TO: Boards of Commissioners
Fresno Housing Authority
DATE: 11/20/2015
FROM: Preston Prince
CEO/Executive Director
BOARD MEETING: 11/24/2015
AUTHOR Sheila Scheitrum
Community Development Coordinator
AGENDA ITEM: 5c
RE: Trailside Terrace- Omnibus
Development & Financing Resolution

On or about November 30, 2015, Reedley Trailside Terrace, LP, a California limited partnership (the “Partnership”) will close on the financing of a 55-unit low-income multifamily residential project (the “Project”), located at 1233 G Street in the City of Reedley, California.

The Housing Authority of Fresno County, CA (the “Authority”), is the sole member of Reedley Trailside Terrace AGP, LLC, a California limited liability company, the administrative general partner (the “Administrative General Partner”) of the Partnership. Silvercrest, Inc., an instrumentality of the Authority, is the managing general partner of the Partnership (see Exhibit A).

Approval to develop the project requires that the Board of Commissioners of the Housing Authority adopt a resolution authorizing the following actions:

1. Authorization of Preston Prince, CEO/Executive Director or Tracewell Hanrahan, Deputy Executive Director or their designee to execute documents on behalf of the Housing Authority of Fresno County, CA in the name of the Administrative General Partner or the Partnership.
2. Authorization of Preston Prince, CEO/Executive Director or Tracewell Hanrahan, Deputy Executive Director or their designee to execute documents on behalf of the Administrative General Partner (AGP).
3. Authorize a request for a Public Housing Operating Reserves loan to the project in the amount of $2,210,000.
4. Authorize a request for a Housing Relinquished Fund Corporation (HRFC) loan to the project in the amount of $1,576,956.
5. Authorize actions for the financing, development and operation of the Project, and
6. Provide for other matters related thereto.
Staff is recommending that the Board adopt the attached resolutions, drafted by our affordable housing finance counsel, Ballard Spahr LLP, and as required by our equity and lending partners, in order to finalize the closing of the Project on or about November 30, 2015.

A resolution authorizing the execution and delivery of documents, the admission of certain partners to Reedley Trailside Terrace, LP ("Partnership"), and the execution of such documents to implement project financing by the Housing Authority of Fresno County, CA, on its own behalf and in the capacity as managing member of the Reedley Trailside Terrace AGP, LLC, the Administrative General Partner of the partnership, in connection with the financing, development and operation of the Trailside Terrace development, and providing for other matters related thereto.

Recommendation
It is recommended that the Board of Commissioners of the Housing Authority of Fresno County, CA adopt the attached resolution, authorizing the execution and delivery of documents by the Housing Authority of Fresno County, CA on its own behalf, in the name of the Administrative General Partner and in the name of the Partnership, in connection with the financing, development and operation of the Project, authorizing the lending and the borrowing of money, and providing for other matters related thereto.

Fiscal Impact
Staff is requesting a financing commitment for a Public Housing Operating Reserves loan of $2,210,000 and an HRFC loan of $1,576,956. Project financing includes a set of construction and permanent loans. See Exhibit B attached for a Sources and Uses of Funds chart.

Total construction financing will be $18,357,936, from the sources listed in Table 1.

Table 1: Construction Sources of Finance

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction Loan (PNC Bridge Loan)</td>
<td>$10,561,328</td>
<td>The Partnership has received a commitment for a construction loan from PNC Bank. The term is projected to be 22 months at 3.25% interest rate.</td>
</tr>
<tr>
<td>HRFC Loan</td>
<td>$1,576,956</td>
<td>Staff is requesting an HRFC loan of $1,576,956. The construction term is 22 months at 4% interest and repayment from residual receipts</td>
</tr>
<tr>
<td>HAFC Loan</td>
<td>$2,210,000</td>
<td>Staff is requesting an HAFC Public Housing Operating Reserves loan of $2,210,000. The construction term is 22 months at 4% interest and repayment from residual receipts</td>
</tr>
<tr>
<td>Costs Deferred until perm financing</td>
<td>$1,420,441</td>
<td>These costs are not due until construction is complete, and loan converts to a permanent loan structure</td>
</tr>
<tr>
<td>Deferred Developer Fee</td>
<td>$300,000</td>
<td>It is anticipated some of the developer fee will be deferred.</td>
</tr>
<tr>
<td>Fresno County HOME Funds</td>
<td>$1,000,000</td>
<td>The project was awarded HOME Funds in January 2015.</td>
</tr>
<tr>
<td>Affordable</td>
<td>$540,000</td>
<td>Staff has secured a commitment from the Federal Home Loan Bank</td>
</tr>
</tbody>
</table>
Housing Program
Affordable Housing Program (AHP) for $540,000, with US Bank as the sponsor member.

Accrued/Deferred Interest
$139,645 Interest on the HAFC and HRFC loans.

Equity Contribution
$609,567 Equity portion payable at closing from PNC Bank.

Total permanent financing will be $18,357,936, from the sources listed in Table 2.

