

**BUTTE COUNTY AFFORDABLE HOUSING  
DEVELOPMENT CORPORATION**

**Board of Directors Meeting**

2039 Forest Avenue  
Chico, CA 95928

**SPECIAL MEETING AGENDA**

September 16, 2021  
2:00 p.m.

Members of the Board of Commissioners and HACB staff will be participating either in person or remotely. The Board of Commissioners welcomes and encourages public participation in the Board meetings either in person or remotely from a safe location.

Members of the public may be heard on any items on the Commissioners' agenda. A person addressing the Commissioners 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 Commissioners. Members of the public desiring to be heard on matters under jurisdiction of the Directors, but not on the agenda, may address the Commissioners during agenda item 6.

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

<https://global.gotomeeting.com/join/785160421>

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United States (Toll Free): [1 877 309 2073](tel:18773092073)

United States: +1 (571) 317-3129

**Access Code:** 785-160-421

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 [marysolk@butte-housing.com](mailto:marysolk@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.

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NEXT RESOLUTION NO. 21-18C

**ITEMS OF BUSINESS**

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

4. CORRESPONDENCE

5. REPORTS FROM PRESIDENT

5.1 Orchard View Apartments, Gridley – Development MOA with Pacific West Communities (PWC)

Recommendation: Resolution No. 21-18C

5.2 Oleander Community Apartments, Chico – Development MOA with Pacific West Communities (PWC)

Recommendation: Resolution No. 21-19C

5.3 Strategic Asset Plan – Agreement with CalAHA regarding Asset Repositioning 1200 Park Avenue Apartment and Walker Commons Apartments.

Recommendation: Resolution No. 21-20C

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 18, 2021**

13. ADJOURNMENT

BUTTE COUNTY AFFORDABLE HOUSING DEVELOPMENT CORPORATION

RESOLUTION NO. 21-18C

MEMORANDUM OF AGREEMENT WITH PACIFIC WEST COMMUNITIES FOR DEVELOPMENT AND  
OPERATION OF ORCHARD VIEW APARTMENTS PHASE I, GRIDLEY

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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 48-unit affordable low-income housing development serving families in Gridley, CA, such development known as Orchard View Apartments Phase I, to be located southwest of the intersection of Highway 99 and Archer Avenue, Gridley (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, a Memorandum of Agreement (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) between BCAHDC and Pacific West Communities (PWC) for purposes of participation in the 48-unit affordable housing development project known as Orchard View Apartments Phase I, to be located southwest of the intersection of Highway 99 and Archer Avenue, Gridley, such participation to be in accordance with the MOA, attached to and made a part of this Resolution Number 21-18C,

Dated: September 16, 2021.

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Edward S. Mayer President

ATTEST:

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Marysol Perez, Secretary

## **MEMORANDUM OF AGREEMENT**

THIS AGREEMENT is entered into this 16<sup>nd</sup> day of September, 2021 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 Highway 99, Gridley, CA, and desires to develop 48 units of affordable family 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 Gridley; 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 developments in Gridley; 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 Gridley;

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 \$25,000 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, 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 \$4,800 (\$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.

TPC HOLDINGS IX, LLC, an Idaho Limited Liability Company (“AGP”), or another affiliate of PWC, is or will be the Administrative General Partner of the LIHTC Partnership. The LPA together with all documents entered into in connection therewith or the admission of the Limited Partner are referred to herein as the “Equity Documents”.

PWC, BCAHDC and AGP hereby agree that if (I) the Limited Partner exercises any “put” or similar right under the Equity Documents to cause the AGP to purchase the Limited Partner interests in the Partnership, or (II) GP or its successor and assigns exercises any option to purchase the Limited Partner interests in the Partnership under the Equity Documents (a “Partnership Interest Option”), then immediately following the conveyance of the Limited Partner interests in the Partnership to an affiliate of AGP (but on the same day), the Equity Documents will be amended so that BCAHDC will own a 10% interest in the therewith Partnership (including, without limitation, in net cash flow and proceeds from capital transactions).

If the AGP exercises any option to purchase the Project under the Equity Documents (a “Project Option”), then immediately following the acquisition of the Project by the AGP or its assignee (“New Owner”) (but on the same day), BCAHDC will be admitted to new Owner such that BCAHDC will own a 10% interest in the New Owner (including, without limitation, in net cash flow and proceeds from capital transactions).

BCAHDC agrees that it will not exercise any right of first refusal (“Refusal Right”) or option under the Equity Documents without providing not less than five (5) business days advance written notice

thereof to the AGP. In the event that AGP exercises any Partnership Interest Option of Project Option following receipt of such notice, then BCAHDC shall not exercise its Refusal Right (or if exercised, then PWC and AGP shall have the remedies herein).

Neither BCAHDC nor AGP shall transfer or assign its rights or options under the Equity Documents except to an affiliate assignee that acknowledges and agrees to the terms of this Section 10 in writing reasonably satisfactory to the non-transferring party. AGP and PWC shall be jointly and severally liable for their obligations under this Section 10. Notices to the AGP hereunder shall be made at the same address as PWC.

BCAHDC shall not be required to contribute capital or otherwise provide funds in connection with the purchase of the limited partnership interest in the LIHTC Partnership with respect to the Partnership Interest Options or the Purchase Option under the Equity Documents.

BCAHDC, PWC and AGP shall each have all remedies available at law and equity, including specific performance, to enforce its rights under this Section 10. In the event of any dispute among any of PWC, AGP and BCAHDC, the prevailing party/ies shall be entitled to reimbursement of reasonable attorney's fees from the non-prevailing party/ies.

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 permanent supportive 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](mailto: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](mailto:calebr@tpchousing.com)

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

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Pacific West Communities, Inc.

By: Caleb Roope  
Its: President

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Butte County Affordable Housing Development Corporation

By: Edward S. Mayer  
Its: President



## **Exhibit A**

### **Project Description**

#### **Gridley Orchard View Apartments – Phase I**

The proposed project, Phase I of The Orchard View Apartments, is a 48-unit new family construction project located on 3 +/- acres of land, identified as a portion of APN 021-110-033. With a mix of 16 two-bedroom units (821 gross sq. ft.) and 24 three-bedroom units (1,022 gross sq. ft.), and 8 four-bedroom units (1,217 gross sq. ft), the proposed project will target families earning up to 60% of the area median income for Butte County. The project will provide adequate guest and bicycle parking.

The units will be newly constructed apartments in three types of two-story residential buildings, totaling 4 residential buildings. 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 Gridley. The development will meet Title 24 energy efficiency standards. 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 families to enjoy while remaining social and active. Tenants will enjoy access to a centrally located pool, playground, and half basketball court. In addition, residents and their guests will have access to a picnic area featuring tables, seating areas and barbeques, all covered by a pergola made from non-combustible material. The community building (approximately 2,734 sq. ft.) includes an office space, computer room, a laundry facility, exercise room and a community room with a common kitchen. An on-site resident manager will provide assistance and management while residing in a three-bedroom manager's unit.

