	1,200	1,800	-600	-50.0	\$50 late fee @ 2 per month.
5390-0002 Damages	5,100	4,800	300	5.9	
Total MISC INCOME	10,166	10,900	-734	-7.2	
OTHER INCOME					
5493-0000 Int on Replacement Reserve	96	49	47	48.9	Budget monthly based on the expense over the last 12 months.
Total OTHER INCOME	96	49	47	48.9	
VACANCY LOSS/RENTAL LOSS/BAD DEBT					
5218-0000 Free Rent-Marketing Concession	-1,800	-1,800	0	0.0	Key holder \$50 per month to assist in opening Community RM on weekends when reserved or after hrs to limit staff OT. \$100 rent concession approved for unit 109 back in Dec 2018 by Laurie Doyle, per discussion w Roberto Rojas, this was due to tenant being granted a sec 8 Voucher, tenant was already in a 30% tax credit unit, tenant was not going to see any savings in rent so he was going to reject the voucher and we would have lost the extra income from the voucher, we gave a concession of \$100 but gained income of \$277 per month on this unit by giving the concession. The gain to lease was orig larger in 2018 but has decreased as tax credit rents have gone up but it is still a substantial gain..
5220-0000 Vacancies Apartment	-13,164	-9,871	-3,293	25.0	Based on historical info from 2018 and 2019. Based on 98% occupancy.
5227-0003 Resident Rent Concession	0	0	0	0.0	
6330-0002 Office Manager Rent Free Unit	-13,236	0	-13,236	100.0	Unit 211 (3x2) set at the 60% max tcac rent.
6370-0000 Bad Debt	-2,500	-2,500	0	0.0	Based on 2020 Budget.
6370-0004 Bad Debt-Miscellaneous	-1,500	-1,500	0	0.0	
6370-1019 Bad Debt - Covid 19	0	0	0	0.0	
6539-0002 Maintenance Staff Rent Free Unit	0	-11,520	11,520	0.0	
Total VACANCY LOSS/RENTAL LOSS/BAD DEBT	-32,200	-27,191	-5,009	15.6	
TOTAL INCOME	958,523	916,998	41,526	4.3	