**Table 2: Permanent Sources of Finance**

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent Loan</td>
<td>$400,000</td>
<td>The Partnership has received a commitment for a permanent loan from PNC Bank. The term is projected to be 20 years at 5.40% interest rate.</td>
</tr>
<tr>
<td>Investor Equity</td>
<td>$12,191,335</td>
<td>PNC Bank has committed to providing equity to the project at a rate of $1.07 per federal tax credit and $0.72 per state tax credit.</td>
</tr>
<tr>
<td>HAFC Loan</td>
<td>$2,210,000</td>
<td>Staff is requesting an HAFC Public Housing Operating Reserves loan of $2,210,000. The construction term is 22 months at 4% interest and repayment from residual receipts</td>
</tr>
<tr>
<td>HRFC Loan</td>
<td>$1,576,956</td>
<td>Staff is requesting an HRFC loan of $1,576,956. The construction term is 22 months at 4% interest and repayment from residual receipts</td>
</tr>
<tr>
<td>Accrued/Deferred Interest</td>
<td>$139,645</td>
<td>Interest on the HAFC and HRFC loans.</td>
</tr>
<tr>
<td>AHP Loan</td>
<td>$540,000</td>
<td>Staff has secured a commitment from the Federal Home Loan Bank Affordable Housing Program (AHP) for $540,000, with US Bank as the sponsor member.</td>
</tr>
<tr>
<td>Deferred Developer Fee</td>
<td>$300,000</td>
<td>It is anticipated some of the developer fee will be deferred.</td>
</tr>
<tr>
<td>Fresno County HOME Funds</td>
<td>$1,000,000</td>
<td>The project was awarded HOME Funds in January 2015.</td>
</tr>
</tbody>
</table>

**Background Information**

The Trailside Terrace project consists of three vacant parcels that are among the last buildable lots along G Street, Downtown Reedley’s main street. Together the parcels are 1.76 acres. Parcels APNs 368-241-10 and 368-241-12 have frontage along G Street, while parcel APN 368-241-08s has frontage along 12th and 13th Streets. The latter parcel also backs into the Rails to Trails walkway, a great amenity for potential future residents.

On May 28, 2014 the Board ratified and approved the Purchase and Sale Agreements for the parcels. Final City of Reedley approvals of the Site Plan Review (SPR), Re-Zone application and CEQA
environmental report were approved at the December 22, 2014 City Council Meeting. The project has been awarded $1,000,000 in County of Fresno HOME Funds and $540,000 in AHP Funds. Trailside Terrace was awarded tax credits in June 2015.

Attachments:  Exhibit A - Organizational Chart
                Exhibit B – Sources and Uses
                Exhibit C - Site Plans

WHEREAS, the Housing Authority of Fresno County, California (the “Authority”) seeks to expand the development and availability of long-term housing for low income persons residing in the City of Reedley, California (the “City”); and,

WHEREAS, the Authority is authorized, among other things, to enter into partnership and operating agreements and to make loans to partnerships to finance, plan, undertake, construct, acquire and operate housing projects; and,

WHEREAS, the Authority has agreed to facilitate the construction of real property located at 1233 & 1245 “G” Street, Reedley, California, APN Numbers 368-241-08S and formerly APN Numbers 368-241-10 and 368-241-12, which have been consolidated, for the purpose of the development of a fifty-five (55) unit affordable housing project to be known as “Reedley Trailside Terrace”, comprised of fifty-four (54) low-income housing tax credit units and one (1) manager’s unit (collectively, the “Project”); and,

WHEREAS, the U.S. Department of Housing and Urban Development ("HUD") has authorized the Authority’s participation in its Rental Assistance Demonstration Program ("RAD") program and the conversion of certain developments from public housing to Section 8 project-based rental assistance. In accordance with the RAD program requirements, the Project
will be subject to certain long-term affordability restrictions imposed by HUD which shall be superior to all other financing documents; and,

WHEREAS, the Authority has entered into an operating agreement pursuant to which the Authority is the managing member of Reedley Trailside Terrace AGP, LLC, a California limited liability company (the “Administrative General Partner”), and the Authority filed articles of organization with the California Secretary of State on September 4, 2015; and,

WHEREAS, the Administrative General Partner, together with Silvercrest, Inc., entered into an agreement of limited partnership dated as of August 20, 2015 pursuant to which the Administrative General Partner is the “Administrative General Partner” and Silvercrest, Inc. is the “Managing GP” and “Limited Partners” of Reedley Trailside Terrace, LP, a California limited partnership (the “Partnership”) and filed a certificate of limited partnership with the California Secretary of State on September 4, 2015; and,

WHEREAS, the Administrative General Partner; Silvercrest, Inc., as managing general partner and withdrawing limited partner; PNC Real Estate Tax Credit Capital Institutional Fund 47 Limited Partnership, as “State Credit Partner;” PNC Real Estate Tax Credit Capital Institutional Fund 59, LLC, as the “Limited Partner;” and Columbia Housing SLP Corporation, as the “Special Limited Partner,” together with the State Limited Partner and the Limited Partner, the “Investor Limited Partners”; will enter into an amended and restated limited partnership agreement for the Partnership; and,

WHEREAS, the Authority desires to request and accept a loan commitment of up to $1,576,956 from the Housing Relinquished Fund Corporation (the “HRFC”) board for the development of the Project; and,

WHEREAS, the Partnership has requested the Authority make a loan from the Authority’s available operating reserve funds to the Partnership in the approximate amount of $2,210,000 to finance the Project (the “HAFC Loan”); and,

WHEREAS, the Authority desires to provide such support as necessary to facilitate the financing of the Project; and,

WHEREAS, the Board of Directors of the Authority finds and determines that the effective development of the Project will be enhanced by the Authority’s making of the HAFC Loan; and,