Within the units, tenants will enjoy standard features such as refrigerators, exhaust fans, dishwashers, disposals and ranges with ovens. All units feature an outdoor patio or balcony and storage space. 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.

BUTTE COUNTY AFFORDABLE HOUSING DEVELOPMENT CORPORATION

RESOLUTION NO. 21-19C

MEMORANDUM OF AGREEMENT WITH PACIFIC WEST COMMUNITIES FOR DEVELOPMENT AND  
OPERATION OF OLEANDER COMMUNITY APARTMENTS, CHICO

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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 37-unit affordable low-income housing development serving formerly homeless and special needs households in Chico, CA, such development known as Oleander Community Apartments, to be located on the east side of Esplanade Avenue, between MacDonald and Rio Lindo Avenues, in Chico (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, a Memorandum of Agreement (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) between BCAHDC and Pacific West Communities (PWC) for purposes of participation in the 37-unit affordable housing development project known as Oleander Community Apartments, to be located on the east side of Esplanade Avenue, between MacDonald and Rio Lindo Avenues, Chico, such participation to be in accordance with the MOA, attached to and made a part of this Resolution Number 21-19C.

Dated: September 16, 2021.

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Edward S. Mayer President

ATTEST:

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Marysol Perez, Secretary

## **MEMORANDUM OF AGREEMENT**

THIS AGREEMENT is entered into this 16<sup>nd</sup> day of September, 2021 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 1.3+/- acre property located on Esplanade Avenue in Chico, CA, and desires to develop 38 units of permanent supportive 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 Chico; 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 Chico; 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 residents in Chico;

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 \$25,000 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, 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 \$3,800 (\$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.

TPC HOLDINGS IX, LLC, an Idaho Limited Liability Company (“AGP”), or another affiliate of PWC, is or will be the Administrative General Partner of the LIHTC Partnership. The LPA together with all documents entered into in connection therewith or the admission of the Limited Partner are referred to herein as the “Equity Documents”.

PWC, BCAHDC and AGP hereby agree that if (I) the Limited Partner exercises any “put” or similar right under the Equity Documents to cause the AGP to purchase the Limited Partner interests in the Partnership, or (II) GP or its successor and assigns exercises any option to purchase the Limited Partner interests in the Partnership under the Equity Documents (a “Partnership Interest Option”), then immediately following the conveyance of the Limited Partner interests in the Partnership to an affiliate of AGP (but on the same day), the Equity Documents will be amended so that BCAHDC will own a 10% interest in the therewith Partnership (including, without limitation, in net cash flow and proceeds from capital transactions).

If the AGP exercises any option to purchase the Project under the Equity Documents (a “Project Option”), then immediately following the acquisition of the Project by the AGP or its assignee (“New Owner”) (but on the same day), BCAHDC will be admitted to new Owner such that BCAHDC will own a 10% interest in the New Owner (including, without limitation, in net cash flow and proceeds from capital transactions).

BCAHDC agrees that it will not exercise any right of first refusal (“Refusal Right”) or option under the Equity Documents without providing not less than five (5) business days advance

written notice thereof to the AGP. In the event that AGP exercises any Partnership Interest Option of Project Option following receipt of such notice, then BCAHDC shall not exercise its Refusal Right (or if exercised, then PWC and AGP shall have the remedies herein).

Neither BCAHDC nor AGP shall transfer or assign its rights or options under the Equity Documents except to an affiliate assignee that acknowledges and agrees to the terms of this Section 10 in writing reasonably satisfactory to the non-transferring party. AGP and PWC shall be jointly and severally liable for their obligations under this Section 10. Notices to the AGP hereunder shall be made at the same address as PWC.

BCAHDC shall not be required to contribute capital or otherwise provide funds in connection with the purchase of the limited partnership interest in the LIHTC Partnership with respect to the Partnership Interest Options or the Purchase Option under the Equity Documents.

BCAHDC, PWC and AGP shall each have all remedies available at law and equity, including specific performance, to enforce its rights under this Section 10. In the event of any dispute among any of PWC, AGP and BCAHDC, the prevailing party/ies shall be entitled to reimbursement of reasonable attorney's fees from the non-prevailing party/ies.

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 permanent supportive 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](mailto: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](mailto: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**

### **PROJECT DESCRIPTION**

#### **OLEANDER COMMUNITY APARTMENTS PSH**

The Oleander Community Apartments Permanent Supportive Housing (PSH) project is comprised of a new, gated and entry-controlled, 38-unit rental development located on approximately 1.3+/- acres on Esplanade between Rio Linda Avenue and Mission Ranch Boulevard in Chico, CA. The Project will consist of 37 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 21 studio units (442 gross sq. ft.), 16 one-bedroom units (607 gross sq. ft.), and 1 two-bedroom unit (800 gross sq. ft.) the proposed project will target the homeless and mentally disabled individuals residing in Butte County. 29 parking spaces, including 4 ADA spaces, will be provided. Residents will also have access to an elevator.

The units will be newly constructed apartments in one, two-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 Chico. Minimum construction standards will be adhered to in order to assure that a quality permanent supportive housing development is provided.

