NOTICE OF SPECIAL MEETING

TUESDAY, July 24, 2018

6:00p.m.

BOARD OF DIRECTORS OF THE HOUSING RELINQUISHED FUND CORPORATION

Date: July 18, 2018

To: Adrian Jones, Chair
    Stacy Sablan, Director
    Caine Christensen, Director
    Mary Castro, Director

From: Preston Prince, Director/Secretary

Subject: Notice of Board Meeting

NOTICE IS HEREBY GIVEN that a meeting of the Board of Directors of the Housing Relinquished Fund Corporation, Inc., will be held at 6:00p.m. on Tuesday, July 24, 2018 (subsequent to the meeting of the Boards of the Fresno Housing Authority) at the Fresno Housing Authority Offices, located at 1331 Fulton Street, Fresno, California.

AGENDA

1. Call to Order/Approval of the Agenda  
2. Consideration of the Minutes of May 29, 2018  
3. Consideration of Interest Rate Charged on Pre-Development Loans  
4. Consideration of Write-offs for Pre-Development Project Expenditures  
5. Consideration of the Transfer of Sales Proceeds from the Rental Assistance Demonstration Projects  
6. Adjournment

__________________________________________

Preston Prince, Director/Secretary
Minutes of Special Meeting

Of the Board of Directors of

HOUSING RELINQUISHED FUND CORPORATION

Tuesday, May 29, 2018

6:00 P.M.

There was a duly noticed special meeting of the Board of Directors of the Housing Relinquished Fund Corporation on Tuesday, May 29, 2018 at the offices of the Fresno Housing Authority, 1331 Fulton Street, Fresno, CA 93721.

1. The meeting was called to order by Chair Jones at 8:45 p.m., and upon roll call, Directors/Officers present and absent were as follows:

   PRESENT: Adrian Jones, Chair
   Stacy Sablan, Vice Chair
   Preston Prince, Secretary/Treasurer/Director
   Caine Christensen, Director
   Mary Castro, Director

   Also in attendance: Ken Price, General Counsel from Baker Manock and Jensen.

   Approval of Agenda

   Upon motion by Chair Jones, seconded by Vice Chair Sablan, and with unanimous vote, the agenda was approved as posted.

   MOTION PASSED: 5-0

2. Election of Vice Chair

   Upon motion by Secretary/Treasurer Prince, seconded by Chair Jones, and with unanimous vote, the approval of the following:

   Election of Stacy Sablan as Vice Chair.

   MOTION PASSED: 5-0

3. Consideration of minutes of February 27, 2018

   Upon motion by Secretary/Treasurer Prince, seconded by Chair Jones, and by unanimous vote, the minutes were approved.

   MOTION PASSED: 5-0
4. **Consideration of the Funding Commitments and Action Grant for Southwest Fresno – Choice Neighborhood Initiative**

   Upon motion by Vice Chair Sablan, seconded by Chair Jones, and by unanimous vote, the Commitments and Action Grant for Southwest Fresno – Choice Neighborhood Initiative, HRFC commitment of $550,000 were approved.

   **MOTION PASSED: 5-0**

5. **Adjournment**

   There being no further business to be considered by the Board of Directors for the Housing Relinquished Fund Corporation, the meeting was adjourned at approximately 8:50 p.m.

   ________________________________
   Preston Prince, Secretary
Subject: Consideration of Interest Rate Charged on Pre-Development Loans

BACKGROUND:

On November 27, 2012, the Board of Directors for the Housing Relinquished Fund Corporation approves pre-development loans to the Fresno Housing Authority’s (FH) Planning & Community Development department for pre-development activities. These funds are used to support the due diligence process for projects in the FH development pipeline, such as feasibility analyses, environmental and market studies, architectural and engineering costs, and site control.

Based on an analysis of interest rates charged in the private market, a simple 5% interest rate has been charged on all pre-development loans. Based on a request from HRFC’s auditors, staff is requesting that the Board of Director’s formally adopt this interest rate in the attached resolution.

