

10. MATTERS INITIATED BY DIRECTORS

11. EXECUTIVE SESSION

12. DIRECTORS' CALENDAR

Next meeting – February 20, 2020.

13. ADJOURNMENT

BUTTE COUNTY AFFORDABLE HOUSING DEVELOPMENT CORPORATION

RESOLUTION NO. 19-12C

MEMORANDUM OF UNDERSTANDING WITH JAMBOREE HOUSING CORPORATION
FOR DEVELOPMENT AND OPERATION OF AFFORDABLE HOUSING AT 1297 PARK
AVENUE, CHICO

WHEREAS, the Butte County Affordable Housing Development Corporation (BCAHDC), in response to need, seeks to increase the availability of affordable housing in the communities and jurisdiction it serves; and

WHEREAS, non-profit housing developer Jamboree Housing Corporation (Jamboree) has approached BCAHDC to participate in development of seventy-two (72) units of affordable low-income housing in Chico, CA, such development to be located at the property identified by address as 1297 Park Avenue, Chico; and

WHEREAS, such development is proposed to be financed using federal low-income housing tax credits and other sources; and

WHEREAS, a Memorandum of Understanding (MOU) has been drafted which substantially identifies the roles of the parties to the MOA; and,

WHEREAS, time is of the essence in proceeding with development of the Project; and

WHEREAS, the MOA as drafted has been determined to be sufficient for purposes of identifying roles and advancing project interests until such time as the formal Partnership Agreement is determined, based on the best interests of BCAHDC and Jamboree;

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Butte County Affordable Housing Development Corporation (BCAHDC) to authorize its President to execute the Memorandum of Understanding (MOU) between BCAHDC and Jamboree Housing Corporation for purposes of participation in the 72-unit affordable housing development project proposed for 1297 Park Avenue, Chico, such MOU attached to and made a part of this Resolution Number 19-12C.

Dated: December 19, 2019.

Edward S. Mayer President

ATTEST:

Marysol Perez, Secretary

December 13, 2019

Edward Mayer, President
Butte County Affordable Housing Development Corporation
2039 Forest Ave Chico
CA, 95928

Re: Memorandum of Understanding – Park Avenue project

Dear Mr. Mayer,

Jamboree Housing Corporation (“**Jamboree**”) is pleased to propose this Memorandum of Understanding between Butte County Affordable Housing Development Corporation (“**BCAHDC**”) and Jamboree to form a Partnership with the intent to develop approximately 72 multifamily rental affordable service-enriched units contained within one project in the City of Chico, California (“**Project**”).

BACKGROUND

The Partners intend to develop one affordable housing development in Chico as part of Jesus’s Center’s sale of their currently owned headquarters located at 1297 Park Avenue Site. The shared expertise of BCAHDC and Jamboree in these types of developments uniquely suits the partners to provide affordable housing solutions for the City of Chico. The Partners intend to design, develop and construct approximately 72 affordable housing units on the existing Park Avenue site owned currently by the Jesus Center. This MOU will serve to memorialize the intention for a joint development of the Project between BCAHDC and Jamboree.

PROJECT DESCRIPTION

The Project includes the development of approximately 72 affordable rental units. The Project is expected to be financed with a combination of Low-Income Housing Tax Credit equity, conventional debt, potentially tax-exempt bond financing, as well as other public funding sources some of which may require a portion of the units to be permanent supportive housing.

RESPONSIBILITIES: DEVELOPER AND ASSET MANAGEMENT FEES

Jamboree and BCAHDC will each be entitled to a share of the Developer Fee generated by the Project, based on the overall responsibilities, as well as guarantees associated with the Project. The following will outline the development activities for which BCAHDC will take responsibility, those that Jamboree will be responsible for, and those for which the Partners will be jointly responsible.

Regardless of the responsible party, each Partner is expected to participate in all activities by advising and consulting with the responsible Partner. Jamboree will receive 90% of the Developer Fee generated from the Project. BCAHDC will receive 10% of all Developer Fees from the Project. Developer fees will be paid pursuant to a schedule to be developed but each payment will retain the 90% Jamboree 10% BCAHDC split. If a 10% split of the developer fee earned at construction loan closing is less than \$10,000, BCAHDC will be paid \$10,000 at construction loan closing. The Partners will receive the same pro-rata shares of operating cash flow, as well as proceeds from the sale or refinance of the Project.

The following Responsibilities and Guarantees will be explicitly assigned to each partner:

Jamboree Responsibilities:

- Management of the development process, including site feasibility due diligence, coordinating land-use approvals, coordinate working drawings, compliance with conditions of approval.
- Engage and manage general contractor and subcontractors to construct the approved project.
- Oversee project concept and design with architect and other design consultants.
- Fund predevelopment costs.
- Oversee capital structure and financing, including identifying funding sources, preparation of financial models, applying for and securing competitive and non- competitive loans, tax credits, and other funding sources.
- Design of resident services for both family and permanent supportive housing residents, by assessing the needs of potential residents, designing appropriate programming, identifying service providers, and supervising the delivery of services.
- Selection of capital partners, including lenders, public entities, and Low-Income Housing tax credit equity investors.
- Joint and several provision of typical financial guarantees to investors and lenders as well as compliance with requirements to maintain strong financial status and net worth and to fund development deficits or operating deficits.
- Produce required due diligence and assessments of trust, history of accomplishments, experience, and capability to complete project.
- Secure the Welfare Exemption for the Project.