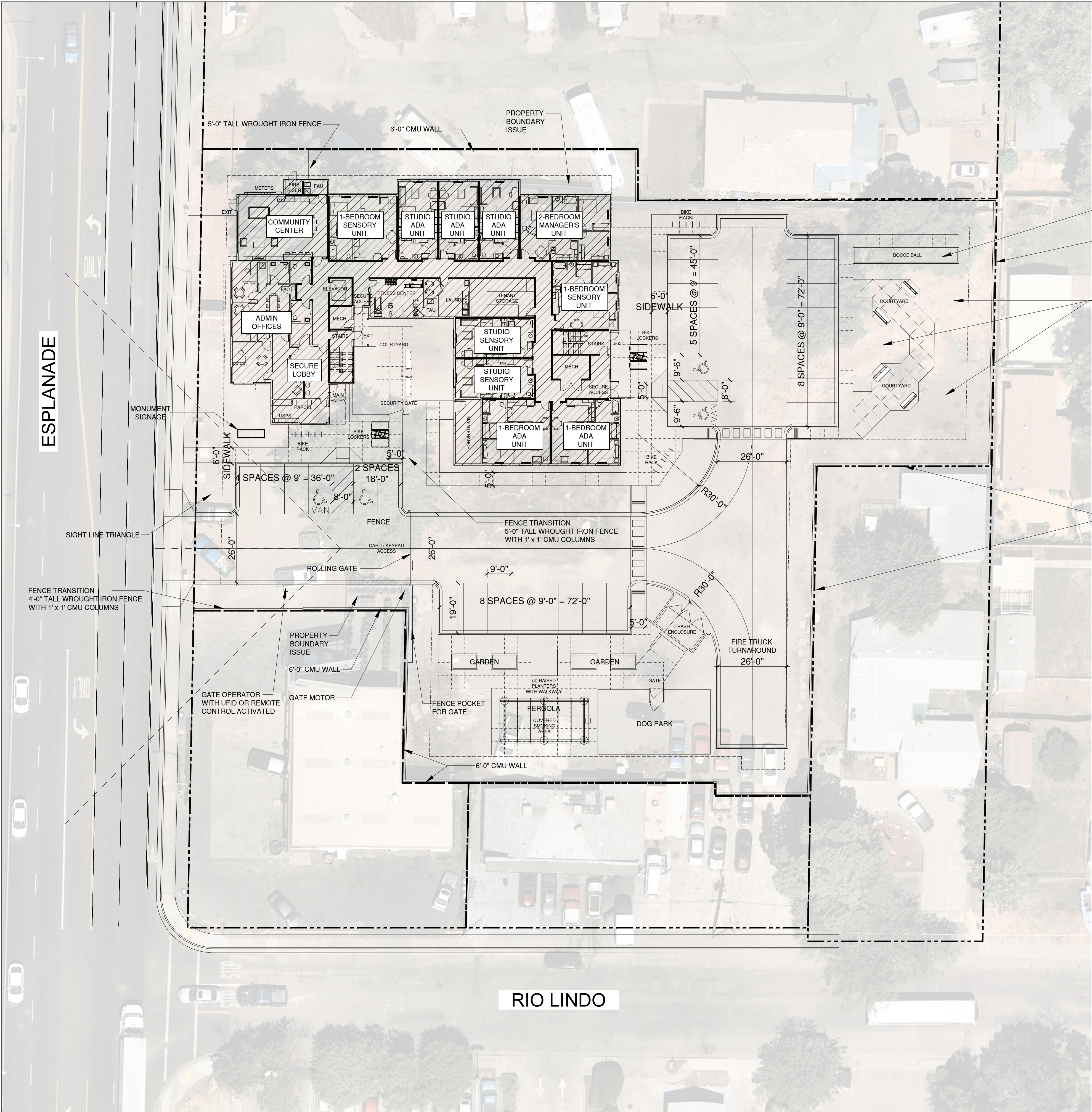
The building will be oriented appropriately on the site with the intent to create a community concept for residents to enjoy while remaining social and active. Outdoor amenities include a community courtyard, an outdoor dining area with pergolas, an enclosed dog park, smoking area, bicycle lockers, bocce ball court, and a garden with raised planter beds. The development will include a large community building (approximately 2,981 sq. ft.) with accessible common spaces including a community room, multi-purpose room, fitness room, 3 laundry rooms, and 3 tenant storage spaces. Case management offices will also be located on site. An on-site resident manager will provide assistance and management while residing in a one-bedroom manager's unit.

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.

The Project will seek financing using a variety of sources, including 9% tax credit financing, NPLH funds, CDBG Disaster Relief funding, and Section 8 project-based vouchers. We expect to secure needed funding by the end of 2022.

Upon successful receipt of the above listed funding, construction would be slated to begin in December 2022 with units being available for occupancy in December 2023.





**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



**VICINITY MAP**  
N.T.S.

**APPLICANT**  
CHICO PSH PACIFIC ASSOCIATES, LP  
430 E STATE ST, STE 100  
EAGLE, ID 83616

**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
ACCESSIBLE TYPE A UNITS (15% TOTAL)	6	15.79%
SENSORY IMPAIRED UNITS (10% TOTAL)	4	10.53%

**ESPLANADE PSH**

UNIT MIX SUMMARY	CONDITIONED SQ. FOOTAGES	
(21) STUDIO UNITS	(21) x 442 S.F. =	9,282 S.F.
(16) 1-BEDROOM UNITS	(16) x 607 S.F. =	9,712 S.F.
(1) 2-BEDROOM UNITS	(1) x 800 S.F. =	1,600 S.F.
<b>(38) UNITS TOTAL</b>	<b>9,282 S.F. + 9,712 S.F. + 800 S.F. =</b>	<b>19,794 S.F.</b>
(1) COMMUNITY ROOM		803 S.F.
(1) MULTI-PURPOSE ROOM		375 S.F.
(1) FITNESS ROOM		285 S.F.
(3) LAUNDRY ROOMS	(3) x 210 S.F. =	630 S.F.
(3) TENANT STORAGE	(3) x 296 S.F. =	888 S.F.
<b>(9) SHARED AMENITIES</b>		<b>2,981 S.F.</b>
<b>TOTAL</b>		<b>22,775 S.F.</b>

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

**SITE SIZE**

56,193 S.F. ± (1.29 ACRES ±)  
21.70 UNITS PER ACRE

22 UNITS PER ACRE ALLOWED (TABLE 19.44.030)  
28.38 UNITS ALLOWED + 35% DENSITY BONUS  
38 UNITS ALLOWED WITH DENSITY BONUS

38 TOTAL UNITS PROPOSED

SITE COVERAGE	SQ. FT.	PERCENTAGE
BUILDING FOOTPRINT	11,846 S.F.	21.08%
ON-SITE ASPHALT CONCRETE PAVING	16,027 S.F.	28.52%
SITE AMENITIES (PERGOLA, PATIO, PLANTERS)	810 S.F.	.44%
CONCRETE WALKS & PADS	9,046 S.F.	16.10%
DOG ENCLOSURE AREA	1,040 S.F.	1.85%
COMMON OPEN SPACE	17,424 S.F.	31.01%
TOTAL AREA	56,193 S.F.	100%

NOTE: ALL NUMBERS PROVIDED ARE **ESTIMATED** FOR SITE COVERAGE

**PARKING AND UNIT SUMMARY**

25 PARKING SPACES (9'-0" X 19'-0")

4 ADA ACCESSIBLE PARKING SPACES

29 TOTAL PARKING SPACES PROVIDED

**MINIMUM VEHICULAR PARKING REQUIREMENTS (TABLE 19.52.080)**

**MULTI-FAMILY HOUSING IN A CORRIDOR OPPORTUNITY SITE OVERLAY ZONE**

10.5 SPACES STUDIO (0.5 SPACE PER UNIT)

16.0 SPACES 1 BEDROOM (1 SPACE PER UNIT)

1.5 SPACES 2 BEDROOM (1.5 SPACES PER UNIT)

**28.0 REQUIRED SPACES**

**BICYCLE PARKING (TABLE 5-4)**

1 SPACES PER UNIT

38 REQUIRED BIKE SPACES

30 UNCOVERED BIKE SPACES

12 COVERED BIKE SPACES

**42 TOTAL BIKE SPACES PROVIDED**

REVISIONS

COPYRIGHT DATE  
09/08/21

DRAWN BY  
NRC

PROJECT #  
AMG 21-24

PACIFIC WEST ARCHITECTURE

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Pacific West Architecture

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

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PROJECT

OLEANDER COMMUNITY HOUSING

2324 ESPLANADE  
CHICO, CA

A1.1

SCHEMATIC DESIGN / NOT FOR CONSTRUCTION



September 10, 2021

MEMO

To: HACB Board of Commissioners  
BCAHDC Board of Directors  
Banyard Management Board of Directors

From: Ed Mayer, Executive Director and President

Subject: Strategic Asset Plan – Asset Repositioning Status update



*1200 Park Ave Apartments*



*Walker Commons Apartments*



*Chico Commons Apartments*

Following up on last month's memo, action to authorize a contract with the California Affordable Housing Agency (CalAHA) is being considered this month by the Boards of both Butte County Affordable Housing Development Corporation (BCAHDC) and Banyard Management (Banyard).

