NOTICE OF SPECIAL MEETING

Tuesday, July 23, 2019

6:00 p.m.

BOARD OF DIRECTORS OF THE HOUSING RELINQUISHED FUND CORPORATION

Date: July 19, 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, July 23, 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 May 28, 2019
3. Election of the Treasurer
4. Consideration of Funding Commitment – Plaza Terrace
5. Adjournment

[Signature]
Preston Prince, Director/Secretary
Minutes of Special Meeting
Of the Board of Directors of

HOUSING RELINQUISHED FUND CORPORATION

Tuesday, May 28, 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, May 28, 2019 at the offices of the Fresno Housing Authority, 1331 Fulton Street, Fresno, CA 93721.

1. The meeting was called to order by Visa Chair Sablan at 9:08 p.m., and upon roll call, Directors/Officers present and absent were as follows:

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

   ABSENT: Adrian Jones, Chair

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

   Approval of Agenda

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

   MOTION PASSED: 4-0

2. Consideration of the Minutes of March 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 Increased Loan Commitment – Orchard Apartments

   Upon motion by Director Christensen, seconded by Director Castro and by unanimous vote, the Increased Loan Commitment – Orchard Apartments was approved.
MOTION PASSED: 4-0

4. Consideration of the Transfer of Excess Development Proceeds

Upon Motion by Director Christensen, second by Director Castro and by unanimous vote, the transfer of excess development proceeds was approved.

MOTION PASSED: 4-0

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 9:09 p.m.

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Preston Prince, Secretary
SUMMARY:

At the June 25, 2019 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 Villages at Paragon housing development (formerly Plaza Terrace). On July 1, 2019, FH submitted the executed Preliminary Reservation Letter to CTCAC formally accepting the award. The deadline to close on financing and begin construction is December 2019.

As part of the pre-development process, financing is necessary for soft costs that are incurred prior to the financial closing. Pre-development expenses include a variety of costs related to The Villages at Paragon 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 financial close occurs which is scheduled for December 2019. At the financial closing, the FH pre-development expenses will be reimbursed and subsequently the HRFC loan will be fully repaid.

At this time, it is requested that the Board of Directors approve an interim pre-development loan of up to $1,000,000 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 $1,000,000 at 5% interest for expenses incurred in the pre-development phase of The Villages at Paragon 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 $1,000,000
FROM THE HOUSING RELINQUISHED FUND CORPORATION
FOR PRE DEVELOPMENT EXPENSES RELATED TO THE VILLAGES AT
PARAGON 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 July 23, 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 Villages at Paragon Apartments property located at 4041 Plaza Drive West in Fresno, CA (APN 454-295-09T) which will consist of 28 units of Permanent Supportive Housing; and

WHEREAS, a Limited Partnership, The Villages at Paragon, LP (LP) has been created for the purposes of developing and owning The Villages at Paragon Apartments complex; and

WHEREAS, the Housing Authority of the City of Fresno, CA 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, CA is requesting a pre-development loan of $1,000,000 at 5% interest to fund pre-development expenses for The Villages at Paragon 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 $1,000,000 at 5% interest to the Housing Authority of the City of Fresno, CA for The Villages at Paragon Apartments project and to negotiate and execute all ancillary documents in connection therewith.

PASSED AND ADOPTED THIS 23rd day of July, 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