BCAHDC Responsibilities-Roles:

- Maintain relationships with the local community and local funders, attend local meetings, build assessments of trust & value.

- Assist in representing the Limited Partnership to community; receive and assist with processing of local calls, inquiries, property, and community issues.
- Assist in annual property budget development and Budget revisions.
- Assist in determination and implementation of capital improvements.
- Review property operating and financial statements and reports.
- Assist in performance of annual and compliance monitoring Inspections.
- Serve as a co-managing general partner
- Retain option to purchase the property at year 15 if Jamboree does not pursue a purchase, subject to restrictions and requirements of the Limited Partner Investor

Joint Responsibilities:

- Governmental and community outreach efforts to secure financial and political support for the success of the projects.

ASSET MANAGEMENT FEES AND OTHER ROLES

Other fees include an annual Partnership Management Fee of Eighteen Thousand Dollars (\$18,000) to Jamboree and Two Thousand (\$2,000) to BCAHDC. Fees will increase at three percent (3%) per annum, compounded.

Quality Development Company, Inc. (QDCI), Jamboree’s construction company, will have a right of first negotiation to construct the project and if not selected will serve a construction management role.

Resident services will be provided by Jamboree’s resident services group.

GUARANTEES AND OTHER ASSOCIATED DOCUMENTS

Jamboree will solely provide the financial guarantees that are typically required in a development of this nature. These are to include but are not limited to the guarantees for lien-free construction completion, operating deficits and tax credit recapture.

INDEMNIFICATION / REPRESENTATIONS AND WARRANTIES

Indemnification will be addressed via separate agreement.

GENERAL PROVISIONS

The final agreements between the Parties will provide as follows:

- **Major Decisions** – The Development Partners shall be kept informed about the following:
 - The terms of any financing arrangement;
 - The selection of the development team;
 - The admission of any person or entity to the partnership;
 - Selection of the Architect for the Project;
 - Selection of the general contractor for the Project, and
 - Other actions reasonably requested by both parties.
- **Arbitration** –that any action, dispute, claim, or controversy between parties whether arising in tort, contract, or otherwise shall be resolved by arbitration. The provisions of Sections 1282.6, 1283, and 1283.05 of the California Code of Civil Procedure shall apply to any arbitration hereunder and shall be resolved by binding arbitration by Judicial Arbitration and Mediation Service. The costs of any arbitration shall be borne equally by the parties, and attorney’s fees shall be awarded to the prevailing party at the discretion of the arbitrator.
- **Further Assurances** – that each party shall reasonably cooperate with one another, execute and deliver, or use reasonable efforts to cause third parties to execute and deliver, all such instruments of conveyance, assignment, and transfer, and to make all reasonable filings with and to obtain all reasonable consents, approvals, or governmental authorizations.
- **Successors and Assigns** – Upon execution of this MOU and subsequent final Agreement, that neither party may assign the Agreement without the prior written consent of the other party, which consent may be withheld in such party's sole and absolute discretion. Notwithstanding the foregoing, each party shall have the right to assign its interest in the Agreement without consent of the other to another entity in which each partner or an affiliate of that partner is the managing member or managing general partner. Upon any such assignment, the assignor’s liabilities and obligations hereunder or under any instruments, documents, or agreements made pursuant thereto shall be binding upon such assignee and the assignor shall be relieved therefrom.

TERMS

This Agreement shall be effective as of the date set forth above, and shall continue thereafter until the occurrence of the earliest of the following events:

- i. Mutual agreement of the parties;
- ii. Liquidation of the Partnership or the sale of the Project;
- iii. Upon notice of either party, if the other party shall fail to perform its obligations under this Agreement and such failure shall continue for a period of at least sixty (60) days after written notice thereof from the party claiming such default, or such longer period as reasonably necessary to cure such default, provided that the defaulting party is proceeding diligently with such cure; and,

iv. The failure of the parties to receive commitments for all financing necessary to construct the Projects by December 31, 2025.

NOTICES AND COMMUNICATIONS:

IF TO BCAHDC:

Butte County Affordable Housing Development Corporation
2039 Forest Ave Chico, CA, 95928
Attention: Edward Mayer
Phone No.:530-895-4474

IF TO JAMBOREE:

Jamboree Housing Corporation
17701 Cowan Avenue, Suite 200
Irvine, CA 92614
Attention: Laura Archuleta
Phone No.:916-263-8676

AGREED AND ACCEPTED:

Jamboree Housing Corporation

By: _____
Laura Archuleta, President

Date: _____, 2019

Butte County Affordable Housing Development Corporation

By: _____
Edward Mayer, President

Date: _____, 2019