The contract is to secure CalAHA services in repositioning of the three (3) tax-credit regulated affordable housing properties in which BCAHDC and Banyard are Managing General Partners (MGP's) in the three (3) owning partnerships. All located in Chico, the properties include 1200 Park Avenue Apartments and Walker Commons Apartments, in which BCAHDC is MGP, and Chico Commons Apartments, in which Banyard is MGP.

Repositioning work includes assessment of the properties from an "owner's perspective" regarding capital improvements. The work includes:

- Analysis of the ability to leverage the properties for proceeds in support of assessed capital improvement work.
- Conventional commercial financing, bond-financing, and sale-leaseback financing approaches will be evaluated.
- Determination of the financing approach most appropriate, striking a balance between mid-term need and flexibility, and long-term financing opportunity.
- Execution of the financing and build-out the improvements.

CalAHA, in partnership with Dawson Holdings, Sausalito and Precision General Commercial Contractors (a Dawson-related entity), will perform the services on a turnkey basis on behalf of the owning partnerships – 1200 Park Avenue LP, Walker Commons LP, and Chico Commons LP. Both CalAHA and Dawson/PGCC are well known: BCAHDC is in partnership with Dawson through the

Gridley Springs I Apartments property in Gridley, and Precision GCC completed all the apartment improvement work at Gridley Springs I and II, while occupied, with a scope-of-work similar to what's being considered.

The repositioning plan, including the proposed renovation work plan and financing approach, will need be approved by the partnership's Investor Limited Partner (HACB), the regulators, such as CTCAC, and the lenders, such as the City of Chico.

*BCAHDC and Banyard recommendation: adoption of contracting resolutions with CalAHA*

BUTTE COUNTY AFFORDABLE HOUSING DEVELOPMENT CORPORATION

RESOLUTION NO. 21-20C

AUTHORIZATION TO ENTER INTO AGREEMENT WITH  
CALIFORNIA AFFORDABLE HOUSING AGENCY  
FOR PHYSICAL AND FINANCIAL REPOSITIONING OF  
1200 PARK AVENUE APARTMENTS AND WALKER COMMONS APARTMENTS, CHICO

WHEREAS, Butte County Affordable Housing Development Corporation (BCAHDC) is Managing General Partner (MGP) of the partnerships that own the 1200 Park Avenue Apartments and Walker Commons Apartments properties, both located in Chico, and owned by 1200 Park Avenue LP and Walker Commons LP, respectively, and

WHEREAS, as MGP, BCAHDC concerns itself with ongoing property conditions and operations, to ensure ongoing viability of the properties in accordance with applicable regulatory and loan agreements, as well as ensuring BCAHDC's mission in providing affordable housing opportunity to the citizens of Butte County, and

WHEREAS, BCAHDC seeks to assess the properties for physical needs to ensure long term physical viability of the properties, and further seeks to implement the physical improvements determined to be made in the best interest of the properties, their operation, and their residents, and finally, seeks to finance the improvements; and

WHEREAS, the California Affordable Housing Agency (CalAHA), a joint powers authority comprised of California housing authority members, has provided a proposal to BCAHDC that addresses the repositioning needs of the properties, such proposal addressing property assessment, evaluation of improvement feasibility, financial packaging, and build-out, all in a turnkey manner; and

WHEREAS, the proposal made by CalAHA has been determined to be in the best interest of BCAHDC, the properties, and the tenants served;

NOW THEREFORE BE IT RESOLVED by the Board of Directors of Butte County Affordable Housing Development Corporation to authorize the entering into of an agreement with the California Affordable Housing Agency (CalAHA) for purposes of the physical and financial repositioning of the 1200 Park Avenue Apartments and Walker Commons Apartments, both located in Chico, such resolution being made as Managing General Partner on behalf of the owning partnerships, 1200 Park Avenue LP and Walker Commons LP, respectively, such agreement with CalAHA attached to and made a part of this Resolution No 21-20C.

Dated: September 16, 2021.

---

Edward S. Mayer President

ATTEST:

---

Marysol Perez, Secretary

## **MEMORANDUM OF UNDERSTANDING** **FOR CONSULTING SERVICES**

This Memorandum of Understanding for Consulting Services (“MOU”) between California Affordable Housing Agency (“CalAHA” and/or “Consultant”), 1200 Park Avenue Apartments Limited Partnership (“1200 Park”), Chico Commons Apartments Limited Partnership (“Chico Commons”) and Walker Commons Apartments Limited Partnership (“Walker Commons”) is made and entered as of September 1, 2021 as follows:

### **RECITALS**

A. Housing Authority of the County of Butte is a California public housing authority doing business in the following counties: Butte and Glen and is a member agency of the California Affordable Housing Agency; and

B. California Affordable Housing Agency is a joint exercise of powers agency pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code in accordance with Articles 1 through 5 of Chapter 1 of the Part 2 of Division 24 of the California Health and Safety Code of California consisting of seventeen member agencies doing business in the thirty (30) jurisdictions located throughout California including, but not limited to Butte County and Glen County; and

C. 1200 Park Avenue Apartments Limited Partnership is a single purpose California Limited Partnership that owns and operates the 1200 Park Avenue Apartments located at \_\_\_\_\_; and

D. Chico Commons Apartments Limited Partnership is a single purpose California Limited Partnership that owns and operates the Chico Commons Apartments located at \_\_\_\_\_; and

E. Walker Commons Apartments Limited Partnership is a single purpose California Limited Partnership that owns and operates the Walker Commons Apartments located at \_\_\_\_\_; and

F. Each of the three above listed general partnership is in need to consulting services to assist with the repositioning and refinancing of the three apartment projects that the limited partnerships own and operate and would like to work with CalAHA to complete and repositioning and refinancing.

**NOW THEREFORE**, in consideration of the mutual recitals of understanding set forth herein, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties mutually agree as follows:

## **Section 1.**            **INCORPORATION OF RECITALS**

The parties find and declare that the above stated recitals are true and are hereby incorporated into this MOU.