Account Description	2021 Budget	2020 Budget	\$ Variance 2021 Budget vs 2020 Budget	% Variance 2021 Budget vs 2020 Budget	Comment
EXPENSES					
MANAGEMENT FEES					
6320-0000 Management Fees	48,000	45,430	2,570	5.4	5% Management Fee.
Total MANAGEMENT FEES	48,000	45,430	2,570	5.4	
REAL ESTATE TAXES					
6710-0000 Taxes Real Estate	168	168	0	0.0	Based on a 3% increase of 2019/2020 bill from 1/21-6/21 and another 3% increase from 7/21-12/21.
6712-0000 Taxes Other	365	418	-53	-14.5	Budget based on actual amount that was last paid in 2019 and 2020. This is typically an annual permit fee or business license fee..
Total REAL ESTATE TAXES	533	586	-53	-9.9	
INSURANCE					
6720-0000 Insurance Property	29,025	26,418	2,607	9.0	Budget current monthly expense amount from 1/21-3/21 and a 10% increase of current amount in 4/21-12/21..
6720-0002 Franchise Tax - Calif Pnps	800	800	0	0.0	Budget FTB Payment in 2/21 based on AHDC fees schedule provided..
Total INSURANCE	29,825	27,218	2,607	8.7	
UTILITIES EXPENSES					
6430-0000 Electricity Vacant	170	356	-186	-109.4	
6430-0001 Employee Unit Utility	0	936	-936	0.0	
6440-0000 Gas/Oil Heat Vacant	60	120	-60	-100.0	
6450-0000 Electricity	18,585	17,700	885	4.8	Anticipate a 5% increase.
6451-0000 Water and Sewer	51,645	50,141	1,504	2.9	3% increase anticipated.
6452-0000 Natural Gas Heat	2,240	1,523	717	32.0	
6454-0000 Utility Processing	840	960	-120	-14.3	Utility Benchmarking..
6470-0000 Rubbish Removal	12,516	12,150	366	2.9	Includes 6 extra pick ups pulps 3% anticipated increase.
Total UTILITIES EXPENSES	86,056	83,886	2,170	2.5	
PAYROLL					
6310-0000 Office Payroll	1,420	0	1,420	100.0	Includes Whitney's and Jose's Charge Backs.
6330-0000 Managers Payroll	37,571	43,777	-6,206	-16.5	Includes Bonus/OT.
6539-0000 Maintenance Payroll General	42,042	35,976	6,066	14.4	Includes Bonus/OT.
6714-0001 Taxes-Payroll Administrative	3,402	3,847	-445	-13.1	
6714-0002 Taxes-Payroll Maintenance	3,742	3,250	492	13.1	
6724-0001 Workers Comp. - Payroll Admin	2,472	2,622	-150	-6.1	Based on 6.57%.
6724-0002 Workers Compensation-Payroll Maintenance	2,758	2,155	603	21.9	Based on 6.57%.
6726-0001 Health Ins. & Benefits-Payroll Admin	13,426	11,878	1,548	11.5	
6726-0002 Health Ins. & Benefits-Payroll Maint.	13,612	11,609	2,003	14.7	
Total PAYROLL	120,445	115,114	5,331	4.4	
OPERATING & MAINTENANCE EXPENSE					
6462-0000 Exterminating Contract	7,596	7,440	156	2.1	Includes bi monthly service, 3 bed bug treatments at \$800 each and rodent bait boxes on ext pf bld. Includes 3% increase in monthly service.
6475-0000 Cable Expense	0	0	0	0.0	
6490-0019 Property Expense Covid19 Coronavirus	0	0	0	0.0	
6511-0000 Security Contract and Repairs	1,080	9,936	-8,856	-820.0	Monthly Alarm Monitoring.
6521-0000 Grounds Supplies	2,920	2,920	0	0.0	Annual spring of crepe myrtles/lawn broad leaf/all beds with pre-emergent.
6522-0000 Grounds Contract	21,900	19,800	2,100	9.6	Monthly Landscape Contract.
6522-0001 Landscaping	0	0	0	0.0	
6541-0000 Maintenance Supplies	9,000	7,000	2,000	22.2	Maintenance staff doing more repairs in house.
6545-0000 Repairs Contract General	4,800	6,000	-1,200	-25.0	
6546-0000 Repairs Contract Electric	800	1,000	-200	-25.0	Electric Repairs.
6547-0000 Repairs - Contract - HVAC	1,500	2,000	-500	-33.3	HVAC Repairs.

