

**BUTTE COUNTY AFFORDABLE HOUSING
DEVELOPMENT CORPORATION
Board of Directors Special Meeting
2039 Forest Avenue
Chico, CA 95928**

A G E N D A

September 15, 2016
2:00 p.m.

The Board of Directors welcomes and encourages public participation in the Board meetings. Members of the public may be heard on any items on the Directors' agenda. A person addressing the Directors will be limited to 5 minutes unless the Chairperson grants a longer period of time. Comments by members of the public on any item on the agenda will only be allowed during consideration of the item by the Directors. Members of the public desiring to be heard on matters under jurisdiction of the Directors, but not on the agenda, may address the Directors during agenda item 6.

If you are disabled and need special assistance to participate in this meeting, please contact the Housing Authority office at 895-4474. Notification at least 48 hours prior to the meeting will enable the Board of Directors to make reasonable arrangements.

NEXT RESOLUTION NO. 16-7C

ITEMS OF BUSINESS

1. ROLL CALL
2. AGENDA AMENDMENTS
3. CONSENT CALENDAR
4. CORRESPONDENCE
5. REPORTS FROM PRESIDENT
 - 5.1 Cordillera Apartments, Chico – Approve write-offs for Cordillera Apartments.

Recommendation: Resolution No. 16-7C
 - 5.2 North Valley Housing Trust (NVHT) – Referral from Housing Authority of the County of Butte - request for loan securitization.

Recommendation: Motion
6. MEETING OPEN FOR PUBLIC DISCUSSION
7. MATTERS CONTINUED FOR DISCUSSION
8. SPECIAL REPORTS

9. REPORTS FROM DIRECTORS
10. MATTERS INITIATED BY DIRECTORS
11. EXECUTIVE SESSION
12. DIRECTORS' CALENDAR
Next meeting – October 20, 2016.
13. ADJOURNMENT

**BUTTE COUNTY AFFORDABLE HOUSING DEVELOPMENT CORPORATION
RESOLUTION No. 16-7C
WRITE-OFF OF UNCOLLECTIBLE ACCOUNTS RECEIVABLE**

RESOLVED by the Board of Directors of the Butte County Affordable Housing Development Corporation, acting as owner of Cordillera Apartments, to write off the following amounts as uncollectible, for tenant termination dates through June 30, 2016:

PROJECT	# of UNITS	RENT	OTHER CHARGES	TOTAL
Cordillera Apartments	3	\$483.67	\$8,305.37	\$8,789.04
			TOTAL	\$8,789.04

Date: September 15, 2016

Edward S. Mayer, President

ATTEST:

Tamra C. Young, Secretary

September 9, 2016

Memo

To: BCAHDC Board of Directors

From: Ed Mayer, President *EM*

Subject: Special Meeting - Housing Authority Referral
North Valley Housing Trust Letter of Request
Securitization of Loan on behalf of the Valley View Apartments project

Please find following a letter received by the Housing Authority from the North Valley Housing Trust (NVHT). The Housing Authority has referred the request to BCAHDC, thinking the BCAHDC's mission and funding capacities to be more suited to response to the request.

In short, NVHT requests provision of security for a loan benefitting the development of the 14-unit Valley View Apartments project, serving homeless individuals with serious mental illness and/or substance use issues.

The project is being developed by a tax-credit partnership, including Northern Valley Catholic Social Service (NVCSS) and Palm Communities, Inc. Supporting funds and services have been committed by Butte County Behavioral Health and the City of Chico. The project is to be built on City land behind the Torres Community Shelter.

It is anticipated that by the time of the Special Meeting of the BCAHDC on September 15th, a draft securitization agreement between BCAHDC and 3CORE would be available for consideration. Providing the agreement is acceptable, it is recommended BCAHDC consider a positive response to the request for the following reasons:

- The request is consistent with the mission of BCAHDC in supporting the development of affordable housing;
- The request puts BCAHDC funds to use, as opposed to "parked" in savings accounts, CD's and money market funds.