## **Section 2.**            **SCOPE OF SERVICES**

The services to be provided by Consultant for the three housing projects: 1200 Park Avenue Apartments, Walk Commons Apartments and Chico Commons Apartments (hereinafter referred to as “Projects”) will be to assist the above referenced Limited Partnerships as follows:

- a. Undertake to perform analysis and completion of a capital needs improvement report from an “owner’s perspective”;
- b. Analyze and provide recommendations regarding the ability to leverage the Projects to provide funding sources to support the identified capital improvement work;
- c. Analyze, compare and provide recommendations regarding which funding stream source would be most appropriate, striking a balance between mid-term need and flexibility and long-term financing opportunity;
- d. Work with Limited Partnerships to apply for and obtain sufficient funding to complete the identified and agreed to capital improvements and Projects’ related funding to ensure the continued viability of the Projects;
- e. Assist Limited Partnerships with the rehabilitation work and relocation of tenants, if necessary, for the Projects;
- f. Oversee and monitor all aspects of the rehabilitation work to assure compliance with all applicable local, state and federal requirements for the work to be performed;
- g. Oversee and monitor the rehabilitation work performed by the general contractors, Precision General Commercial Contractors, Inc. (“PGCC”) and its subcontractors to assure satisfactory performance of rehabilitation and approval of Projects through completion of all rehabilitation work;
- h. Assist Limited Partnerships in any conversions of construction loans to permanent financing loans;
- i. Assist Limited Partnerships in any needed applications, requests or actions to apply for and/or change ownership of Projects as deemed appropriate by the Limited Partnerships to ensure the continued viability and proper management of the Projects along with any legal work or actions for any dissolution or cessation of Limited Partnerships business activities by any/or all of the Limited Partnerships.

It is contemplated and understood by all parties to this Agreement that the parties agreeable to have Dawson Holdings, Inc. and Precision General Commercial Contractors, Inc.

work on the Projects as subcontractors and areas of expertise in the Scope of Work items identified above which would be in the best interest of the Limited Partnerships and the Projects.

**Section 3.**                    **PHASES OF WORK TO BE PERFORMED**

The work and services to be provided will be divided into four phases:

Phase I            Feasibility

Phase II           Funding of Project

Phase III          Rehabilitation Work

Phase IV          Ownership transfer and Winddown of Partnership

**Section 4.**                    **TERM**

The Term of this MOU shall be from September 1, 2021 to December 31, 2023 (“Term”) inclusive, subject to the provisions of Section 8 of this MOU.

**Section 5.**                    **COORDINATION**

Consultant shall cooperate with Limited Partnerships’ staff in the performance of all work under this Agreement.

**Section 6.**                    **PERFORMANCE STANDARD**

Consultant shall perform all work under this Agreement in a manner consistent with the level of competency and standard of care normally observed by a person practicing in Consultant’s profession. Agency has relied upon the professional ability and training of Consultant as a material inducement to enter into this Agreement. Consultant agrees to provide all services under this Agreement in accord with generally accepted professional practices and standards of care, as well as the requirements of applicable federal, state and local laws, it being understood that acceptance of Consultant’s work by Agency shall not operate as a waiver or release. If Agency determines that any of Consultant’s work is not in accord with such level of competency and standard of care, Agency, in its sole discretion, shall have the right to do any or all of the following (a) require Consultant to meet with Agency to review the quality of the work and resolve matters of concern; (b) require Consultant to repeat the work at no additional charge until it is satisfactory; (c) terminate this Agreement pursuant to the provisions of Section 7; or (d) pursue any and all other remedies at law or in equity.

**Section 7.**                    **ASSIGNED PERSONNEL**

Consultant shall assign only competent personnel to perform the work under this Agreement. In the event that at any time Agency, in its sole discretion, desires the removal of any person or persons assigned by Consultant to perform the work under this Agreement,

Consultant shall remove such person or persons immediately upon receiving written notice from Agency.

Any and all persons identified in this Agreement or any Exhibit hereto as the project manager, project team, or other professional performing the work under this Agreement are deemed by Agency to be key personnel whose services were a material inducement to Agency to enter into this Agreement, and without whose services Agency would not have entered into this Agreement, Consultant shall not remove, replace, substitute, or otherwise change any key personnel without the prior written consent of Agency.

In the event that any of Consultant's personnel assigned to perform services under this Agreement become unavailable due to resignation, sickness or other factors outside of Consultant's control, Consultant shall be responsible for timely provision of adequately qualified replacements.

#### **Section 8.**                      **COMPENSATION**

The compensation to be paid to Consultant, including professional services, supplies, and travel provided by Consultant, shall be paid according to the CalAHA Fee Schedule for various services included in this MOU is set out in Exhibit A, entitled "Fee Schedule for Services", which is attached hereto and incorporated herein.

#### **Section 9.**                      **METHOD OF PAYMENT**

1. Not more frequently than monthly, Consultant shall submit invoices to Agency, no later than the tenth (10<sup>th</sup>) of the month for the preceding month. Consultant shall submit to Agency a written invoice. All invoices shall include:

- A. A monthly total and itemization of all costs by line item;
- B. A simplified worksheet that explains how charges on invoices were calculated and list employees by name, position, location, and amount charged.

#### **Section 10.**                      **INDEPENDENT CONTRACTOR**

Consultant shall be deemed at all times to be an independent contractor and shall be wholly responsible for the manner in which Consultant performs the services required of the Consultant by the terms of this MOU. Consultant shall be liable for its acts and omissions, and those of its subcontractors and agents. Nothing contained herein shall be constructed as creating an employment, agency or partnership relationship and/or agreement between Agency and the Consultant.

Terms in this MOU referring to direction from Agency shall be construed as providing for directions as to policy and the result of Consultant's work only and not as to the means or methods by which such a result is obtained. Except as expressly provided in this MOU, nothing in this MOU shall operate to confer rights or benefits on persons or entities not a party to this MOU.



**Section 11.****INDEMNIFICATION**

Consultant agrees to accept all responsibility for loss or damage to any person or entity, including Agency, and to defend and indemnify, hold harmless, and release Agency, its elected representatives, officers, agents, and employees, from and against any actions, claims, damages, demands, losses, liabilities, disabilities or expenses, defense costs (including reasonable attorney fees), of any kind or nature, that may be asserted by any person or entity, including Consultant, that arise out of, pertain to, or related to Consultant's or its agents', employees', Consultants', sub-Consultants', or invitees' performance or obligations under this Agreement. Consultant agrees to provide a complete defense for any claim or action brought against Agency based upon a claim relating to Consultant's performance or obligations under this Agreement. Consultant's obligations under this section apply whether or not there is concurrent negligence on Agency's part, but to the extent required by law, excluding liability due to Agency's conduct. Agency shall have the right to select its legal counsel at Consultant's expense, subject to Consultant's approval, which shall not be unreasonably withheld. This Indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable to or for Consultant or its agents. The obligation of this indemnity shall be for the full amount of all damage to Agency, including defense costs, and shall not be limited by any insurance limits.

**Section 12.****INSURANCE REQUIREMENTS**

CalAHA agrees to have and maintain a general liability policy of insurance with a limit of a minimum limit of liability of one million dollars (\$1,000,000), a copy of which shall be provided to Agency with twenty (20) days of the date this MOU is signed by the parties to this MOU. The Agency, its officers, officials, employees, and agents are to be named as additional insureds on the general liability policy with respect to liability arising out of the work performed by or on behalf of CalAHA.