WHEREAS, the Partnership will finance the cost of acquiring and constructing the Project with numerous sources of funds, projected to include an estimated equity investment of $12,191,335 from the Investor Limited Partners eligible to benefit from State of California low-
income housing tax credits and federal low-income housing tax credits allocated to the Project under Section 42 of the Internal Revenue Code; bridge loan proceeds in an estimated amount of $10,561,328 and permanent loan proceeds in an estimated amount of $400,000 from PNC Bank, Bank National Association (“PNC”); construction/permanent loan proceeds in an estimated amount of $1,576,956 from the HRFC; construction/permanent loan proceeds in an estimated amount of $2,210,000 from the Authority; construction/permanent HOME Investment Partnership loan proceeds in an estimated amount of $1,000,000 from the County of Fresno, California (“County”); and construction/permanent Affordable Housing Program loan proceeds in an estimated amount of $540,000 from the Mississippi Valley Bank (“AHP Lender") (collectively, the “Project Financing”); and,

WHEREAS, the Authority intends to act as developer and property manager of the Project, as the sole member and manager of the Administrative General Partner and as guarantor of certain obligations connected with the Project; and,

WHEREAS, the Authority wishes to ratify and confirm all actions of the Authority and its officers prior to the date hereof and consistent with the terms of this resolution and to authorize such actions subsequent to the date hereof; and,

WHEREAS, the Authority is authorized to delegate to one or more of its agents and employees such powers as it deems proper;

NOW THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Housing Authority of Fresno County, California hereby:

1. Development Services. The CEO/Executive Director, Preston Prince, the Deputy Director, Tracewell Hanrahan, and/or their respective designees (each, an “Authorized Officer” and, collectively, the “Authorized Officers”) and each of them acting alone, are authorized and directed to enter into a Development Services Agreement with the Partnership and to execute such other documents and take such other actions as necessary to fulfill the Authority’s intended functions as developer of the Project (including any subcontracts with respect thereto).

2. General Partner Function. The Authorized Officers, and each of them acting alone, are authorized and directed to cause the Authority, in its capacity as managing member of the Administrative General Partner, to take all actions and execute all documents necessary for the Administrative General Partner to carry out its function as administrative general partner of the Partnership, including without limitation by execution of the Amended and Restated Agreement of Limited Partnership and any amendment thereto in furtherance of such admissions; provided further, that in such capacity, the Authority is authorized and directed to
cause the Administrative General Partner to approve the admission of the Investor Limited Partners to the Partnership.

3. **Approval of Partnership Documents.** The Authority has been presented with drafts of the documents listed in Exhibit A under the heading “Partnership Documents” (the “Partnership Documents”) in connection with the Partnership and the Project, which documents are on file with the Authority’s Secretary. The Authorized Officers, and each of them acting alone, are authorized and directed to execute and deliver, on behalf of the Authority (acting on its own behalf or as the managing member of the Administrative General Partner), the Partnership Documents substantially in the form on file with the Authority; *provided however*, any Authorized Officer may approve on the Authority’s behalf any further changes to the draft Partnership Documents, including material changes, and such Authorized Officer’s signature on the final Partnership Documents shall be construed as the Authority’s approval of such changes. The Authorized Officers and each of them acting alone, are further authorized and directed to execute and deliver, on behalf of the Authority acting on its own behalf or as the managing member of the Administrative General Partner, any other documents reasonably required to be executed by the Authority, the Administrative General Partner or as the managing member of the Administrative General Partner of the Partnership to carry out the transactions contemplated by the Partnership Documents.

4. **Approval of HUD Documents.** The Authority has been presented with drafts of the documents listed in Exhibit A under the heading “HUD Documents” (the “HUD Documents”) in connection with the Partnership and the Project, which documents are on file with the Authority’s Secretary. The Authorized Officers and each of them acting alone, are authorized on behalf of the Authority acting on its own behalf or as sole member of the Administrative General Partner to execute and deliver the HUD Documents and all documents deemed necessary to appropriate to obtain HUD approval related to the Project, including without limitation, a use agreement in order to maintain and operate the Project in accordance with the Section 8 project-based rental assistance program for which the Partnership will be provided a subsidy funded with money received from HUD pursuant to a Project-Based Section 8 Housing Assistance Payments Contract; provided however, any Authorized Officer may approve on the Authority’s behalf any further changes to the draft HUD Documents, including material changes, and such Authorized Officer’s signature on the final HUD Documents shall be construed as the Authority’s approval of such changes. The Authorized Officers and each of them acting alone, are further authorized and directed to execute and deliver, on behalf of the Authority acting on its own behalf or as sole member of the Administrative General Partner, any other documents reasonably required to be executed by the Authority or the Partnership to carry out the transactions contemplated by the HUD Documents.
5. **HRFC Commitment Approval.** The Authority hereby requests and accepts a loan commitment of up to $1,576,956 from the HRFC board for the purposes of developing the Project.

6. **Approval of the Making of the HAFC Loan.** The Authority has been presented with drafts of the documents listed in Exhibit A under the heading “HAFC Loan Documents” (the “HAFC Loan Documents”) to be executed by the Partnership and the Authority to effectuate the HAFC Loan, which Loan Documents are on file with the Authority’s Secretary, and pursuant to which the Partnership will borrow the HAFC Loan from the Authority. The making of the HAFC Loan from available operating funds is hereby authorized and the Authorized Officers and each of them acting alone, are authorized and directed to execute and deliver, on behalf of the Authority, the HAFC Loan Documents substantially in the form on file with the Authority; provided however, any Authorized Officer may approve on the Authority’s behalf, any further changes to the draft HAFC Loan Documents, including material changes, and the final amount to be loaned, and such Authorized Officer’s signature on the final HAFC Loan Documents shall be construed as the Authority’s approval of such changes and final loan amount. The Authorized Officers and each of them acting alone, are further authorized and directed to execute and deliver, on behalf of the Authority, any other documents reasonably required to be executed by the Authority, to carry out the transactions contemplated by the HAFC Loan Documents.

