

**BUTTE COUNTY AFFORDABLE HOUSING
DEVELOPMENT CORPORATION**

Board of Directors Meeting

2039 Forest Avenue
Chico, CA 95928

SPECIAL MEETING AGENDA

January 20, 2022
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.

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

<https://global.gotomeeting.com/join/320352277>

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Access Code: 320-352-277

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. 22-2C

ITEMS OF BUSINESS

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

4. CORRESPONDENCE

Email Invite: Jamboree Housing - Chico/ Park Avenue Groundbreaking Event Confirmation 02/01/2022

5. REPORTS FROM PRESIDENT

5.1 North Creek Crossings at Meriam Park II Apartments, Chico – Corporate and Partnership Authorizations.

Recommendation: Resolution No. 22-2C

5.2 North Creek Crossings at Meriam Park II Apartments, Chico – Wells Fargo Corporate Resolution Authorizing Limited Partnership Activity.

Recommendation: Resolution No. 22-3C

6. MEETING OPEN FOR PUBLIC DISCUSSION

7. MATTERS CONTINUED FOR DISCUSSION

8. SPECIAL REPORTS

9. REPORTS FROM DIRECTORS

10. MATTERS INITIATED BY DIRECTORS

11. EXECUTIVE SESSION

12. DIRECTORS' CALENDAR

- **Next meeting – February 17, 2022**

13. ADJOURNMENT

Marysol Perez

To: Ed Mayer
Subject: RE: Chico/Park Avenue groundbreaking event confirmation

From: Don Bernstein <dbernstein@jamboreehousing.com>
Sent: Thursday, December 2, 2021 4:02 PM
To: rshea@creallc.com; waheed.karim@bannerbank.com; Ed Mayer <EdM@Butte-Housing.com>; Marie Demers <marie.demers@Chicoca.gov>; tdavis@buttecounty.net
Cc: Katherine McFadden <kmcfadden@jamboreehousing.com>; Daniel Valverde <dvalverde@jamboreehousing.com>; Mary Jo Goelzer <mjgoelzer@jamboreehousing.com>
Subject: Chico/Park Avenue groundbreaking event confirmation

All:

We're all excited to get going on the new Chico PSH community. After coordinating schedules, we've identified a date/time for Chico groundbreaking, as follows:

Chico/Park Avenue Groundbreaking

Tuesday, February 1, 2022

10am-12noon (groundbreaking program 10:30am-11am)

Please save the date and I will provide more details in early January. Invites to the guests you gave me will go out that time as well. If you need anything in the meantime, don't hesitate to reach out.

Thank you and happy holidays,

Don

Don Bernstein

Marketing Specialist

a: 17701 Cowan Ave., Suite 200, Irvine, CA 92614

d: (949) 214-2366

o: (949) 263-8676

e: dbernstein@jamboreehousing.com

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MEMO

Date: January 14, 2022

To: BCAHDC Board of Directors

From: Ed Mayer, President

Subject: North Creek Crossings at Meriam Park Apartments II, Chico
Corporate Authorizations (2) – Resolutions No. 22-2C and 22-3C

The subject resolutions provide corporate authorizations for BCAHDC to participate as Managing General Partner in the Partnership that will develop the North Creek Crossings Apartments II, project. The first resolution provides general partnership authorizations, and the second provides for specific lender authorizations. These authorizations are typical to these types of transactions.

Background:

As of June 17, 2021, BCAHDC entered into a Memorandum of Agreement with Central California Housing Corporation (CCHC), Clovis, CA regarding development of a fifty-four unit affordable housing property serving families, known as North Creek Crossings at Meriam Park Apartments II, Chico. The project is the second of the two-phase North Creek Crossings Apartments development initiative.

BCAHDC is Managing General Partner (MGP) in the first phase's partnership, and now seeks to follow through in becoming MGP of the second phase, as well. Development of the housing requires low-income housing tax credits to achieve affordability, and lender financing. BCAHDC will participate in the owning partnership, Chico North Creek II, LP, as Managing General Partner.

The project is scheduled to close its financing package on March 3rd, setting in motion construction. Completion of the transaction requires specific authorizations regarding the partnership agreement, loan documents, the development agreement, security assignments, and other supporting documents and representations. The following Resolutions No. 22-2C and 22-3C addresses these authorizations to the satisfaction of the partnership, the lender, and the title company.

