NOTICE OF SPECIAL MEETING

Tuesday, May 28, 2019

6:00 p.m.

BOARD OF DIRECTORS OF THE HOUSING RELINQUISHED FUND CORPORATION

Date: May 25, 2019

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, May 28, 2019 (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 March 26, 2019
3. Consideration of the Increased Loan Commitment – Orchard Apartments
4. Consideration of the Transfer of Excess Development Proceeds
5. Adjournment

Preston Prince, Director/Secretary
Minutes of Special Meeting

Of the Board of Directors of

HOUSING RELINQUISHED FUND CORPORATION

Tuesday, March 26, 2019

6:00 P.M.

There was a duly noticed special meeting of the Board of Directors of the Housing Relinquished Fund Corporation on Tuesday, March 26, 2019 at the offices of the Fresno Housing Authority, 1331 Fulton Street, Fresno, CA 93721.

1. The meeting was called to order by Chair Sablan at 9:38 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

   ABSENT: Mary Castro, Director

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

2. Approval of Agenda

   Upon motion by Secretary/Treasurer Prince seconded by Chair Jones, and with unanimous vote, the agenda was approved as posted.

   MOTION PASSED: 4-0

2. Consideration of the Minutes of the Minutes of February 26, 2019

   Upon motion by Secretary/Treasurer Prince, seconded by Director Christensen, and with unanimous vote, the minutes were approved.

   MOTION PASSED: 4-0

3. Consideration of the Funding Commitment – Highway City

   Upon motion by Chair Jones, seconded by Director Christensen, and by unanimous vote, the Funding Commitment – Highway City.

4. 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 9:39 p.m.

_____________________________________
Preston Prince, Secretary
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 was originally in March of 2018, but due to an extended Federal government shutdown, CTCAC extended the deadline to June 1, 2019.

As part of the pre-development process, financing is necessary for soft costs that will be incurred prior to the financial closing. Pre-development expenses 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 June 2019. At the financial closing, the FH pre-development expenses will be fully paid. In October 2018, HRFC made such a loan to FH in the amount of $500,000. However, due to the unexpected Federal government shutdown, and thus an extended predevelopment period, FH has exhausted the original $500,000 and requires an additional $1,000,000 to satisfy increased development costs incurred.

At this time, it is requested that the Board of Directors approve an increase in the interim pre-development loan of up to $1,000,000, for a total of $1,500,000 from the Housing Relinquished Fund Corporation to be repaid from construction sources. The pre-development loan will carry 5% interest on the outstanding balance. 100% of the predevelopment loan and interest earned will be repaid at the time of closing.

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 $1,500,000 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 $1,500,000
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 May
28, 2019, 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 Limited Partnership, Parlier Orchard Apartments, LP (LP) has been 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 received a loan from HRFC in October of
2018 of up to $500,000; and

WHEREAS, The Housing Authority of Fresno County is requesting to increase said pre-
development loan by $1,000,000 for a total not to exceed loan amount of $1,500,000 at 5%
interest to fund pre-development expenses for the Parlier Orchard Apartments development, 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
$1,500,000 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 28th day of May 2019. 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 Corp.

To: The Boards of Directors
    Housing Relinquished Fund Corporation

From: Preston Prince
    Secretary

Subject: Consideration of the Transfer of Excess Development Proceeds

BACKGROUND

The Fresno Housing Authority, through various partnerships and joint ventures, developed more than 30 multi-family housing complexes over the past ten years. These developments, while meeting the mission of the Agency of providing additional homes to low-income families, have also generated a financial return to the Agency, including developer fees and ongoing revenues to the Housing Authority and its joint ventures from cash flow distributions (i.e. the “waterfall”). Staff is proposing to transfer a portion of these proceeds to the Housing Relinquished Fund Corporation (HRFC) to be used to further the supply of affordable housing, in accordance with the mission of the Agency and HRFC.

RECOMMENDATION

It is recommended that the Board of Directors of the Housing Relinquished Fund Corporation accept the transfer of excess development proceeds from the Fresno Housing Authority in an amount no greater than $1,500,000.00.
BEFORE THE BOARDS OF DIRECTORS FOR
THE HOUSING RELINQUISHED FUND CORPORATION

Resolution Number:

RESOLUTION ACCEPTING THE TRANSFER OF EXCESS DEVELOPMENT PROCEEDS

WHEREAS, the Fresno Housing Authority, through various partnerships and joint ventures, has developed over thirty multi-family housing complexes in the last ten years; and

WHEREAS, these development activities have generated significant proceeds to the Fresno Housing Authority; and

WHEREAS, a portion of said proceeds, in the amount of $1,500,000.00, 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 excess development proceeds from the Fresno Housing Authority in the amount of $1,500,000.00.

PASSED AND ADOPTED THIS 28th day of May, 2019. 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