7. **Approval of Loan Assembly Activities.** The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority acting on its own behalf or as managing member of the Administrative General Partner to execute, deliver and/or file (or cause to be delivered and/or filed) all documents deemed necessary or appropriate to assemble the Project Financing, including without limitation, construction, permanent and third party loan applications, tax credit applications, and any and all other documents reasonably required to (i) cause the Investor Limited Partners to make capital contribution(s) to the Partnership, and (ii) borrow sufficient funds to support the Project.

8. **Loan of Funds.** The Authorized Officers, and each of them acting alone, on behalf of the Authority in its capacity as the managing member of the Administrative General Partner, are authorized to take such actions and execute such documents as necessary to cause the Partnership to borrow funds from the lenders in an aggregate approximate amount of up to $19,000,000. Each Authorized Officer, and each of them acting alone, is authorized to decrease the principal amount of any loan by any amount, or to increase the principal amount of any loan by an amount up to 10% more than the maximum aggregate principal amount for the loan stated in this resolution. The source of funds for any such increase shall be funds available to
the Authority and/or the Partnership or such other funds that may become available to the Authority and/or the Partnership for the Project. The Board directs the Executive Director to report to the Board if the total amount borrowed by the Partnership for the Project exceeds the aggregate maximum principal amount stated in this resolution for all loans to the Partnership.

9. **Approval of Guarantees.** The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority acting on its own behalf, to execute and perform under such guarantees as are deemed necessary or appropriate to the Project Financing, including without limitation, with respect to the Partnership Documents and the construction loan from PNC described below.

10. **Approval of PNC Loan Documents.** The Authority has been presented with drafts of the documents listed in Exhibit A under the heading “PNC Loan Documents” (the “PNC Loan Documents”) in connection with the Partnership and the Project, which documents are on file with the Authority’s Secretary, and pursuant to which the Partnership will borrow a bridge loan in the approximate amount of $10,561,328 and a permanent loan in the approximate amount of $400,000 from PNC. The Authorized Officers and each of them acting alone, are authorized and directed to execute and deliver, on behalf of the Authority acting on its own behalf or as the managing member of the Administrative General Partner, the PNC Loan Documents substantially in the form on file with the Authority; provided however, any Authorized Officer may approve on the Authority’s behalf or as the managing member of the Administrative General Partner, any further changes to the draft PNC Loan Documents, including material changes, and the final amount to be borrowed, and such Authorized Officer’s signature on the final PNC Loan Documents shall be construed as the Authority’s approval of such changes and final loan amount. The Authorized Officers and each of them acting alone, are further authorized and directed to execute and deliver, on behalf of the Authority acting on its own behalf or as the managing member of the Administrative General Partner, any other documents reasonably required to be executed by the Authority, the Administrative General Partner, or the Partnership to carry out the transactions contemplated by the PNC Loan Documents.

11. **Approval of HRFC Loan Documents.** The Authority has been presented with drafts of the documents listed in Exhibit A under the heading “HRFC Loan Documents” (the “HRFC Loan Documents”) in connection with the Partnership and the Project, which documents are on file with the Authority’s Secretary, and pursuant to which the Partnership will borrow a construction/permanent loan from the HRFC in the approximate amount of $1,576,956. The Authorized Officers and each of them acting alone, are authorized and directed to execute and deliver, on behalf of the Authority acting on its own behalf or as the managing member of the
Administrative General Partner, the HRFC Loan Documents substantially in the form on file with the Authority; provided however, any Authorized Officer may approve on the Authority’s behalf or as the managing member of the Administrative General Partner any further changes to the draft HRFC Loan Documents, including material changes, and the final amount to be borrowed, and such Authorized Officer’s signature on the final HRFC Loan Documents shall be construed as the Authority’s approval of such changes and final loan amount. The Authorized Officers and each of them acting alone, are further authorized and directed to execute and deliver, on behalf of the Authority acting on its own behalf or as the managing member of the Administrative General Partner, any other documents reasonably required to be executed by the Authority, the Administrative General Partner, or the Partnership to carry out the transactions contemplated by the HRFC Loan Documents.

12. Approval of HAFC Loan Documents. The Authority has been presented with drafts of the documents listed in Exhibit A under the heading “HAFC Loan Documents” (the “HAFC Loan Documents”) in connection with the Partnership and the Project, which documents are on file with the Authority’s Secretary, and pursuant to which the Partnership will borrow a construction/permanent loan from the Authority in the approximate amount of $2,210,000. The Authorized Officers and each of them acting alone, are authorized and directed to execute and deliver, on behalf of the Authority acting on its own behalf or as the managing member of the Administrative General Partner, the HAFC Loan Documents substantially in the form on file with the Authority; provided however, any Authorized Officer may approve on the Authority’s behalf or as the managing member of the Administrative General Partner any further changes to the draft HAFC Loan Documents, including material changes, and the final amount to be borrowed, and such Authorized Officer’s signature on the final HAFC Loan Documents shall be construed as the Authority’s approval of such changes and final loan amount. The Authorized Officers and each of them acting alone, are further authorized and directed to execute and deliver, on behalf of the Authority acting on its own behalf or as the managing member of the Administrative General Partner, any other documents reasonably required to be executed by the Authority, the Administrative General Partner, or the Partnership to carry out the transactions contemplated by the HAFC Loan Documents.