Recommended is adoption of Resolutions No. 22-2C and 22-3C.

BUTTE COUNTY AFFORDABLE HOUSING DEVELOPMENT CORPORATION

RESOLUTION NO. 22-2C

NORTH CREEK CROSSINGS AT MERIAM PARK II, CHICO
CORPORATE AND PARTNERSHIP AUTHORIZATIONS

At a duly constituted meeting of the Board of Directors (the “Board”) of Butte County Affordable Housing Development Corporation, a California nonprofit public benefit corporation (“BCAHDC”), held on January 20, 2022, the following resolutions were adopted:

WHEREAS, BCAHDC and Central California Housing Corporation (“CCHC”) are parties to that certain Memorandum of Understanding dated June 17, 2021 (the “MOU”) with respect to the development of an affordable housing project to be known as “North Creek Crossings at Meriam Park II” that will contain 54 apartment units, including one manager’s unit, to be located in Meriam Park, Chico, California (the “**Project**”); and

WHEREAS, BCAHDC is the managing general partner of Chico North Creek II, LP, a California limited partnership (the “**Partnership**”); and

WHEREAS, it has been determined to be in the best interests of BCAHDC for the Partnership to acquire, develop, construct, own and operate the Project; and

WHEREAS, it has been determined to be in the best interests of BCAHDC to assist in the acquisition, construction and development of the Project by the Partnership by: (i) consenting to the withdrawal of the initial limited partner from the Partnership and facilitating the admission of R4 NC II Acquisition LP, a Delaware limited partnership, or a substitute investor (“**Investor**”), as a 99.99% limited partner in the Partnership in exchange for capital contributions to the Partnership in an amount not to exceed \$22,887,000, and (ii) amending and restating the agreement of limited partnership of the Partnership (the “**Partnership Agreement**”) to provide for such other matters as may be required by the Investor (collectively, the “**Syndication**”); and

WHEREAS, it has been determined to be in the best interests of BCAHDC, as sub-developer, to enter into a subdevelopment agreement with the developer of the Project, CCHC Developer, LLC, a California limited liability company, or, in the alternative, for the Corporation, as co-developer, to enter into a development agreement with the Partnership (in either case, the “**Development Agreement**”); and

WHEREAS, it has been determined to be in the best interests of BCAHDC to obtain the following financings for the Project, which will be secured by liens on the Project (“**Secured Financings**”):

*1
Butte County Affordable Housing Development Corporation
Resolution No. 22-2C - North Creek Crossings II, Chico
January 20, 2022*

- (a) A construction loan from Wells Fargo Bank, National Association in the principal amount not to exceed \$22,000,000;
- (b) A permanent loan from Berkadia Commercial Mortgage LLC, a Delaware limited liability company, in the principal amount not to exceed \$3,212,000;
- (c) A construction-to-permanent loan from the City of Chico, a municipal corporation, in the principal amount of \$330,000 from the Affordable Housing Fund or any other source; and
- (d) A construction-to-permanent loan from the City of Chico, a municipal corporation, in the principal amount of \$671,523 from its Home Investment Partnership Program funds or any other source.

WHEREAS, as a condition of the Secured Financings and the Syndication, the lenders and the Investor may require that the Corporation and/or the Partnership assign any fees from the Partnership or pledge other interests in the Project as security for the Secured Financings and the Syndication (the “**Security Assignments**”), and it has been determined to be in the best interests of BCAHDC and the Partnership, to make and enter into Security Assignments; and

WHEREAS, it has been determined to be in the best interests of BCAHDC and the Partnership to execute and deliver any and all documents or agreements necessary or advisable for the acquisition, development, financing, construction, rehabilitation, management, operation and maintenance of the Project, including, but not limited to, all grant deeds, deeds of trust, UCC financing statements, loan agreements, loan documents, regulatory agreements, assignments of rents, leases, income and profits, general assignments, construction contracts, architect agreements, grant agreements, development agreements, sub-development agreements, management agreements, service contracts, housing assistance payments contracts, partnership agreements, and similar or related agreements for housing subsidies, title-related indemnities and affidavits and any other types of agreements (collectively, the “**Project Documents**”).