**Section 13.****LICENSE AND PERMITS**

Consultant shall possess and maintain all necessary licenses, permits, certificates and credentials required by the laws of the United States, the State of California, and all other appropriate governmental agencies to provide agreed upon services. Failure to maintain the licenses, permits, certificates, and credentials shall be deemed a breach of this Agreement and constitutes grounds for the termination of this Agreement by Agency. Consultant shall have in effect and shall maintain appropriate licensure during the term of this Agreement, if applicable.

**Section 14.****NONDISCRIMINATION**

Consultant certifies that any service provided pursuant to this MOU shall be without discrimination based on color, race, creed, national origin, religion, sex, age, sexual preferences, or physical or mental disability in accordance with all applicable Federal, State and Agency laws and regulations and any administrative directives established by the Agency, Board of Commissioners for the Agency, and Administrative Officers. For the purpose of this Agreement, distinctions on the grounds of color, race, creed, national origin, religion, sex, age, sexual preferences, or physical or mental disability include but are not limited to the following: denying a participant any service or benefit which is different, or is provided in a different manner or at a

different time from that provided to other participants under this Agreement; subjecting a participant to segregation or separate treatment in any way in the enjoyment or any advantage or privilege enjoyed by others receiving any service or benefit; treating a participant differently from others in determining whether the participant has satisfied any admission, enrollment quota, eligibility, membership, or other requirement or condition which individuals must meet in order to be provided any service or benefit; and the assignment of times or places for the provision of services.

**Section 15.**                    **TERMINATION**

- A.     Agency and/or Consultant shall have the right to terminate this MOU, without cause, by giving not less than thirty (30) days' written notice of termination.
- B.     If Consultant fails to perform any of its material obligations under this MOU, in addition to all other remedies provided by law, Agency may terminate this Agreement immediately upon written notice.
- C.     Agency's Executive Director, or designee, is empowered to terminate this MOU on behalf of Agency.
- D.     In the event of termination, Consultant shall deliver to Agency copies of all reports, documents, and other work performed by Consultant under this MOU, and upon receipt thereof, Agency shall pay Consultant for all services performed up to the date of termination.

**Section 16.**                    **GOVERNING LAW/ VENUE**

This Agreement shall be deemed to have been executed in Butte County, California. The formation, interpretation, and performance of this MOU shall be governed by the laws of the State of California. Venue for all litigation relative to the formation, interpretation, and performance of this MOU shall be in Butte County, California.

**Section 17.**                    **RIGHT TO AUDIT, INSPECT AND COPY RECORDS**

Consultant agrees to permit Agency and any authorized State or Federal agency to audit, inspect and copy all records, notes and writings of any kind in connection with the services provided by Consultant under this Agreement, to the extent permitted by law, for the purpose of monitoring the quality and quantity of services, accessibility and appropriateness of services, and ensuring fiscal accountability. All such audits, inspections, and copying shall occur during normal business hours. Upon request, Consultant shall supply copies of any and all such records to Agency. Failure to provide the documents requested by Agency within the requested time frame indicated may result in Agency withholding payments due under this Agreement.

**Section 18.**                    **CONFIDENTIALITY**

Consultant agrees to protect the rights of Agency's tenants and shall comply with applicable laws and regulations, regarding the confidentiality of tenant information.

Consultant shall not use identifying information for any purpose other than carrying out the obligation under this Agreement. Consultant shall not disclose, except as otherwise specifically permitted by this Agreement, or authorized by the tenant, any such identifying information to anyone other than the State without prior written authorization from the State in accordance with State and Federal laws.

For the purpose of the above paragraphs, identifying information shall include, but not be limited to name, identifying number, social security, birth date, residence address, biometric data, symbol, or other particular identifying information assigned to the individual or tenant.

Consultant understands and agrees that, in the performance of the services under this MOU or in the contemplation thereof, Consultant may have access to private or confidential information that may be owned or controlled by the Agency and that such information may contain proprietary or confidential details, the disclosure of which third parties may be damaging to Agency. Consultant agrees that all such information disclosed by Agency to Consultant shall be held in confidence and used only in performance of this MOU. Consultant shall exercise the same standard of care to protect such information as a reasonably prudent Consultant would use to protect its own proprietary data.

#### **Section 19.**                    **OWNERSHIP OF MATERIALS**

All reports, documents or other materials developed or discovered by Consultant or any other person engaged directly or indirectly by Consultant to perform the services required hereunder shall be and remain the property of Agency without restriction or limitation upon their use. Notwithstanding the foregoing, Agency and Consultant agree and acknowledge that Consultant's reports may incorporate Consultant's proprietary information and may use such proprietary information in connection with services for Consultant's clients.

#### **Section 20.**                    **ASSIGNMENT**

This is an agreement for services of Consultant. Agency has relied upon the skills, knowledge, experience and training of Consultant and the Consultant's firm, associates, and employees as an inducement to enter into this Agreement. Consultant shall not assign or sub-contract this Agreement without the express written consent of the Agency. Further, Consultant shall not assign any monies due or to become due under the Agreement without the prior written consent of the Agency.

#### **Section 21.**                    **LIABILITY OF AGENCY**

Notwithstanding any other provision of this MOU, in no event shall Agency be liable, regardless of whether any claim is based on contract or tort, for any special, consequential, indirect or incidental damages, including, but not limited to, lost profits or revenue, arising out of or in connection with this Agreement or services performed in connection with this MOU.

## **Section 22.**

## **QUALIFIED PERSONNEL**

Work performed under this MOU shall be performed by competent professionals including any individuals, agents or subcontractors retained by Consultant to assist in the consulting work required under this MOU.

Each party shall designate an officer, employee or other authorized representative to act on that party's behalf with respect to the work. This representative shall be available during working hours and as often as may be required to render decisions and to furnish information in a timely manner. Each party has the right to change its representative at any time; provided, however, that a party wishing to change its designated representative shall endeavor to notify the other party in writing not less than ten (10) calendar days before making any such change. At the time this Agreement is executed, the parties' designated representatives shall be as follows:

Agency: Edward S. Mayer, Executive  
Housing Authority of the County  
Of Butte 2039 Forest Avenue, Suite 10  
Chico, CA 95928  
(530) 895-4474  
Email: [edm@butte-housing.com](mailto:edm@butte-housing.com)

Consultant: Tom Lewis General Counsel  
806 West 19<sup>th</sup> Street  
Merced, CA 95340  
(209) 354-3500  
Email: [tom@lewislawca.com](mailto:tom@lewislawca.com)

The designated representatives from CalAHA are as follows:

1. Nick Benjamin, Executive Director
2. Thomas, E. Lewis, Legal Counsel
3. Kao Xiong, Administrative Assistant

The designated representatives of Dawson Holdings, Inc. are as follows:

1. Tom Dawson
2. Tim Fluetsch (acquisitions, real estate due diligence, finance)
3. John Hartwick (asset management)
4. Dino Adelfio (acquisitions, real estate due diligence)
5. Justin Solomon (acquisitions, real estate due diligence)