13. Approval of County HOME Loan Documents. The Authority has been presented with drafts of the documents listed in Exhibit A under the heading “County HOME Loan Documents” (the “County HOME Loan Documents”) in connection with the Partnership and the Project, which documents are on file with the Authority’s Secretary, and pursuant to which the Partnership will assume the borrower’s obligations for a construction/permanent loan of HOME Investment Partnership funds in the approximate amount of $1,000,000 from The County of Fresno, California. The Authorized Officers and each of them acting alone, are
authorized and directed to execute and deliver, on behalf of the Authority acting on its own behalf or as the managing member of the Administrative General Partner, the County HOME Loan Documents substantially in the form on file with the Authority; provided however, any Authorized Officer may approve on the Authority’s behalf or as the managing member of the Administrative General Partner, any further changes to the draft County HOME Loan Documents, including material changes, and the final amount to be borrowed, and such Authorized Officer’s signature on the final County HOME Loan Documents shall be construed as the Authority’s approval of such changes and final loan amount. The Authorized Officers and each of them acting alone, are further authorized and directed to execute and deliver, on behalf of the Authority acting on its own behalf or as the managing member of the Administrative General Partner, any other documents reasonably required to be executed by the Authority, the Administrative General Partner, or the Partnership to carry out the transactions contemplated by the County HOME Loan Documents.

14. **Approval of AHP Loan Documents.** The Authority has been presented with drafts of the documents listed in Exhibit A under the heading “AHP Loan Documents” (the “AHP Loan Documents”) in connection with the Partnership and the Project, which documents are on file with the Authority’s Secretary, and pursuant to which the Partnership will assume the borrower’s obligations for a construction/permanent loan in the approximate amount of $540,000 from the Mississippi Valley Company through the Federal Home Loan Bank’s Affordable Housing Program. The Authorized Officers and each of them acting alone, are authorized and directed to execute and deliver, on behalf of the Authority acting on its own behalf or as the managing member of the Administrative General Partner, the AHP Loan Documents substantially in the form on file with the Authority; provided however, any Authorized Officer may approve on the Authority’s behalf or as the managing member of the Administrative General Partner, any further changes to the draft AHP Loan Documents, including material changes, and the final amount to be borrowed, and such Authorized Officer’s signature on the final AHP Loan Documents shall be construed as the Authority’s approval of such changes and final loan amount. The Authorized Officers and each of them acting alone, are further authorized and directed to execute and deliver, on behalf of the Authority acting on its own behalf or as the managing member of the Administrative General Partner, any other documents reasonably required to be executed by the Authority, the Administrative General Partner, or the Partnership to carry out the transactions contemplated by the AHP Loan Documents.

15. **Approval of Acquisition Documents.** The Authority has been presented with drafts of the documents listed in Exhibit A under the heading “Acquisition Documents” (the “Acquisition Documents”) in connection with the purchase and development of certain land
owned by the Authority which will be conveyed to the Partnership on which the Project is to be built, which documents are on file with the Authority’s Secretary, and pursuant to which the Partnership will purchase the Properties for a combined price of $575,000 at closing (less any previous deposits into escrow). The Authorized Officers and each of them acting alone, are further authorized and directed to execute and deliver, on behalf of the Authority acting on its own behalf or as the managing member of the Administrative General Partner, the Acquisition Documents and to purchase and take such other actions as they deem necessary or desirable for the Partnership to acquire and develop the Property; provided however, any Authorized Officer may approve on the Authority’s behalf or as the managing member of the Administrative General Partner any further changes to the draft Acquisition Documents, including material changes, and such Authorized Officer’s signature on the final Acquisition Documents shall be construed as the Authority’s approval of such changes. The Authorized Officers and each of them acting alone, are further authorized and directed to execute and deliver, on behalf of the Authority acting on its own behalf or as the managing member of the Administrative General Partner, any other documents reasonably required to be executed by the Authority, the Administrative General Partner, or the Partnership to carry out the transactions contemplated by the Acquisition Documents.

16. **Assignments.** The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority acting on its own behalf or as the managing member of the Administrative General Partner, to execute and deliver one or more instruments (i) causing the Partnership to assume the Authority’s rights under the construction contract, the architects’ contracts, and other consultant and development contracts, as such rights pertain to the acquisition and construction of the Project, to the extent required by the Investor Limited Partner, and (ii) assigning to lenders and others the Partnership’s interests in such contracts as may be required as a condition of the Project Financing, and (iii) to effectuate the assignment and assumption of any existing County HOME Loan Documents and AHP Loan Documents.

17. **Execution of Documents.** The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority acting on its own behalf or as managing member of the Administrative General Partner, to execute, deliver and/or file (or cause to be delivered and/or filed) any affidavits, certificates, letters, government forms, documents, agreements and instruments that any such Authorized Officer determines to be necessary or desirable: (i) to give effect to this resolution; (ii) to consummate the transactions contemplated herein; and/or (iii) to further the acquisition, rehabilitation, development, financing, construction, and leasing of the Project. Without limiting the scope of such authorization, such documents include declarations of restrictive covenants, regulatory agreements, various deeds, leases, notes, loan agreements, deeds of trust, guaranties and indemnities and collateral assignments related to the
Project Financing. Such documents may also include, without limitation, lease-up and marketing agreements, partnership management services agreements, development agreements, construction guaranty agreements, repayment guarantees, cash pledge agreements, environmental indemnity agreements, property management agreements, architect agreements, contractor agreements, housing assistance payment contracts, irrevocable consents, confessions of judgment and appointments of attorneys for service of process.