NOW, THEREFORE, BE IT RESOLVED by the Board that BCAHDC, for itself and in its capacity as the Managing General Partner of the Partnership, does hereby approve and is authorized to enter into the following transactions and documents, as applicable:

- 1. Partnership Agreement and the Syndication;
- 2. Development Agreement;
- 3. Secured Financings;
- 4. Security Assignments;
- 5. Project Documents;
- 6. Such other documents, agreements and contracts deemed necessary or advisable by an Officer in furtherance of these resolutions and/or to assist in the development of the Project (collectively, the “**Transaction Documents**”), using his or her own independent judgment; and

BE IT FURTHER RESOLVED, that the Board hereby authorizes each of (a) Edward S. Mayer, President of the Corporation, (b) Marysol Perez, Secretary of the Corporation, and (c) Hope Stone, Chief Financial Officer of the Corporation (each, an “**Officer**”), each acting alone to accept the Transaction Documents subject to any minor conforming, technical or clarifying changes approved by an Officer; and that each Officer is hereby further authorized and directed to take such further actions and execute and record such documents as are necessary to accept the Transaction Documents on behalf of BCAHDC and the Partnership; and

BE IT FURTHER RESOLVED, that all actions previously taken by BCAHDC and the Partnership, and any of their employees, officers and agents, in connection with the Project or the transactions described herein are hereby ratified and approved.

PASSED AND ADOPTED this 20th day of January 2022 by the following vote:

AYES: _____ NOES: _____ ABSTENTIONS: _____ ABSENT: _____

Signature of Attesting Officer:

Edward S. Mayer, President

SECRETARY’S CERTIFICATION

I, the Secretary of BCAHDC, hereby certify that the foregoing is a true copy of Resolution No. 22-2C adopted by the Board of Directors of Butte County Affordable Housing Development Corporation, a California nonprofit public benefit corporation, and that said Resolution No. 22-2C is in full force and effect, and the Board of Directors has, and at the time of the adoption of the Resolution No. 22-2C had, full power and authority to adopt such resolutions.

Marysol Perez, Secretary

Date

**CORPORATE RESOLUTION AUTHORIZING
LIMITED PARTNERSHIP ACTIVITY**

(Butte County Affordable Housing Development Corporation Resolution No. 22-3C)

**TO: Wells Fargo Bank, National Association,
and its successors and assigns**

RESOLVED, that this corporation, Butte County Affordable Housing Development Corporation, a California nonprofit public benefit corporation ("**Managing General Partner**"), the managing general partner of Chico North Creek II, LP, a California limited partnership ("**Borrower**").

Pursuant to that certain Construction Loan Agreement (the "**Loan Agreement**") executed by and between Borrower and Wells Fargo Bank, National Association ("**Lender**"), Lender has agreed to make a loan in the principal amount not to exceed \$22,000,000 (the "**Loan**") to Borrower. The Loan is evidenced by a promissory note (the "**Note**") executed by Borrower in favor of the Lender in the original principal amount of the Loan, and is further evidenced by the documents described in the Loan Agreement as the "Loan Documents". The Note is secured by, among other things, that certain Construction Deed of Trust With Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing (the "**Deed of Trust**"), executed by Borrower, as Trustor, to TRSTE, Inc., a Virginia corporation, as Trustee, in favor of Lender, as Beneficiary, encumbering the real property and any and all improvements thereon described therein.

Additionally, pursuant to that certain Amended and Restated Agreement of Limited Partnership of the Borrower dated as of March 1, 2022 or an alternative date approved by any officer of the Corporation (the "**Partnership Agreement**"), R4 NC II Acquisition LP, a Delaware limited partnership, or a substitute investor (collectively, "**Investor**") has agreed to make capital contributions to the Borrower subject to the terms and conditions more fully set forth therein (the "**Equity Financing**"). Also pursuant to the Partnership Agreement, the Managing General Partner is the Managing General Partner of the Borrower subject to certain rights, obligations and duties as more fully set forth therein. The Partnership also will be subject to certain Project Documents as defined therein, including, but not limited to, the Development Agreement.