**NORTH VALLEY
HOUSING TRUST**
c/o NVCF
240 Main Street, Suite 260
Chico, CA 95928

August 29, 2016

Ed Mayer
Executive Director
Housing Authority of the County of Butte
2039 Forest Avenue
Chico, CA 95928

RE: Letter of request to provide security loan for North Valley Housing Trust and 3CORE

Dear Ed:

This letter describes a proposal for the Housing Authority of the County of Butte (HACB) to provide a security loan on behalf of the North Valley Housing Trust and 3CORE for the Valley View Apartments project.

Background

The North Valley Housing Trust (NVHT) was established in 2014 to provide a local sustainable source of financing for affordable housing in Butte County. NVHT raises funds for this purpose through CDFI investments made to its partner agency 3CORE, private donations, and government grants. In October of 2014, NVHT received a \$500,000 grant commitment from the State Housing and Community Development Department (HCD) through its Local Housing Trust Fund Program (LHTFP). HCD conditioned use of this grant on expenditure of local matching funds that had been secured by 3CORE.

Valley View Apartments is a 14-unit project that will provide housing and supportive services to extremely low income individuals with mental disabilities, to be located next to the Torres Shelter at 101 Silver Dollar Way. This project will be owned and operated by Chico Valley View Partners L.P. (CVVP), which is a partnership between Palm Communities, Inc. and Northern Valley Catholic Social Service. Project funders include Butte County Mental Health Services Act funds, the City of Chico, and tax credit equity. CVVP requested funding for Valley View Apartments from NVHT, which was committed in November 2016 in the form of a \$300,000 predevelopment loan to be funded with local match 3CORE funds (the "3CORE Loan"), and a \$300,000 55-year permanent loan to be funded with LHTFP (the "NVHT Loan").

In January of 2016, the \$300,000 3CORE Loan was originated to CVVP with a repayment due date of October 13, 2016. After reviewing NVHT's disbursement request at construction loan closing, HCD required that the \$300,000 3CORE Loan remain in the project throughout the construction period and be repaid at permanent loan closing, which is planned for October 1, 2017. 3CORE is unwilling to extend the loan expiration by one year without cash security in addition to the LHTFP takeout source.

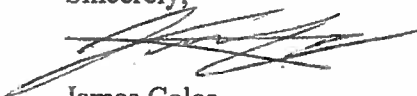
Request

NVHT requests that HACB provide cash security to 3CORE so that they will extend the 3CORE Loan repayment date and satisfy HCD requirements for disbursement of their grant funds. It is proposed that the HACB cash security include the following terms:

- HACB places \$300,000 in a HACB-controlled escrow account from October 1, 2016 until October 25, 2017.
- HACB enters into an agreement with 3CORE that the funds in the HACB-controlled escrow account will be released to the Valley View Apartments borrower, CVVP, for repayment of the 3CORE Loan on October 25, 2017 if HCD has not funded the NVHT Loan prior to that date.
- If the HACB-controlled escrow account funds are disbursed to CVVP, HACB will enter into a six-month loan agreement with CVVP, including borrower loan guarantees to secure full repayment of the loan. The HACB loan to CVVP will include appropriate fees as determined by HACB of up to 2% of the loan amount, and appropriate annual interest as determined by HACB of up to 3% of the loan amount.
- If HCD funds the NVHT Loan prior to October 25, 2017, the funds in the HACB-controlled escrow account will be released back to HACB.

Thank you for your consideration of this request. The Valley View Apartments project meets the shared missions of HACB and NVHT by providing much-needed supportive housing for populations vulnerable to homelessness in our shared service area. HACB assistance with this request will also help NVHT develop as a long-term sustainable source of financing for affordable housing in Butte County. Please contact me with any questions or to discuss this request further at (530) 513-3116 or jcoles@nvht.org.

Sincerely,



James Coles
Executive Director