NOTICE OF SPECIAL MEETING

Tuesday, October 23, 2018
6:00p.m.

BOARD OF DIRECTORS OF THE HOUSING RELINQUISHED FUND CORPORATION

Date:   October 18, 2018

To:   Adrian Jones, Chair
       Stacy Sablan, Vice Chair
       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, October 23, 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 July 24, 2018
3. Consideration of Loan Authorization - Willow and Alluvial Avenues
4. Consideration of Funding Commitment – Orchard Apartments
5. Consideration of Funding Commitment – Mariposa Meadows
6. Adjournment

Preston Prince, Director/Secretary
Minutes of Special Meeting

Of the Board of Directors of

HOUSING RELINQUISHED FUND CORPORATION

Tuesday, July 24, 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, July 24, 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 6:55 p.m., and upon roll call, Directors/Officers present and absent were as follows:

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

   ABSENT: Preston Prince, Secretary/Treasurer/Director

   Also in attendance: Lauren D. Layne, Baker Manock and Jensen - General Counsel. 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: 4-0

2. Consideration of minutes of May 29, 2018

   Upon motion by Vice Chair Sablan, seconded by Director Christensen, and by unanimous vote, the minutes were approved.

   MOTION PASSED: 4-0

3. Consideration of Interest Rate Charged on Pre-Development Loans

   Upon motion by Vice Chair Sablan, seconded by Director Castro, and by unanimous vote, the interest rate charged on Pre-Development loans were approved.

   MOTION PASSED: 4-0
4. **Consideration of Write-offs for Pre-Development Project Expenditures**

Upon motion by Vice Chair Sablan, seconded by Director Christensen, the write-offs of approximately $22,073 in pre-development project expenditures were approved.

*MOTION PASSED: 4-0*

5. **Consideration of the Transfer of Sales Proceeds from the Rental Assistance Demonstration Projects**

Upon motion by Vice Chair Sablan, seconded by Director Christensen, the transfer of sales proceeds, in the amount of $1,165,914.00 from the Rental Assistance Demonstration Project was approved.

*MOTION PASSED: 4-0*

6. **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 6:59 p.m.

____________________________________
Preston Prince, Secretary
To: The Board of Directors of the Housing Relinquished Fund Corporation
From: Preston Prince
Subject: Approval of HRFC Loan Commitment of up to $1,650,000 to Silvercrest, Inc. to Fund the Acquisition of Property located at Willow/Alluvial in Clovis, CA (APN 561-020-51S)

BACKGROUND:

At the March 2018 Fresno Housing Authority (FH) Board meeting, the opportunity to obtain site control of the property listed for sale located near the NE corner of N. Willow and W. Alluvial Avenues in Clovis, CA (APN 561-020-51S) (the “Property”) was discussed. The FH Board was supportive of conducting initial due diligence on the property and negotiating a Purchase and Sale Agreement (the “Agreement”) for the subject property contingent on Board approval. At the May 29, 2018 Silvercrest, Inc. Board Meeting, the Silvercrest Board of Directors ratified the Agreement, which provided for a purchase price of $1,600,000 and a 180-day due diligence period. During the due diligence period, Silvercrest would reserve the right to terminate the Agreement at its sole discretion. The due diligence period expires on November 3, 2018.

The property is a 3.94 acre parcel of vacant land under the ownership of Willow Petroleum, LLC. The subject Property could represent the FH development in the City of Clovis. The potential development aligns with the FH strategic priorities for new construction and developing in neighborhoods of high opportunity. The land is currently zoned R-2 low density multiple family residential and remains vacant. The site is fully entitled to be developed with up to 60 multi-family residential units.

At this time, Staff is requesting a loan commitment from the Board of Directors of the Housing Relinquished Fund Corporation (HRFC) to Silvercrest, Inc. of up to $1,650,000 to allow Silvercrest to complete the acquisition of the subject Property from Willow Petroleum, LLC. Staff is requesting an additional $50,000 above the purchase price for expenses associated with the due diligence and escrow/title expenses.

RECOMMENDATION:

It is recommended that the Board of Directors of the Housing Relinquished Fund Corporation adopt the attached resolution authorizing a loan commitment of up to $1,650,000 from the Housing Relinquished Fund Corporation to Silvercrest, Inc. to complete the acquisition with Willow Petroleum, LLC for 3.94 Acres of Land at the NE corner of N. Willow and W. Alluvial Avenues in Clovis, CA 93611 (APN: 561-020-51S) and authorize the Secretary/director, Preston Prince,
and/or his designee to negotiate and execute all ancillary documents in connection with the approved actions.
BEFORE THE BOARD OF DIRECTORS OF THE
HOUSING RELINQUISHED FUND CORPORATION