BE IT FURTHER RESOLVED, that any one of the following officers, acting alone: Edward S. Mayer, in his/her capacity as President of this corporation, or in the absence or unavailability of the aforementioned, any officer of this corporation be and they are each hereby authorized and empowered to act for and on behalf of and in the name of this corporation and as its corporate act and deed in all transactions in which this corporation is acting on its own behalf or as the Managing General Partner of Borrower, including specifically to execute any and all documents or instruments evidencing the formation, qualification to do business, or conducting of the business of Borrower and Managing General Partner; to enter into the transactions described and to incur indebtedness and grant liens and security interests in connection with such transactions; and to execute and deliver to the Lender, and Lender is requested to accept, any and all documents or instruments evidencing any transaction between/among Lender, Borrower and/or Managing General Partner, including, but not limited to the Loan Agreement, the Note, the Deed of Trust, (as each are referenced in the Loan Agreement) and the other Loan Documents and any modifications, renewals or extensions thereof.

BE IT FURTHER RESOLVED, that any one of the following officers, acting alone: Edward S. Mayer, in his/her capacity as President of this corporation, or in the absence or unavailability of the aforementioned, any officer of this corporation be and they are each hereby authorized and

empowered to act for and on behalf of and in the name of this corporation and as its corporate act and deed in all transactions in which this corporation is acting on its own behalf or as the Managing General Partner of Borrower, including specifically to execute any and all documents or instruments evidencing the formation, qualification to do business, or conducting of the business of Borrower and Managing General Partner; to enter into the Equity Financing described and to incur indebtedness or obligations and grant liens and security interests in connection with the Equity Financing; and to execute and deliver to the Investor, and Investor is requested to accept, any and all documents or instruments evidencing any transaction between/among Investor, Borrower and/or Managing General Partner, including, but not limited to the Partnership Agreement and Development Agreement and the other Project Documents (as referenced in the Partnership Agreement) and any modifications, renewals or extensions thereof.

BE IT FURTHER RESOLVED, that the authority hereby conferred shall be deemed retroactive, and any and all acts authorized herein which were performed prior to the passage of this resolution are hereby approved and ratified. The authority hereby conferred is in addition to that conferred by any other resolution heretofore or hereafter delivered to Lender and shall continue in full force and effect until Lender shall have received notice in writing, certified by the Secretary of this corporation, of the revocation hereof by a resolution duly adopted by the Board of Directors of this corporation. Any such revocation shall be effective only as to actions taken by this corporation as the Managing General Partner of Borrower subsequent to Lender's receipt of such notice.

BE IT FURTHER RESOLVED, that the authority hereby conferred shall be deemed retroactive, and any and all acts authorized herein which were performed prior to the passage of this resolution are hereby approved and ratified. The authority hereby conferred is in addition to that conferred by any other resolution heretofore or hereafter delivered to Investor and shall continue in full force and effect until Investor shall have received notice in writing, certified by the Secretary of this corporation, of the revocation hereof by a resolution duly adopted by the Board of Directors of this corporation. Any such revocation shall be effective only as to actions taken by this corporation as the Managing General Partner of Borrower subsequent to Investor's receipt of such notice.

[Signature Page Follows]

PASSED AND ADOPTED this 20th day of January 2022 by the following vote:

AYES: _____ NOES: _____ ABSTENTIONS: _____ ABSENT: _____

Signature of Attesting Officer:

Edward S. Mayer, President

CERTIFICATION

I, Marysol Perez, Secretary of Butte County Affordable Housing Development Corporation, a California nonprofit public benefit corporation, do hereby certify and declare that the foregoing is a full, true and correct copy of the resolutions duly passed and adopted by the Board of Directors of said corporation, by written consent of all Directors of said corporation or at a meeting of said Board duly and regularly called, noticed and held on January 20, 2022, at which meeting a quorum of the Board of Directors was present and voted in favor of said resolutions; that said resolutions are now in full force and effect; that there is no provision in the Articles of Incorporation or Bylaws of said corporation, or any shareholder agreement, limiting the power of the Board of Directors of said corporation to pass the foregoing resolutions and that such resolutions are in conformity with the provisions of said Articles of Incorporation and Bylaws; and that no approval by the shareholders of, or the outstanding shares of, said corporation is required with respect to the matters which are the subject of the foregoing resolutions.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of said corporation this _____ day of _____, 2022.

By: _____
Name: Marysol Perez
Title: Secretary