Account Description	2021 Budget	2020 Budget	\$ Variance 2021 Budget vs 2020 Budget	% Variance 2021 Budget vs 2020 Budget	Comment
6548-0000 Repairs - Contract - Plumbing	2,776	3,180	-404	-14.6	Back Flow Testing, Plumbing Repairs.
6552-0000 Uniforms	500	500	0	0.0	Maintenance Uniforms.
6568-0003 Supplies/Hardware	0	0	0	0.0	
6580-0000 Maintenance Equipment Expense	830	250	580	69.9	Paint Sprayer.
6581-0000 Appliance Repair	2,520	3,000	-480	-19.0	Appliance Repairs/Supplies.
6582-0000 Lock and Key Expense	100	0	100	100.0	Dead Bolts, Keys.
6586-0000 Fire and Safety Systems	3,530	0	3,530	100.0	Fire Monitoring, Fire Extinguisher Service.
6991-0000 Pool Supplies	1,260	1,260	0	0.0	Chemicals, Pool Supplies.
6992-0000 Pool Contract	3,204	3,108	96	3.0	Monthly Pool Contract - anticipate a 3% increase.
Total OPERATING & MAINTENANCE EXPENSE	64,316	67,394	-3,078	-4.8	
TURNOVER COSTS					
6519-0004 Painting Contract-Interior	0	0	0	0.0	
6531-0000 Cleaning Supplies	400	400	0	0.0	
6532-0000 Cleaning Contract	5,800	2,300	3,500	60.3	Vendor carpet cleaning.
6561-0000 Decorator Supplies	1,500	1,000	500	33.3	Paint supplies for turns.
6562-0000 Decorator Contract Services	300	300	0	0.0	Vendor Contract Painting.
Total TURNOVER COSTS	8,000	4,000	4,000	50.0	
MARKETING					
6210-0000 Rental Advertising	0	400	-400	0.0	
6212-0000 Collateral Materials/Brand Identity	1,294	1,958	-664	-51.3	RealPage Website Designation.
6216-0000 Promotions and Promotional Items	156	156	0	0.0	Move In Gifts.
6290-0000 Miscellaneous Renting Expense	740	740	0	0.0	20 credit checks @ \$29 each.e-lead/Internet Shop..
6981-0000 Resident Supplies	1,100	800	300	27.3	\$450 for resident appreciation summer BBQ and \$200 for Halloween gathering for residents..
Total MARKETING	3,290	4,054	-764	-23.2	
ADMINISTRATIVE EXPENSES					
6280-0000 Credit Reports and Fees	132	127	5	3.6	Income verification, The Work Number.
6311-0000 Office Expenses	8,093	7,679	414	5.1	Microsoft Office 365, Information Security Bundle, RealPage Spend AP, Labor Law Posters, Blue Moon Annual License, Office Supplies.
6312-0000 Copy Machine	1,584	1,578	6	0.4	copy machine monthly lease.
6313-0000 Postage	444	400	44	9.9	
6316-0000 Travel/Mileage	2,300	1,145	1,155	50.2	Includes Sabas Mileage.Includes travel to summer BBQ and year end event.
6316-0003 Training	1,583	1,718	-135	-8.5	Annual Training, Road Shows, Summer Picnic, Year End Event.
6316-0004 Training - New Employee Orientation	0	0	0	0.0	
6340-0000 Legal Expense	2,400	1,800	600	25.0	2 potential evictions.
6350-0000 Auditing	12,000	12,338	-338	-2.8	Budgeted in 2/21 based on a 5% increase on payments made in 2020..
6355-0001 Administrative Fees	2,250	2,250	0	0.0	Budget 5 star fees in 12/21 based on AHDC fees schedule provided..
6360-0000 Telephone	10,428	13,320	-2,892	-27.7	2 staff phone reimb. @ \$50 each per month.
6380-0000 Advertising - Employees	0	0	0	0.0	
6385-0000 Dues and Memberships	450	450	0	0.0	AHMA renewal.
6390-0000 Miscellaneous	740	740	0	0.0	Annual UA study.
6391-0000 Licenses	150	150	0	0.0	Annual City Fire insp fee.
6392-0000 Bank Charges	4,260	1,454	2,806	65.9	Budgeted monthly based on the activity 1/20-7/20.
Total ADMINISTRATIVE EXPENSES	46,814	45,149	1,665	3.6	
Total EXPENSES	407,279	392,831	14,448	3.5	
NET OPERATING INCOME	551,244	524,166	27,077	4.9	
REPLACEMENT RESERVE/OTHER ESCROWS					
1316-0000 Escrow - Replacement Reserve	27,996	27,996	0	0.0	Budget this according to the most recent Replace Reserve amount due. Check for a historical increase and follow suit..

Account Description	2021 Budget	2020 Budget	\$ Variance 2021 Budget vs 2020 Budget	% Variance 2021 Budget vs 2020 Budget	Comment
1317-0000 Res for Replacement Withdrawals	0	-13,010	13,010	0.0	
Total REPLACEMENT RESERVE/OTHER ESCROWS	27,996	14,986	13,010	46.5	
DEBT SERVICE					
2320-0000 Mortgage Payable 1st Mortgage	60,000	60,000	0	0.0	Based on Amortization Schedule. Make sure schedule ties to GL for 2020.
6820-0000 Interest on Mortgage	130,652	132,078	-1,425	-1.1	Based on Amortization Schedule. Make sure schedule ties to GL for 2020.
6824-0000 Interest on Mortgage - 4th	16,612	15,566	1,046	6.3	Budget based on Monthly Recurring.
6828-0000 Service Fee	72,080	72,655	-574	-0.8	Budget based on Aug Mortgage statement.
Total DEBT SERVICE	279,345	280,298	-953	-0.3	
MISCELLANEOUS					
6890-0000 Miscellaneous Financial Exp	10,000	5,000	5,000	50.0	This is typically the semi annual issuer fee. Budget this based off the last 2 payments in the months they were paid.
6892-0000 Trustee Fees	3,400	3,900	-500	-14.7	Annual Trustee Fee.
Total MISCELLANEOUS	13,400	8,900	4,500	33.6	
CAPITAL EXPENDITURES					
1415-0002 Landscape and Land Improvements	14,500	5,200	9,300	64.1	Tree Trimming.Apply Bark In Planters and Playground.
1430-0002 Building Equipment - Fixed	0	1,500	-1,500	0.0	
1431-0001 Building Improv-R/R	0	13,010	-13,010	0.0	
1431-0002 Building Improvements	12,555	12,895	-340	-2.7	Dryer Ducts.
1440-0002 Carpet/Flooring	14,000	22,000	-8,000	-57.1	(7) Carpet/Flooring Replacements.
1446-0002 Computers	2,968	0	2,968	100.0	(2) Computer Lab Computer Replacement.(1) Computer Lab Printer.
1461-0002 Furniture & Fixtures	6,123	12,990	-6,867	-112.2	Community Room Furniture.Computer Room Upgrades.
1486-0000 Appliances	6,400	7,400	-1,000	-15.6	(7) Misc. Appliances (Water Heaters, Dishwashers, Fridges, Stove, Washer/Dryer) as needed.
Total CAPITAL EXPENDITURES	56,546	74,995	-18,449	-32.6	
MORTGAGOR EXPENSES					
7115-0000 Non Profit Fee	20,000	20,000	0	0.0	MGP Fee based on AHDC's schedule.
7135-0000 Asset Management Fees	11,940	11,255	685	5.7	AGP Fee based on AHDC's schedule.
7153-0000 Administration Fee Expense	9,500	8,955	545	5.7	
Total MORTGAGOR EXPENSES	41,440	40,210	1,230	3.0	
PROFIT/LOSS	132,517	104,777	27,740	20.9	