RECOMMENDATION:

It is recommended that the Board of Directors of the Housing Relinquished Fund Corporation adopt the attached resolution approving the 5% simple interest rate for pre-development loans to the Fresno Housing Authority.
BEFORE THE BOARD OF DIRECTORS OF THE
HOUSING RELINQUISHED FUND CORPORATION

RESOLUTION NO. _______

RESOLUTION APPROVING THE INTEREST RATE CHARGED ON PRE-DEVELOPMENT LOANS

WHEREAS, the goals of the Housing Relinquished Fund Corporation (HRFC) include the
financing of the development and provision of affordable housing units within Fresno County; and

WHEREAS, the HRFC desires to provide support to housing opportunities for low and moderate-income households within a variety of neighborhoods; and

WHEREAS, pre-development funds are necessary to proceed with preparation of environmental reports, land deposits, legal fees, architectural and engineering fees, etc. required to apply for local entitlements and financing;

WHEREAS, HRFC has loans to the Fresno Housing Authority for pre-development expenses; and

WHEREAS, the interest rate charged on this loan shall be 5% simple interest; and

NOW THEREFORE, the Board of Directors does hereby resolve that, Preston Prince, the Secretary, Tracewell Hanrahan, the Treasurer, and/or their designee are authorized to charge 5% simple interest on pre-development loans and execute all agreements and ancillary documents in connection therewith.

PASSED AND ADOPTED THIS __24th__ day of __July__, 2018, I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by the governing body with the following vote, to-wit:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:  

_____________________________________________
Preston Prince, Secretary of the Board of Directors
MEMORANDUM — Housing Relinquished Fund Corp.

To: Boards of Directors
Housing Relinquished Fund Corporation

Date: July 11, 2018
Board Meeting: July 24, 2018

From: Emily De La Guerra
Director of Finance

Agenda Item: 4

Subject: Consideration of Write-offs for Pre-Development Project Expenditures

BACKGROUND:

On November 27, 2012, the Board of Directors for the Housing Relinquished Fund Corporation approved a revolving loan of $300,000 to the Fresno Housing Authority’s (FH) Planning & Community Development Department for pre-development activities. These funds are used to support the due diligence process for projects in the FH development pipeline, such as feasibility analyses, environmental and market studies, and preliminary architectural plans sufficient to apply for grant funding and entitlements.

Once a project is deemed feasible and successfully receives a project-specific funding commitment, pre-development costs are reimbursed to HRFC. In contrast, if a project is put on hold for a significant period of time or is deemed unfeasible, the expenses are written off and HRFC is not reimbursed for those costs. Since the inception of this pre-development loan in 2012, the HRFC Board of Directors have only written off $45,420 for three projects in 2014 that never came to fruition.

The purpose of this memo is to request approval from the Board of Directors to write-off the pre-development expenditures for four projects in order to ensure sufficient funds are available for current projects. The projects and current expenditures are shown below.

<table>
<thead>
<tr>
<th>Project</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Santa Clara- Water Tower</td>
<td>14,711</td>
</tr>
<tr>
<td>Argyle</td>
<td>1,287</td>
</tr>
<tr>
<td>Santa Clara Community Gardens</td>
<td>5,352</td>
</tr>
<tr>
<td>Malaga</td>
<td>723</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>22,073</strong></td>
</tr>
</tbody>
</table>
RECOMMENDATION:

It is recommended that the Board of Directors of the Housing Relinquished Fund Corporation adopt the attached resolution approving the write-off of $22,073 from the pre-development loan to the Fresno Housing Authority for the four projects listed previously.
BEFORE THE BOARD OF DIRECTORS OF THE
HOUSING RELINQUISHED FUND CORPORATION

RESOLUTION NO. ______

RESOLUTION APPROVING THE WRITE-OFF OF PRE-DEVELOPMENT EXPENDITURES

WHEREAS, the goals of the Housing Relinquished Fund Corporation (HRFC) include the financing of the development and provision of affordable housing units within Fresno County boundaries; and