18. **Expenditures.** The Authority is authorized to expend such funds (and to cause the Partnership and the Administrative General Partner to expend such funds) as are necessary to pay for all filing fees, application fees, registration fees and other costs relating to the Project or actions authorized by this resolution.

19. **Acting Officers Authorized.** Any action required by this resolution to be taken by the Chair of the Board or Executive Director of the Authority may, in the absence of such person, be taken by the duly authorized acting Chair of the Board or acting Executive Director of the Authority, respectively or by the designee of the Chair of the Board or Executive Director.

20. **Execution of Obligations.** The Board directs the Authority’s Executive Director to cause the Authority to fulfill the Authority’s duties and obligations under the various agreements authorized.

21. **Ratification and Confirmation.** All actions of the Authority and its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed, including, but not limited to, the formation of the Partnership and the Administrative General Partner, and the filing of finance applications related to the Project Financing and the prior execution of any Project documents listed on Exhibit A or otherwise required herein.

22. **Effective Date.** This resolution shall be in full force and effect from and after its adoption and approval.

PASSED AND ADOPTED THIS 24th DAY OF NOVEMBER, 2015. 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
CERTIFICATE

I, the undersigned, the duly appointed CEO/Executive Director of the Housing Authority of Fresno County, California (the “Authority”), as keeper of the records of the Authority, CERTIFY:

1. That the attached Resolution _______ (the “Resolution”) is a true and correct copy of the resolution of the Board of Commissioners of the Authority, as adopted at a meeting of the Authority held on the 24th day of November 2015, and duly recorded in the minute books of the Authority.

2. That such meeting was duly convened and held in all respects in accordance with law, and, to the extent required by law, due and proper notice of such meeting was given; that a quorum was present throughout the meeting and a majority of the members of the Board of Commissioners of the Authority present at the meeting voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this Certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 24th day of November 2015.

HOUSING AUTHORITY OF FRESNO COUNTY,
CALIFORNIA

_______________________________________________
Preston Prince, CEO/Executive Director
EXHIBIT A
PROJECT DOCUMENTS

Partnership Documents

(a) Certificate of Limited Partnership of Reedley Trailside Terrace, LP.

(b) Amended and Restated Agreement of Limited Partnership of Reedley Trailside Terrace, LP by and among the Authority, the Administrative General Partner, and the Investor Limited Partners, together with all exhibits.

(c) Development Services Agreement between the Authority and the Partnership.

(d) Agreement of Guaranty by the Authority for the benefit of the Partnership and the Limited Partners.

HUD Documents

(e) RAD Conversion Commitment by the Authority and the Partnership.

(f) RAD Use Agreement by the Partnership.

(g) Housing Assistance Payments Contract – RAD for the Conversion of Public Housing to Project-Based Section 8 with LIHTC Rider and Lender Rider by the Partnership.

(h) HUD-required certifications and forms by the Authority and the Partnership.

PNC Bank, National Association (PNC) Bridge Loan Documents

(i) Bridge Loan Promissory Note executed by the Partnership in favor of PNC.

(j) Bridge Loan and Security Agreement executed by the Partnership and PNC.

(k) Guaranty and Suretyship Agreement executed by the Authority in favor of PNC;

(l) Pledge and Security Agreement by the Partnership, the Managing General Partner and the Administrative General Partner in favor of PNC.

(m) Assignment Capital Contributions by the Partnership in favor of PNC.

(n) Borrower’s Certificate by the Partnership in favor of PNC.

(o) Borrower Authorization Letter by the Partnership;

(p) Certification by the Partnership in favor of PNC.
(q) Delegation Letter from the Partnership to PNC.

**HRFC Loan Documents**

(r) HRFC Construction Deed of Trust, Security Agreement and Financing Statement by the Partnership in favor of the HRFC.

(s) Reedley Trailside Terrace HRFC Loan Agreement between the Partnership and the HRFC.

(t) Reedley Trailside Terrace HRFC Loan Assignment of Leases and Rents by the Partnership in favor of the HRFC.

(u) HRFC Mortgage Note (Reedley Trailside Terrace) by the Partnership in favor of the HRFC.

**HAFC Loan Documents**

(v) HAFC Construction Deed of Trust, Security Agreement and Financing Statement by the Partnership in favor of the Authority.

(w) HAFC Loan Agreement between the Partnership and the Authority.

(x) HAFC Assignment of Leases and Rents by the Partnership in favor of the Authority.

(y) HAFC Mortgage Note (Reedley Trailside Terrace) by the Partnership in favor of the Authority.

**County HOME Loan Documents**

(z) Agreement between the County and the Partnership.

(aa) Deed of Trust and Assignment of Rents and Financing Statement by the Partnership in favor of the County.

(bb) Promissory Note by the Partnership in favor of the County.
(cc) HOME Regulatory Agreement and Declaration of Restrictive Covenants by the Partnership in favor of the County.

**AHP Loan Documents**

(dd) Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing by the Partnership for the benefit of the Authority (including the attached Rider to Deed of Trust – Affordable Housing Program Retention Agreement and Restrictive Covenants by the Partnership).

(ee) Promissory Note (AHP Rental Project) by the Partnership for the benefit of the Authority.

(ff) Allonge (Promissory Note) by the Authority to the order of the AHP Lender.