BUTTE COUNTY AFFORDABLE HOUSING DEVELOPMENT CORPORATION

RESOLUTION NO. 20-12C

CONSENT TO HOUSING AUTHORITY OF THE COUNTY OF BUTTE PURCHASE OF
INVESTOR LIMITED PARTNER AND SPECIAL LIMITED PARTNER INTERESTS IN
1200 PARK AVENUE, L.P., A CALIFORNIA LIMITED PARTNERHIP

WHEREAS, the 1200 Park Avenue, L.P. partnership (Partnership) was formed pursuant to a certificate of limited partnership filed with the California Secretary of State on May 15, 2002, as governed by that certain Second Amended and Restated Agreement of Limited Partnership of 1200 Park Avenue, L.P., a California limited partnership, dated as of December 22, 2004, as amended by that certain misnumbered Third Amendment to Second Amended and Restated Agreement of Limited Partnership, dated as of December 26, 2009, and as further amended by that certain misnumbered First Amendment to Second Amended and Restated Agreement of Limited Partnership, dated as of July 15, 2009 (Partnership Agreement); and

WHEREAS, the Partnership owns the multi-family residential property known as 1200 Park Avenue Apartments, 1200 Park Avenue, Chico, CA (Property); and

WHEREAS, the partners of the Partnership include Butte County Affordable Housing Development Corporation (BCAHDC), Managing General Partner (MGP); Centerline Corporate Partners XXVIII LP, f/k/a Related Corporate Partners XXVIII, L.P., a Delaware limited partnership, together with Centerline Corporate Partners XXXIII LP, Investor Limited Partner (ILP); Related Corporate XXVIII SLP LLC, Special Limited Partner (SLP); and 1200 Park Avenue LLC, Administrative General Partner (AGP); and

WHEREAS, the Property is subject to a State of California Tax Credit Allocation Committee Regulatory Agreement (CTCAC Regulatory Agreement), dated December 7, 2007, relating to use of federal Low Income Housing Tax Credits (LIHTC's); and

WHEREAS, the Property is in the final year of its federally-required fifteen-year LIHTC compliance period; and

WHEREAS, the Partnership Agreement provides for assignment of Limited Partner interests; and

WHEREAS, the ILP and SLP seek to assign their Investor Limited Partner and Special Limited Partner interests in the Partnership, and

WHEREAS, the HACB seeks assignment of the Partnership's Investor Limited Partner and Special Limited Partner interests; and

WHEREAS, a Purchase and Sale Agreement has been negotiated in good faith for assignment of the ILP and SLP interests to the HACB, and

WHEREAS, BCAHDC, as MGP, has determined that assignment of the Partnership's ILP and SLP interests to the HACB is in the best interest of BCAHDC, its interests as MGP of the Partnership, the Property, Property residents, and the community;

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Butte County Affordable Housing Development Corporation (BCAHDC) to:

- 1) hereby find and declare that the above recitals are true and correct and are incorporated herein;
- 2) consent to the assignment of the Investor Limited Partner and Special Limited Partner interests in 1200 Park Avenue, L.P., a California Limited Partnership (Partnership) to the Housing Authority of the County of Butte (HACB), and HACB participation in the Partnership;
- 3) authorize execution of the Purchase and Sale Agreement (PSA), with Exhibit A - Assignment and Assumption Agreement, Exhibit B - Third Amendment to the Second Amended and Restated Agreement of Limited Partnership of 1200 Park Avenue, L.P. (Agreements), and use of Exhibit D, Form of 8823 Certification (Form), such Agreements and Form attached to and made a part of this Resolution Number 20-12C; and,
- 4) authorize its President to take all necessary and appropriate action and sign and/or execute all necessary documents in order to complete this consent and its authorizations.

Dated: October 15, 2020.

Edward S. Mayer, President

ATTEST:

Marysol Perez, Secretary

BUTTE COUNTY AFFORDABLE HOUSING DEVELOPMENT CORPORATION

RESOLUTION NO. 20-13C

MEMORANDUM OF UNDERSTANDING WITH PACIFIC WEST COMMUNITIES
FOR DEVELOPMENT AND OPERATION OF PROSPECT VIEW 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, the Pacific West Communities (PWC) has approached the Butte County Affordable Housing Development Corporation (BCAHDC) to participate in development of a 40-unit affordable low-income housing property serving special needs populations in Oroville, CA, such development called Prospect View Apartments, located on a three-acre parcel immediately to the east of the County Hall of Records on Nelson Avenue, 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 has been determined 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), attached to and made a part of this Resolution Number 20-13C, between BCAHDC and Pacific West Communities (PWC), for purposes of participation in the 40-unit affordable housing development project known as Prospect View Apartments, to be located immediately east of the County Hall of Records on Nelson Avenue, Oroville, Butte County, CA.

Dated: October 15, 2020.

Edward S. Mayer President

ATTEST:

Marysol Perez, Secretary

MEMORANDUM OF AGREEMENT

THIS AGREEMENT is entered into this 159th day of October, 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 3+/- acre property located on Nelson Avenue, Oroville, CA, and desires to develop 40 units of permanent supportive housing on the site as described in the attached Exhibit A (“Project”); 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 permanent supportive 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 80% of the developer fee for the Project, and BCAHDC shall be paid a fee equal to 20% 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 15% 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, 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 \$4,000 (\$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, 2023. 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

Prospect View Permanent Supportive Housing Project, Oroville, Butte County, California

Location

The site for the proposed project, Prospect View Permanent Supportive Housing Project, is situated at approximately 135 Nelson Avenue in the city of Oroville, Butte County. The site consists of a 3+/- acre parcel on which 1 residential building and 1 community building will be constructed.

Housing Type

The Project will consist of 39 units of permanent supportive housing targeted to homeless and mentally disabled individuals. One additional unit will be reserved for an on-site resident manager. The Project will also include on-site case management offices in which individualized supportive services will be provided to the residents with the intent of helping them restore their lives. With a mix of 36 one-bedroom units (647 gross sq. ft.) and 4 two-bedroom units (838 gross sq. ft.), the proposed project will target the homeless and mentally disabled individuals residing in Butte County.

Construction Design & Project Description

The units will be newly constructed apartments in one, three-story residential building with an elevator and a community building. The type of construction will be wood frame supported by perimeter foundations. The exterior will be a combination of vinyl lap and shake siding with Class A composite roof shingles. Architectural accents will be incorporated, providing an aesthetically appealing, craftsman style exterior that blends with the character of the surrounding neighborhood and the City of Oroville. Minimum construction standards will be adhered to in order to assure that a quality permanent supportive housing development is provided.

The building will be oriented appropriately on the site with the intent to create a community concept for residents to enjoy while remaining social and active. Outdoor amenities include a community courtyard with pergolas, an enclosed dog park, and a garden with raised planter beds. The development will include a large community building (approximately 3,103 sq. ft.) with accessible common spaces including an office space, a business center, exercise room, case management offices, a meeting room and two laundry rooms. An on-site resident manager will provide assistance and management while residing in a two-bedroom manager's unit.