The designated representatives from Jones Hall is as follows:

1. Julie Wunderlich, Bond Counsel

The designated representatives of PHIG Holding, LLC. Is as follows:

1. Patrick Howard, Financial Consultant

**Section 23.**

**NOTICES**

All notices and other communications required or permitted to be given under this MOU shall be in writing and effective when served by regular mail with copy transmitted concurrently by e-mail. All notices of termination delivered pursuant to Section 15 shall, however, be sent by certified or registered mail, return receipt requested. Addresses for notices are as follows:

TO LIMITED PARTNERSHIPS:

1200 Park Avenue Apartments Limited Partnership

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Chico Commons Apartments Limited Partnership

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Walker Commons Apartments Limited Partnership

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

TO CONSULTANT:

Nick Benjamin, Executive Director  
California Affordable Housing Agency  
806 West 19<sup>th</sup> Street  
Merced, CA 95340  
(209) 354-3500  
Email: [nick@calaha.org](mailto:nick@calaha.org)

With copy to:

Thomas E. Lewis  
California Affordable Housing Agency  
806 West 19<sup>th</sup> Street  
Merced, CA 95340  
(209) 354-3500  
Email: [tom@lewislawca.com](mailto:tom@lewislawca.com)

## **Section 24.**      **CONDITIONS SUBSEQUENT/NON-APPROPRIATION OF FUNDING**

The services received by Agency and compensation received by Consultant pursuant to all phases of this MOU identified in Section 2 of this Agreement are based on funding resources and operational reserves set aside and committed for said purposes. In the event that such funding and/or reserves are terminated, in whole or in part, for any reason, this Agreement and all obligations of the parties arising from this Agreement may be terminated. Agency agrees to inform Consultant no later than ten (10) calendar days after receiving notification that funding will be terminated and provide the final date for which funding will be available. Under these circumstances, all billing or other claims for compensation or reimbursement by Consultant arising out of performance of this Agreement must be submitted to Agency within ten (10) calendar days of the final date for which funding is available.

## **Section 25.**      **ENTIRE AGREEMENT**

This MOU, and any written modifications to the MOU, shall represent the entire and integrated MOU between the parties hereto regarding the subject matter of this MOU and shall constitute the exclusive statement of the terms of the parties' MOU. This MOU, and any written modifications hereto, shall supersede any and all prior negotiations, representations or agreements, either written or oral, express or implied, that relate in any way to the subject matter of this MOU or written modifications, and the parties represent and agree that they are entering into this MOU and any subsequent written modification in sole reliance upon the information set forth in this MOU or written modifications and the parties are not and will not rely on any other information.

## **Section 26.**      **WAIVER OF BREACH**

Either party's waiver of any breach, or the omission or failure of either party, at any time, to enforce any right reserved to it, or to require performance of any of the terms, covenants, conditions or other provisions of this MOU, including the timing of any such performance, shall not be a waiver of any other right to which any party is entitled, and shall not in any way affect, limit, modify or waive that party's right thereafter to enforce or compel strict compliance with every term, covenant, condition or other provision hereof, any course of dealing or custom of the trade or oral representations notwithstanding. No waiver shall be binding unless in writing and signed by the party to be charged or held bound. This MOU may not be modified, nor may compliance with any of its terms be waived, except by written instrument executed and approved by fully authorized representatives of Agency and the Consultant.

## **Section 27.**      **SEVERABILITY**

Any provisions or portions thereof of this MOU prohibited by, or made unlawful or unenforceable under any applicable law of any jurisdiction, shall as to such jurisdiction be ineffective without affecting other provisions or portions thereof of this MOU. If the provisions of such MOU may be deemed to be a valid and binding agreement enforceable in accordance with its terms. If any provisions or portion thereof of this MOU are prohibited by, or made unlawful or unenforceable under any applicable law and are therefore stricken or waived, the remainder of this MOU shall be interpreted to achieve the goals or intent of the stricken or

waived provisions or portions thereof to the extent such interpretation is consistent with applicable law.

**Section 28.**                    **CONSTRUCTION AND EFFECT**

The language of each and all paragraphs, terms and/or provisions of this Agreement, shall, in all cases and for any and all purposes,, and in any way and all circumstances whatsoever, be construed as a whole, according to its fair meaning, and not for or against any party hereto and with no regard whatsoever to the identity or status of any person or persons who drafted all or any portion of this Agreement.

**Section 29.**                    **EXECUTION OF MOU**

This Agreement may be executed in one or more counterparts all of which shall constitute, and shall be construed as, a single instrument upon delivery and exchange of all copies by the parties. A photocopy or facsimile transmission of the Settlement and Release Agreement, including signatures, shall be deemed to constitute evidence of the Settlement and Release Agreement having been executed.

**Section 30.**                    **ATTORNEYS FEES AND COSTS**

The parties agree that they should bear their own respective costs and fees, including attorneys' fees, in connection with the negotiation and execution of this Agreement. Should either party institute legal proceedings against the other, regarding this Agreement, the prevailing party to any such action shall be entitled to recover reasonable attorneys' fees, reasonable consultant to an expert witness fees, and costs.

**Section 31.**                    **DISPUTE RESOLUTION**

A. In the event of any dispute arising from or in any way relating to this Agreement, the Parties hereby agree to engage in good faith negotiations in an effort to find a solution that serves their respective and mutual interests. Party-principals agree to participate directly in such negotiations. Unless otherwise agreed in writing, the Parties shall have ten (10) business days from the date the questioning party gives written notice to the other of the particular issue to begin these negotiations and thirty (30) business days from the Notice date to complete the negotiations concerning the Dispute.

B. If the negotiations do not take place within the time provided in subparagraph "A", above or if the negotiations do not conclude with a mutually agreed upon solution within that time frame (or it's agreed upon extension), the Parties agree to mediate any Dispute. If the Parties cannot agree upon a mediator, each party shall, within 10 business days, following conclusion of their good faith negotiations or expiration of time within which to negotiate as stated in subparagraph "A", above to select one name from a list of mediators maintained by an bona fide dispute resolution provider or other private mediator; the two selected shall then choose a third person who will serve as mediator. The Parties agree to have the principals participate in the mediation process, including being present throughout the mediation session(s). The Parties shall have 45 days within which to commence the first mediation session following

the conclusion of their good faith negotiations or expiration of the time within to negotiate as stated, in subparagraph “A” above.

C. If a party commences a civil lawsuit to enforce this Settlement and Release Agreement, without first engaging in good faith negotiations and mediation pursuant to subparagraphs “A” and “B”, above, the that party shall not be entitled to recover attorneys’ fees and costs, even if they would otherwise be available to that party in such action.

IN WITNESS WHEREOF, the parties hereto have executed this MOU the day first mentioned above.