(gg) Promissory Note (AHP Rental Project) by the Authority for the benefit of the AHP Lender.

(hh) Assignment of Deed of Trust and Related Documents by the Authority for the benefit of the AHP Lender.

(ii) Pledge Agreement by the Authority for the benefit of the AHP Lender.

(jj) Letter between the Partnership, the Authority and the AHP Lender.

**Acquisition Documents**

(kk) Purchase and Sale Agreement between Brooks-Larson, Family Limited Partnership and the Authority (as to parcel 368-241-10).

(ll) Grant Deed from Brooks-Larson, Family Limited Partnership to the Authority (as to parcel 368-241-10).

(mm) Purchase and Sale Agreement between Craig K. Larson Revocable Trust, Gerry A. Hudson, as Trustee of the Gerry A. Hudson Trust and the Authority (as to parcel 368-241-12).

(nn) Grant Deed from Craig K. Larson Revocable Trust, Gerry A. Hudson, as Trustee of the Gerry A. Hudson Trust to the Authority (as to parcel 368-241-12).

(oo) Grant Deed from the Authority to the Authority for purposes of merging APN Numbers 368-241-10 and 368-241-12.
(pp) Purchase and Sale Agreement between the Authority and the Partnership (as to the merged parcels formerly known as 368-241-10 and 368-241-12).

(qq) Grant Deed from the Authority to the Partnership (as to the merged parcels formerly known as 368-241-10 and 368-241-12).

(rr) Purchase and Sale Agreement between Larson Properties and the Authority (as to parcel 368-241-08S).

(ss) Assignment of Purchase and Sale Agreement between the Authority and the Partnership (as to parcel 368-241-08S).

(tt) Grant Deed from Larson Properties to the Partnership (as to parcel 368-241-08S).

(uu) Reimbursement and Assignment Agreement from the Authority to the Partnership.
RESOLUTION NO._______

BEFORE THE BOARD OF COMMISSIONERS OF THE

HOUSING AUTHORITY OF THE CITY OF FRESNO

RESOLUTION AUTHORIZING APPROVAL OF $1,576,956 FUNDING
COMMITMENT FROM THE HOUSING RELINQUISHED FUND CORPORATION
(“HRFC”) FOR THE DEVELOPMENT OF TRAILSIDE TERRACE, 55 UNITS OF
MULTIFAMILY HOUSING AT 1233 G STREET, REEDLEY, CA

WHEREAS, the Housing Authority of the City of Fresno (“the Authority”) seeks to
expand the development and availability of long-term housing for low and moderate income
households residing in the City and County of Fresno; and,

WHEREAS, the Authority is authorized, among other things, to enter into partnership
agreements and to make loans to partnerships to finance, plan, undertake, construct, acquire
and operate housing projects; and,

WHEREAS, the Authority has agreed to support the development of real property located
at 1233 G Street, Reedley, CA, and the improvements located thereon into a 55-unit Multifamily
apartment complex (collectively, the Project); and,

WHEREAS, the Project has received an allocation of 9% Low Income Housing Tax Credits
(LIHTC) to facilitate the development; and,

WHEREAS, the Authority desires to request a loan commitment of $1,576,956 from the
HRFC board for the development of Trailside Terrace;

NOW THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Housing
Authority of the City of Fresno, CA hereby authorizes Preston Prince, the CEO/Executive
Director, Tracewell Hanrahan, the Deputy Executive Director, or their designee, to adopt the
attached resolutions approving authorization of a financing commitment from the HRFC board
for the purposes of developing Trailside Terrace.

PASSED AND ADOPTED THIS 24th DAY OF NOVEMBER, 2015. I, the undersigned,
herby 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 Boards of Commissioners
EXHIBIT A
Organizational Chart
Trailside Terrace

Reedley Trailside Terrace, LP
(EIN 47-4700125)

Reedley Trailside Terrace AGP, LLC
0.005%
(EIN 47-4699169)

Silvercrest, Inc.
0.005%
(EIN 77-0490711)

PNC Real Estate Tax Credit Capital Institutional Fund 59, LLC
99.98%
(EIN 35-2537716)

Columbia Housing SLP Corp.
0.01%
(EIN 93-1110460)
## EXHIBIT B

### Trailside Terrace

#### Pro Forma Sources and Uses

<table>
<thead>
<tr>
<th>Sources of Funds</th>
<th>Amount</th>
<th>Per Unit</th>
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</thead>
<tbody>
<tr>
<td>PNC Bank Perm Loan</td>
<td>$400,000</td>
<td>$7,273</td>
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<tr>
<td>FHLB - AHP</td>
<td>$540,000</td>
<td>$9,818</td>
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<tr>
<td>Housing Relinquished Funds Corporation</td>
<td>$1,576,956</td>
<td>$28,672</td>
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<td>FHA Operating Reserves</td>
<td>$2,210,000</td>
<td>$40,182</td>
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<tr>
<td>County of Fresno (HOME)</td>
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<td>$18,182</td>
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<td>Low Income Housing Tax Credit Equity</td>
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<td>Deferred Developer Fee</td>
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<td>Accured/Deferred Costs</td>
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<td>$2,539</td>
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<td><strong>Total Sources of Funds</strong></td>
<td>$18,357,936</td>
<td>$333,781</td>
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<table>
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<tr>
<th>Uses of Funds</th>
<th>Amount</th>
<th>Per Unit</th>
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<tbody>
<tr>
<td>Acquisition Costs</td>
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<td>$10,455</td>
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<tr>
<td>Construction Costs</td>
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<td>Offsite Construction Costs</td>
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<td>Contingencies</td>
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<td>Soft Costs (permits/impact fees/etc.)</td>
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<td>Professional Fees</td>
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<td>Const/Perm Loan Fees and Costs</td>
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<td>Developer Fees</td>
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<td>$31,824</td>
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<tr>
<td><strong>Total Uses of Funds</strong></td>
<td>$18,357,936</td>
<td>$333,781</td>
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*Draft as of 11/20/2015*
Executive Summary

The purpose of this board memo is to provide the Board with a recommendation for the General Contractor selection for the Trailside Terrace project.