The unit mix will be as follows:

Number of Units	Bedrooms	Unit Size	AMI
36	1	647 sq. ft. (approximate)	30%, 50%, 55%, 60%
3	2	805 sq. ft. (approximate)	30%, 50%, 55%, 60%
1 (Manager's Unit)	2	805 sq. ft. (approximate)	

Within the units, tenants will enjoy standard features such as refrigerators, exhaust fans and ranges with ovens. All of the units are fully accessible or easily adaptable to meet the needs of the tenant population

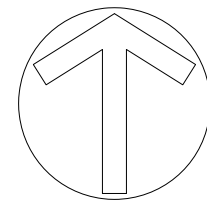
Unit Amenities

All units will feature:

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

Project Amenities

- Approximately 3,103 sq. ft. community building
- Resident lounge including TV, seating, and kitchen
- Computer room
- Exercise room
- Meeting room
- Two community laundry rooms
- Fenced dog park
- Community garden with raised planter beds

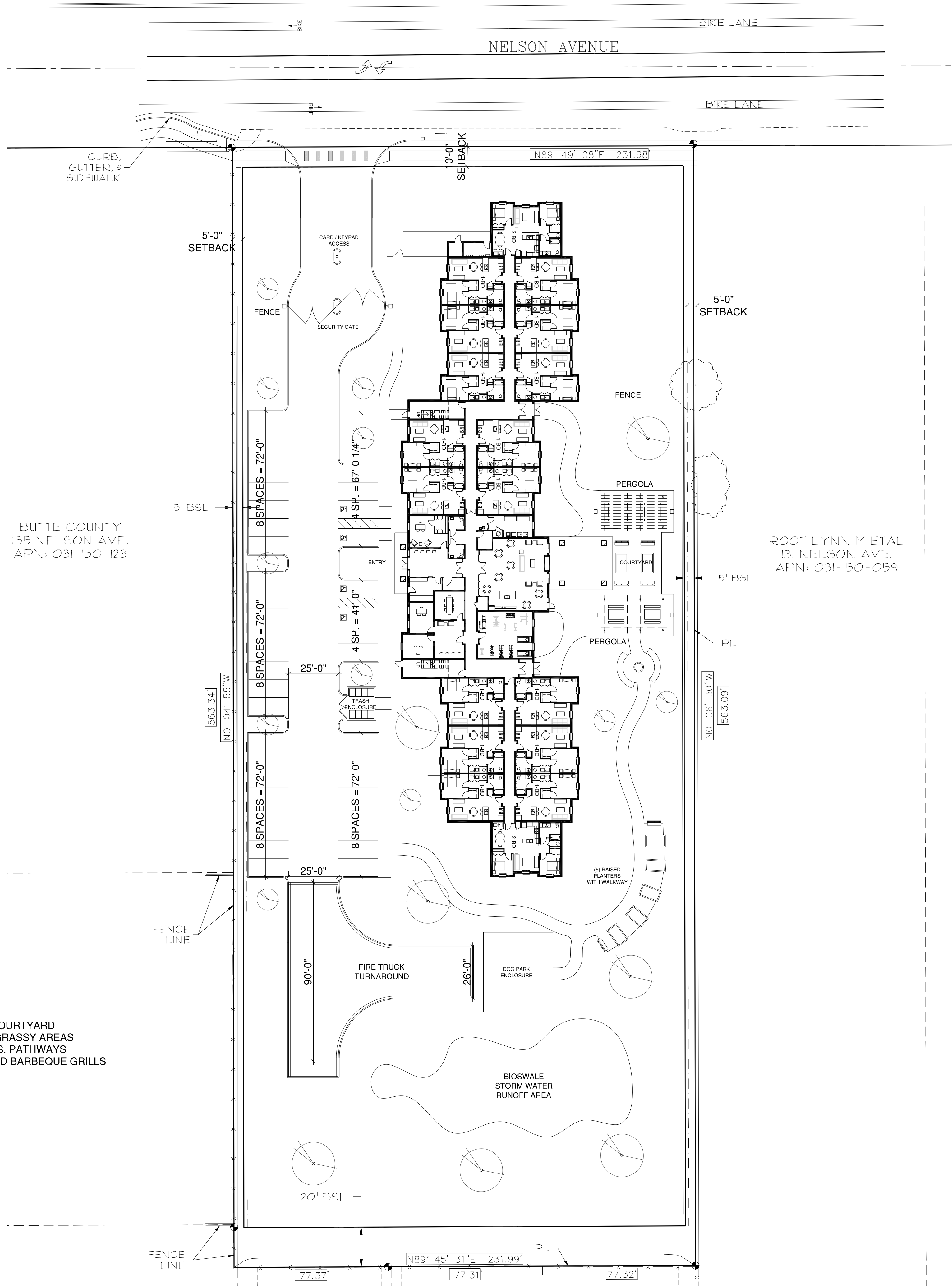


SITE PLAN

SCALE: 1" = 30'-0"