1200 Park Avenue Apartments Limited Partnership

By: \_\_\_\_\_

Chico Commons Apartments Limited Partnership

By: \_\_\_\_\_

Walker Commons Apartments Limited Partnership

By: \_\_\_\_\_

**Consultant**

California Affordable Housing Agency

By: \_\_\_\_\_  
Nick Benjamin, Executive Director



## Exhibit A

### FEE SCHEDULE FOR SERVICES

#### CalAHA FEES

#### FOR SERVICES RENDERED BY:

#### Cost Per Hour

Financial Consultant	<u>\$125</u> per hour
Project Manager	<u>\$150</u> per hour
Development Consultant	<u>\$75</u> per hour
Market analyst	<u>\$165</u> per hour
Development Consultant	<u>\$175</u> per hour
General Counsel	<u>\$240</u> per hour

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## Overview

The purpose for this summary is to provide a review of the proposed structured financing options for the Housing Authority of the County of Butte (“HACB”) in regard to three projects commonly known as 1200 Park, Chico Commons, and Walker Commons. While HACB currently holds Limited Partnership interests in all of these projects, as well as being Master General Partner through its non-profit instrumentalities, it is considering alternatives in which to capitalize the projects for their operational future.

While having previously determined that using 4% Low Income Housing Tax Credits was not a viable option, HACB has been working with the California Affordable Housing Agency (“CalAHA”), a joint powers authority of which HACB is a member, to review remaining financing structure alternatives that will be reviewed herein. One financing consideration is through the issuance of 30-year tax-exempt essential function housing bonds which is a structure method previously used by HACB (referred to as “Bonds” herein). Another is a relatively new approach that uses a 40-year sale-leaseback type structure as established for CalAHA by Aspen Real Estate Financial (referred to as “Aspen” herein); tax-exempt bonds will also be utilized for the Aspen financing.

Lastly, conventional commercial bank financing would be yet another. This would occur as a tax-exempt loan private placement with the bank. This type of financing will require a level of downpayment or equity by HACB, unless those structures mentioned above, along with levels of guarantees from the bank that may adversely impact HACB’s ability to capitalize future projects. The remainder of this report will focus on Bonds and Aspen given their less restrictive covenants.

There is still required work to be completed to confirm an actual financing sizing, specifically for the cost to be allocated for rehabilitation. It is my understanding that HACB has contracted with a third party, Dawson Holdings, to complete this assessment that will be used to help finalize the planned funding of said desired improvements. For this review, we are relying on third party assumptions as provided by the Brawner group and by Aspen in order to provide a basis for comparing the essential function housing bonds with the Aspen sale-leaseback structure.

## Financing Comparison

In comparing the two financing structures, Bonds would place the ownership of the projects in the name of HACB. It is anticipated that CalAHA would issue the Bonds as it did in HACB’s previous bond issue transaction, and proceeds would go to HACB for retiring outstanding debts of the projects, cover the planned rehabilitation, cover reserves and costs of issuance. Bonds would be sold to a combination of individual and institutional investors based on a 30-year final maturity as offered by Brandis-Tallman/Oppenheimer & Co. as the investment banking team. Bonds are subject to a regulatory agreement and all typical legal documents and reports necessary to support a bond issuance. It is expected that an S&P rating would also be applied for in order to lower the interest rate and increase the investor interest in purchasing the Bonds when offered; this would again be similar to that previous bond financing completed by HACB.

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Given I had explained how the Aspen structure works in my previous report for HACB, I am only providing a review of how this specific transaction would be structured with Aspen. The Aspen transaction would not include the use of bonds. Instead, this transaction would utilize a financing structure known as a Credit Tenant Lease ("CTL") and would be financed directly by institutional investors, either an insurance company and/or pension fund. In this structure HACB would be selling the projects to Aspen, CalAHA would then lease the projects back from Aspen as defined in a triple net lease for the transaction, and HACB would be providing its credit guaranty supported by its Standard & Poor's Issuer Credit Rating ("ICR") for the financing; no application to S&P would be required given HACB already owns these projects within its greater portfolio and no bond issue is being proposed. For its role as guarantor HACB would receive an up-front fee based on 1% of the Net Present Value of the financing in the amount of \$796,788 according to those projections in Aspen's preliminary financing documents; the balance of \$300,000 would be paid to CalAHA as the lessee. Under the terms of the CTL CalAHA would also be pledging its credit guaranty ahead of HACB's thereby along with the reserved to be established would further reduce the risk exposure to HACB of its guaranty. HACB's familiarity and experience with these projects provides further confidence in the proposed financing. In summary, it is anticipated that the Aspen transaction would be completed in a much shorter timeframe than the use of Bonds, and at a comparable cost, therefore allowing the rehabilitation to get started sooner should that be desired by HACB.

## Reviewing Numbers

Below is a summary of the project and shows a comparison between those estimates reviewed as were provided by Brawner and Aspen.

Property	Unit Type	# Units	Rent \$
1200 Park	1 BR	73	\$ 894
	2 BR	18	\$1,073
Chico Commons	1 BR	19	\$ 894
	2 BR	25	\$1,073
	3 BR	28	\$1,523
Walker Commons	1 BR	56	\$ 894
TOTAL		219 units	

Financing Costs	Brawner	Aspen
Prior Debt Payoff	\$13,973,275	\$13,973,275
Rehabilitation	\$ 7,560,620	\$19,749,021
Reserves	\$ 1,214,000	\$ 1,681,780
Issuance Costs	<u>\$ 1,252,105</u>	<u>\$ 3,444,852</u>
TOTAL	\$24,000,000	\$38,848,928

Operating Summary	Brawner	Aspen
Gross Income	\$2,670,177	\$2,724,613
Vacancies	<u>(\$ 131,441)</u>	<u>(\$ 136,231)</u>
Effective Gross Income	\$2,538,736	\$2,588,382
Operating Exp + Reserves	<u>(\$1,140,003)</u>	<u>(\$1,119,234)</u>
Net Operating Income	\$1,324,221	\$1,469,148
DSCR, min required	1.10x	1.01x

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## Conclusion:

In terms of bonds versus Aspen structure, Aspen provides a simpler execution in terms of process (much faster to get to a closing), documents and funding, plus it enables you to pull out some funds up front that you don't have in the bond issue and most importantly gives you a much higher funding for rehabilitation. Aspen costs are higher with loan and guarantor fees, reserves, attorneys, and they estimate much higher costs for essential project studies and closing costs. With the Aspen structure HACB will lose its ownership controls and instead give CalAHA lessee rights to work with Aspen in managing the long term success of the projects and still allowing HACB to achieve its goals of affordability with rights to buy back in the future like it is accustomed to having in its Low Income Housing Tax Credits projects.

It is my conclusion that the Aspen structure has merit and would appear to be a more viable structure for HACB to achieve the maximum funding for needed rehabilitation and long-term operation success for these projects. In addition, having the additional benefit of CalAHA as the lessee in the middle of this transaction further protects HACB as to its credit guarantor position in the structured financing.

Further analysis should be completed upon the findings of the rehabilitation costs to be established by Dawson Holdings as noted above in order to provide final projections for required HACB approval.

Patrick Howard  
September 9, 2021