On October 4, 2015 the Fresno Housing Authority (FH) advertised an Invitation for Bid (IFB) to all potential General Contractors for construction of Trailside Terrace. Advertisements were noticed in the Fresno Bee on October 4, October 11, and October 18, 2015. The notice was also posted on the NAHRO e-procurement site on October 5, 2015. The FH received bids from three contractors by the submission deadline. The three firms were Lewis C. Nelson and Sons, Quiring General and ProWest Constructors. The three qualified proposals were ranked based on the lowest pricing.

The ranking of the three proposals is as follows:

<table>
<thead>
<tr>
<th>Name of Offeror</th>
<th>Main Office Location</th>
<th>Hard Bid Price FH Evaluation</th>
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</thead>
<tbody>
<tr>
<td>Quiring General</td>
<td>Fresno, Ca</td>
<td>$13,748,000</td>
</tr>
<tr>
<td>ProWest Constructors</td>
<td>Fresno, Ca</td>
<td>$14,475,000</td>
</tr>
<tr>
<td>Lewis C. Nelson &amp; Sons</td>
<td>Wildomar, Ca</td>
<td>$15,900,000</td>
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</tbody>
</table>

Quiring General, LLC is a local, responsive and responsible firm that provided qualifications and price that are the most advantageous to the Trailside Terrace Development to provide General Contracting services for the project through a competitive bid process. Construction is tentatively scheduled to begin by December 2015.

Recommendation

It is recommended that the Board of Commissioners of the Fresno Housing Authority award the General Contractor services contract for the Trailside Terrace development to Quiring General, LLC in the amount of $13,748,000; and further authorize Preston Prince, the CEO/Executive Director, Tracewell Hanrahan, the Deputy Executive Director, or their
designee to negotiate and execute a contract and all ancillary documents in connection therewith.

Fiscal Impact
The proposed contract price is $13,748,000. Costs associated with the contract will be directly allocated to the project and paid by various project funding sources.

Background Information
The Trailside Terrace project consists of three vacant parcels that are among the last buildable lots along G Street, Downtown Reedley’s main street. Together the parcels are 1.76 acres. Parcels APNs 368-241-10 and 368-241-12 have frontage along G Street, while parcel APN 368-241-08s has frontage along 12th and 13th Streets. The latter parcel also backs into the Rails to Trails walkway, a great amenity for potential future residents.

On May 28, 2014 the Board ratified and approved the Purchase and Sale Agreements for the parcels. Final City of Reedley approvals of the Site Plan Review (SPR), Re-Zone application and CEQA environmental report were approved at the December 22, 2014 City Council Meeting. The project has been awarded $1,000,000 in County of Fresno HOME Funds and $540,000 in AHP Funds. Trailside Terrace was awarded tax credits in June 2015.
RESOLUTION NO. ______

BEFORE THE BOARD OF COMMISSIONERS OF THE

HOUSING AUTHORITY OF FRESNO COUNTY

RESOLUTION APPROVING AWARD AND EXECUTION OF CONTRACT FOR GENERAL CONTRACTING SERVICES FOR TRAILSIDE TERRACE DEVELOPMENT, AN AFFORDABLE MULTI-FAMILY HOUSING DEVELOPMENT IN REEDLEY, CA

WHEREAS, the mission of the Housing Authority of Fresno County (HAFC) includes the development and provision of affordable housing units; and

WHEREAS, the HAFC is obligated to provide housing opportunities for low and moderate income households within a variety of communities; and

WHEREAS, the HAFC is the developer of Trailside Terrace, a multi-family housing development located at 1233 G Street (APNs 368-241-08s, 368-241-10, and 368-241-12) in the City of Reedley; and

WHEREAS, the project owner is Reedley Trailside Terrace, LP; and

WHEREAS, along with Reedley Trailside Terrace AGP, LLC whose sole member and manager is the Housing Authority of Fresno County, CA; and

WHEREAS, Quiring General, LLC is a responsive and responsible firm that provided qualifications and price that are the most advantageous to the Trailside Terrace development, to provide General Contracting services for the Trailside Terrace development through a competitive bid process; and

WHEREAS, the Housing Authority of Fresno County, CA, in its capacity as sole member of Reedley Trailside Terrace AGP, LLC, the Administrative General Partner of Reedley Trailside Terrace, LP, desires to enter into a contract with Quiring General, LLC for General Contracting services at said project in the amount of $13,748,000;

NOW THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Housing Authority of Fresno County, hereby authorize Preston Prince, the CEO/Executive Director, Tracewell Hanrahan, Deputy Executive Director, or their designee, to negotiate and execute a General Contracting services contract on behalf of Reedley Trailside Terrace, LP and supporting documents with Quiring General, LLC in the amount of $13,748,000 for the Trailside Terrace development in Reedley, CA.
PASSED AND ADOPTED THIS 24th day of November, 2015. 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 Boards of Commissioners