SITE DEVELOPMENT AMENITIES TO INCLUDE

1. QUALITY OF LIFE: COMMUNITY AREA & COURTYARD
2. OPEN LANDSCAPED COURTYARD WITH GRASSY AREAS
3. RECREATION: RAISED PLANTERS, PATIOS, PATHWAYS
4. OPEN PERGOLA WITH PICNIC TABLES AND BARBEQUE GRILLS



APPLICANT

AMG & ASSOCIATES, LLC
CAMERON JOHNSON
16633 VENTURA BLVD., SUITE 1014
ENCINO, CA 91436
(818) 380-2600

ARCHITECT

PACIFIC WEST ARCHITECTURE
DOUGLAS GIBSON, IDAHO ARCHITECT AR-2084
430 E. STATE STREET, SUITE 100
EAGLE, IDAHO 83616
(208) 461-0022 X3021

ACCESSIBILITY

	# OF UNITS	PERCENTAGE
ADAPTABLE TYPE B (ALL GRND FLR. UNITS REQ.)	18	45.00%
ACCESSIBLE TYPE A UNITS (5% TOTAL)	1	5.55%
SENSORY IMPAIRED UNITS (2% TOTAL)	1	5.55%

OROVILLE NELSON PSH

UNIT MIX SUMMARY

		CONDITIONED SQ. FOOTAGES
(36) 1-BEDROOM UNITS	(36) x 647 S.F. =	23,292 S.F.
(04) 2-BEDROOM UNITS	(04) x 838 S.F. =	3,352 S.F.
(40) UNITS TOTAL	23,292 S.F. + 3,352 S.F. =	26,644 S.F.

(1) COMMUNITY AREA	1,136 S.F.
(1) FITNESS ROOM	635 S.F.
(1) COMPUTER ROOM	668 S.F.
(1) MEETING ROOM	210 S.F.
(2) LAUNDRY ROOMS	(2) x 227 S.F. =
(6) SHARED AMENITIES	454 S.F.
	3,103 S.F.

TOTAL	29,747 S.F.
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FIRE SPRINKLER

AUTOMATIC FULLY SPRINKLERED SYSTEM WITH CENTRAL CALL STATION,
OFF-SITE MONITORING AND FPC'S AT EXTERIOR ACCESSIBLE FIRE
SPRINKLER CLOSETS.

SITE SIZE

130,680 S.F.± (3.00 ACRES±)
13.33 UNITS PER ACRE

SITE COVERAGE

	SQ. FT.	PERCENTAGE
BUILDING FOOTPRINT	21,200 S.F.	16.22%
ON-SITE ASPHALT CONCRETE PAVING	25,700 S.F.	19.66%
SITE AMENITIES (PERGOLA, PATIO, PLANTERS)	7,475 S.F.	5.72%
CONCRETE WALKS & PADS	1,850 S.F.	1.42%
DOG ENCLOSURE AREA	1,400 S.F.	1.07%
BIOSWALE RUNOFF AREA	5,000 S.F.	3.83%
COMMON OPEN SPACE	68,055 S.F.	52.08%
TOTAL AREA	130,680 S.F.	100%

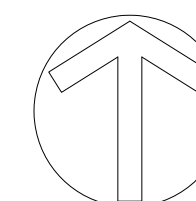
NOTE: ALL NUMBERS PROVIDED ARE ESTIMATED FOR SITE COVERAGE

PARKING AND UNIT SUMMARY

36 PARKING SPACES (9'-0" X 19'-0")
4 ADA ACCESSIBLE PARKING SPACES

40 TOTAL PARKING SPACES PROVIDED

PROJECT SITE



VICINITY MAP

N.T.S.

Pacific West Architecture

PROJECT

OROVILLE NELSON
PSH

430 E. STATE STREET, SUITE 100
EAGLE, IDAHO 83616
(208) 461-0022
fax (208) 461-3267

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NRC

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AMG 20-58

SCHEMATIC DESIGN / NOT FOR CONSTRUCTION

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