RESOLUTION NO. ________

RESOLUTION AUTHORIZING AN HRFC LOAN COMMITMENT OF UP TO
$1,650,000 TO SILVERCREST, INC TO FUND THE ACQUISITION OF PROPERTY
LOCATED AT THE NORTHEAST QUADRANT OF N WILLOW AND W ALLUVIAL
AVENUES, CLOVIS, CA (APN: 561-020-51S)

At a duly constituted meeting of the Board of Directors of the Housing Relinquished Fund Corporation, a California nonprofit public benefit corporation (the “Corporation”) held on October 23, 2018, the following resolution is adopted:

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

WHEREAS, the Fresno Housing Authority is interested in working with Silvercrest, Inc. to acquire a lot near the NE corner of N Willow Ave. and W Alluvial Ave, Clovis, CA, APN 561-020-51S, (the “Property”) consisting of approximately 4 acres of vacant land; and

WHEREAS, Silvercrest, Inc., is a wholly controlled instrumentality of the Fresno Housing Authority; and

WHEREAS, Silvercrest, Inc. (the “Buyer”) finalized a Purchase and Sale Agreement (the “Agreement”) with Willow Petroleum, LLC (the “Seller”) on May 7, 2018 to potentially acquire the Property; and

WHEREAS, the Agreement provided for, among other items, a purchase price of $1,600,000 and a 180-day due diligence period which ends November 3, 2018; and

WHEREAS, the acquisition of the site could constitute the first housing development by Fresno Housing Authority in Clovis, CA; and

WHEREAS, HRFC desires to provide a loan to Silvercrest, Inc. of up to $1,650,000 at 5% interest to finance the acquisition, initial due diligence and associated closing costs; and

NOW THEREFORE, the Board of Directors does hereby authorize a Housing Relinquished Fund Corporation loan in the amount of up to $1,650,000 to Silvercrest, Inc. to purchase land at the NE quadrant of N Willow Avenue and W Alluvian Avenue in Clovis, CA 93611, APN 561-020-51S, and authorize Preston Prince, Secretary/Treasurer, or his designee to negotiate and execute all related documents to finalize the acquisition.
PASSED AND ADOPTED THIS 23rd day of October 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 Commissioners
MEMORANDUM – Housing Relinquished Fund Corporation

To: The Board of Directors of the Housing Relinquished Fund Corporation

Date: October 18, 2018

Board Meeting: October 23, 2018

From: Preston Prince

Secretary

Agenda Item: 4

Subject: Approval of an HRFC Loan Commitment of up to $500,000 for Pre-Development Funding for the Parlier Orchard Apartments Project

SUMMARY:

At the September 25, 2018 Fresno Housing Authority (FH) Board Meeting, the FH Board approved accepting an award of 9% Low-Income Housing Tax Credits (LIHTC) from the California Tax Credit Allocation Committee (CTCAC) for the Parlier Orchard Apartments housing development. On October 9, 2018, FH submitted the executed Preliminary Reservation Letter to CTCAC formally accepting the award. The deadline to close on financing and begin construction is April 1, 2019.

As part of the next steps in the pre-development process, financing is necessary for soft costs that will be incurred prior to the financial closing. Pre-development expenses will include a variety of costs related to the Parlier Orchard Apartments development, such as the cost of environmental reports, appraisals, architectural fees, TCAC application fees, etc. Although we have financing commitments for permanent and construction financing, funds are not made available until all diligence is complete and the close of financing occurs in March 2019. At the financial closing, the FH pre-development expenses will be fully paid.

At this time, it is requested that the Board of Directors approve an interim pre-development loan of up to $500,000 from the Housing Relinquished Fund Corporation to be repaid from construction sources. The pre-development loan will carry 5% interest on the outstanding balance.

RECOMMENDATION:

It is recommended that the Boards of Directors of the Housing Relinquished Fund Corporation adopt the attached resolution authorizing a pre-development loan commitment of up to $500,000 at 5% interest for expenses incurred in the pre-development phase of the Parlier Orchard Apartments project and authorize Preston Prince, the Secretary/Director, or his designee to negotiate and execute all ancillary documents in connection therewith.
BEFORE THE BOARD OF DIRECTORS OF THE
HOUSING RELINQUISHED FUND CORPORATION

RESOLUTION NO. ________

RESOLUTION TO APPROVE A PRE-DEVELOPMENT LOAN OF UP TO $500,000 FROM THE HOUSING RELINQUISHED FUND CORPORATION FOR PRE DEVELOPMENT EXPENSES RELATED TO THE PARLIER ORCHARD APARTMENTS PROJECT

At a duly constituted meeting of the Board of Directors of the Housing Relinquished Fund Corporation, a California nonprofit public benefit corporation (the “Corporation”) held on October 23, 2018, the following resolution is adopted:

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

WHEREAS, HRFC would like to facilitate the rehabilitation of the Parlier Orchard Apartments property located in Parlier, CA which currently consists of 40 units of USDA assisted farm worker housing; and

WHEREAS, a to be formed limited partnership, (LP) is being created for the purposes of developing and owning the Parlier Orchard Apartments complex; and

WHEREAS, the Housing Authority of Fresno County will be a general partner and Silvercrest, Inc. will be the managing general partner of said LP; and

WHEREAS, the Housing Authority of Fresno County has requested and HRFC desires to loan of up to $500,000 at 5% interest to fund pre-development expenses for the Parlier Orchard Apartments project; and

WHEREAS, the subject pre-development loan shall be repaid at the financial closing; and

NOW THEREFORE, the Board of Directors does hereby resolve that Preston Prince, Secretary/Director and/or his designee are authorized to provide a pre-development loan of up to $500,000 at 5% interest to the Housing Authority of Fresno County for the Parlier Orchard Apartments project and to negotiate and execute all ancillary documents in connection therewith.

PASSED AND ADOPTED THIS 23rd day of October 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 Commissioners
MEMORANDUM —  Housing Relinquished Fund Corporation

To: The Board of Directors of the Housing Relinquished Fund Corporation
From: Preston Prince
Secretary
Subject: Approval of an HRFC Loan Commitment of up to $500,000 for Pre-Development Funding for the Mariposa Meadows Project

SUMMARY:

At the September 25, 2018 Fresno Housing Authority (FH) Board Meeting, the FH Board approved accepting an award of 9% Low-Income Housing Tax Credits (LIHTC) from the California Tax Credit Allocation Committee (CTCAC) for the Mariposa Meadows development. On October 9, 2018, FH submitted the executed Preliminary Reservation Letter to CTCAC formally accepting the award. The deadline to close on financing and begin construction is March 18, 2019.

As part of the next steps in the pre-development process, financing is necessary for soft costs that will be incurred prior to the financial closing. Pre-development expenses will include a variety of costs related to the Mariposa Meadows development, such as the cost of environmental reports, appraisals, architectural fees, TCAC application fees, etc. Although we have financing commitments for permanent and construction financing, funds are not made available until all diligence is complete and the close of financing occurs in March 2019. At the financial closing, the FH pre-development expenses will be fully paid.

At this time, it is requested that the Board of Directors approve an interim pre-development loan of up to $500,000 from the Housing Relinquished Fund Corporation to be repaid from construction sources. The pre-development loan will carry 5% interest on the outstanding balance.

RECOMMENDATION:

It is recommended that the Boards of Directors of the Housing Relinquished Fund Corporation adopt the attached resolution authorizing a pre-development loan commitment of up to $500,000 at 5% interest for expenses incurred in the pre-development phase of the Mariposa Meadows project and authorize Preston Prince, the Secretary/Director, or his designee to negotiate and execute all ancillary documents in connection therewith.
BEFORE THE BOARD OF DIRECTORS OF THE
HOUSING RELINQUISHED FUND CORPORATION

RESOLUTION NO. _______

RESOLUTION TO APPROVE A PRE-DEVELOPMENT LOAN OF UP TO $500,000
FROM THE HOUSING RELINQUISHED FUND CORPORATION
FOR PRE DEVELOPMENT EXPENSES RELATED TO THE MARIPOSA MEADOWS
PROJECT

At a duly constituted meeting of the Board of Directors of the Housing Relinquished Fund Corporation, a California nonprofit public benefit corporation (the “Corporation”) held on October 23, 2018, the following resolution is adopted:

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

WHEREAS, HRFC would like to facilitate the rehabilitation of the Mariposa Meadows property located in SW Fresno, CA which consists of 40 units of USDA assisted farm worker housing; and

WHEREAS, a to be formed limited partnership, (LP) is being created for the purposes of developing and owning the Mariposa Meadows complex; and

WHEREAS, the Housing Authority of the City of Fresno will be a general partner and Silvercrest, Inc. will be the managing general partner of said LP; and

WHEREAS, the Housing Authority of the City of Fresno has requested and HRFC desires to loan of up to $500,000 at 5% interest to fund pre-development expenses for the Mariposa Meadows project; and

WHEREAS, the subject pre-development loan shall be repaid at the financial closing; and

NOW THEREFORE, the Board of Directors does hereby resolve that Preston Prince, Secretary/Director and/or his designee are authorized to provide a pre-development loan of up to $500,000 at 5% interest to the Housing Authority of the City of Fresno for the Mariposa Meadows project and to negotiate and execute all ancillary documents in connection therewith.

PASSED AND ADOPTED THIS 23rd day of October 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 Commissioners