WHEREAS, the HRFC desires to provide support to housing opportunities for low and moderate-income households within a variety of neighborhoods; and

WHEREAS, pre-development funds are necessary to proceed with preparation of environmental reports, land deposits, legal fees, architectural and engineering fees, etc. required to apply for local entitlements and financing;

WHEREAS, pre-development expenditures for projects that have been put on hold for a significant period of time or are deemed unfeasible decrease the availability of sufficient pre-development funds for current projects; and

WHEREAS, the expenses related to the Santa Clara Water Tower, Argyle, Santa Clara Community Gardens and Malaga projects will not be proceeding with further development at this time;

NOW THEREFORE, the Board of Directors does hereby resolve that, Preston Prince, the Secretary, Tracewell Hanrahan, the Treasurer, and/or their designee are authorized to write off approximately $22,073 in pre-development financing from Santa Clara Water Tower, Argyle, Santa Clara Community Gardens and Malaga projects and execute all agreements and ancillary documents in connection therewith.

PASSED AND ADOPTED THIS ______ day of July, 2018, I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by the governing body with the following vote, to-wit:

AYES:
NOES:

ABSENT:

ABSTAIN:

_____________________________________________

Preston Prince, Secretary of the Board of Directors
To: The Boards of Directors
Housing Relinquished Fund Corporation

From: Preston Prince
Secretary

Subject: Consideration of the Transfer of Sales Proceeds from the Rental Assistance Demonstration Projects

BACKGROUND

Through the Rental Assistance Demonstration program, the Fresno Housing Authority converted several low-rent public housing properties into affordable housing partnership projects. These public housing sites were purchased from the Housing Authority by limited partnerships at fair market value, for which the Agency received cash payments at the financial closings. Since the financial statements for the Housing Authority have now been reviewed by an independent, external auditor and the Department of Housing and Urban Development (HUD), staff is prepared to transfer the proceeds from the Viking Village RAD conversion from the Agency to the Housing Relinquished Fund Corporation.

Overall, the Fresno Housing Authority received just over $1.1 million dollars in sales proceeds from the Viking Village RAD transactions. Staff is proposing to transfer these funds to HRFC to be used to further the supply of affordable housing, in accordance with the mission of the Fresno Housing Authority and the Housing Relinquished Fund Corporation.

RECOMMENDATION

It is recommended that the Board of Directors of the Housing Relinquished Fund Corporation accept the transfer of the sales proceeds from the Fresno Housing Authority in an amount no greater than $1,165,914.00.
BEFORE THE BOARDS OF DIRECTORS FOR
THE HOUSING RELINQUISHED FUND CORPORATION

Resolution Number:

RESOLUTION ACCEPTING THE TRANSFER OF SALES PROCEEDS FROM THE RENTAL
ASSISTANCE DEMONSTRATION PROJECTS

WHEREAS, the Fresno Housing Authority converted the Viking Village low-rent public housing
projects under the Rental Assistance Demonstration (RAD); and

WHEREAS, this conversions generated $1,165,914.00 in proceeds from the sale of the land and
buildings to the limited partnership owner; and

WHEREAS, the sales proceeds, in the amount of $1,165,914.00, will be transferred from the Fresno
Housing Authority to the Housing Relinquished Fund Corporation to be used to further the supply of
affordable housing in accordance with the mission of both organizations;

NOW THEREFORE, BE IT RESOLVED that the Boards of Directors for the Housing Relinquished
Fund Corporation accept the sales proceeds from the Fresno Housing Authority in the amount of
$1,165,914.00.

PASSED AND ADOPTED THIS 24th day of July, 2018. I, the undersigned, hereby certify that the
foregoing Resolution was duly adopted by the governing body with the following vote, to-wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

_________________________________________________

Preston Prince, Secretary of the Board of Directors