

BUTTE COUNTY AFFORDABLE HOUSING
DEVELOPMENT CORPORATION

Board of Directors Meeting

2039 Forest Avenue
Chico, CA 95928

SPECIAL MEETING AGENDA

April 21, 2022
2:00 p.m.

Members of the Board of Commissioners and HACB staff will be participating either in person or remotely. The Board of Commissioners welcomes and encourages public participation in the Board meetings either in person or remotely from a safe location.

Members of the public may be heard on any items on the Commissioners' agenda. A person addressing the Commissioners 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 Commissioners. Members of the public desiring to be heard on matters under jurisdiction of the Directors, but not on the agenda, may address the Commissioners during agenda item 6.

Please join my meeting from your computer, tablet or smartphone.
<https://global.gotomeeting.com/join/418021613>

You can also dial in using your phone.

United States (Toll Free): [1 877 309 2073](tel:18773092073)

United States: [+1 \(646\) 749-3129](tel:+1(646)749-3129)

Access Code: 418-021-613

If you have any trouble accessing the meeting agenda, or attachments; or if you are disabled and need special assistance to participate in this meeting, please email marysolp@butte-housing.com or call 530-895-4474 x.210.

Notification at least 24 hours prior to the meeting will enable the Housing Authority to make a reasonable attempt to assist you.

NEXT RESOLUTION NO. 22-11C

ITEMS OF BUSINESS

1. ROLL CALL
2. AGENDA AMENDMENTS
3. CONSENT CALENDAR

4. CORRESPONDENCE
5. REPORTS FROM PRESIDENT
 - 5.1 North Creek Crossings at Meriam Park II Apartments, Chico – Corporate and Partnership Authorizations.

Recommendation:	Resolution No. 22-11C
-----------------	-----------------------
 - 5.2 Liberty Bell Apartments, Oroville – Corporate Authorizations.

Recommendation:	Resolution No. 22-12C
-----------------	-----------------------
 - 5.3 Woodward Family Apartments, Orland – Corporate Authorizations.

Recommendation	Resolution No. 22-13C
----------------	-----------------------
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 Regular Meeting – May 19, 2022**
13. ADJOURNMENT

MEMO

Date: January 14, 2022

To: BCAHDC Board of Directors

From: Ed Mayer, President

Subject: North Creek Crossings at Meriam Park Apartments II, Chico
Corporate Authorization – Resolutions No. 22-11C

The subject Resolution No 22-11C provides further corporate authorizations for BCAHDC regarding its role as Managing General Partner (MGP) of the partnership owning the 54-unit North Creek Crossings at Meriam Park II Apartments, Chico property, Chico North Creek II, LP.

The project saw its construction close on March 17th, BCAHDC having resolved in favor of its corporate authorizations to participate in the partnership at its Special Board Meeting held on January 20, 2022, by means of Resolution No 22-2C.

This action, Resolution No. 22-11C, amends the action taken on January 20th, specifically, to authorize the partnership's taking on of additional debt from the City of Chico. The debt is non-recourse to BCAHDC.

This City of Chico is providing gap financing to address significant construction cost increases, providing a total \$1.97 million by means of a 55-year deferred, residual receipts loan at two percent (2%) simple interest. City Council meets on Tuesday, April 19 to approve the loan.

Recommended is adoption of Resolutions No. 22-11C.



City Council Agenda Report Meeting Date: #April 19, 2022#

TO: City Council

FROM: Marie Demers, Housing Manager (530-879-6303)

RE: Amendment to Affordable Housing Fund Loan for a 54-Unit Housing Development—North Creek Crossings at Meriam Park, Phase II, 2265 Maclovia Avenue

REPORT IN BRIEF

The Central California Housing Corporation (CCHC), through its Affordable Housing Development Corporation (AHDC), is improving the property located north of Little Chico Creek and adjacent to and east of Notre Dame Boulevard (APN 002-180-218 and 002-180-219), in two phases known as North Creek Crossings I and II. Phase II of the North Creek Crossings (NCC-II) affordable family housing project will be fifty-three (53) units affordable to low, very low-, and extremely low-income family households, and one (1) manager unit. At its June 15, 2021 meeting, the City Council authorized federal HOME fund and Affordable Housing Fund (AHF) loans for NCC-II to support the production of severely needed affordable housing units. Due to escalating construction costs, an increase in the AHF loan is requested.

Recommendation: The Community Development Director recommends that City Council adopt the following resolution by reading of its title:

RESOLUTION OF THE CHICO CITY COUNCIL AUTHORIZING AN AMENDMENT TO THE AFFORDABLE HOUSING FUND LOAN FOR THE DEVELOPMENT OF PHASE II OF THE NORTH CREEK CROSSINGS AFFORDABLE HOUSING PROJECT AT 2265 MACLOVIA AVENUE, APN 002-180-218 AND APN 002-180-219 (see Attachment A)

FISCAL IMPACT

There is no impact to the City's General Fund. This action will expend \$970,000 of F392—Affordable Housing Fund for the project.

BACKGROUND

Housing Funds

The City of Chico became the Housing Successor to the Chico Redevelopment Agency in 2012 and is responsible for administering funds in the Affordable Housing Fund (F392) in compliance with applicable California Health and Safety Code Regulations. Pursuant to these regulations, funds are to be expended for administration, on-going monitoring of assisted projects, and for the development of housing affordable to, and occupied by households earning 80% or less of area median income, with at least 30% of these funds expended for the development of rental housing affordable to households at or below 30% of area median income.

The Council allocated \$330,000 of Affordable Housing Funds and \$671,523 of HOME funds to NCC-II in June 2021. All associated loan documents to effectuate these loans have been fully executed and recorded at the Butte County Recorder's Office, as applicable.

City Goals and Needs

The City's 2014-2022 Housing Element includes numerous goals to provide housing affordable to households of low income including those of extremely low income (30% of area median income). Further, the City was recently awarded a \$22 million State Infill and Infrastructure Grant (IIG) for improvements to Bruce Road between SR32 and Skyway, as well an interior connection roadway in Meriam Park. An integral requirement of the IIG is the development of affordable housing units, and the interior road will provide connection for NCC I & II and the Creekside Place affordable housing developments. This interior road is under construction.

Prior to the Camp Fire, the vacancy rate in Chico was less than 2%, and functionally 0% for affordable housing units (those serving households at or below 80% of area median income). There are currently one- to three-year waitlists for affordable units in Chico.

Development Team

Central California Housing Corporation (CCHC) and its affiliate corporation, Affordable Housing Development Corporation (AHDC), are for-profit affordable housing corporations with a 30-year history developing multi-family housing throughout California utilizing low income housing tax credits, bond financing and various other state and local funding sources. In Chico, CCHC/AHDC has previously partnered with the City to build three affordable housing projects: 1200 Park Avenue, Parkside Terrace and Harvest Park Apartments. They have partnered with the Butte County Affordable Housing Development Corporation (BCAHDC—the non-profit affiliate of the Housing Authority of the County of Butte) on NCC-I and are also partnering with BCAHDC on NCC-II. Mogavero Architects of Sacramento is providing architectural services for the project. Mogavero has a long history of planning and design of many types of projects and was the architect on the aforementioned Chico projects. Sunseri Construction of Chico is the general contractor and has extensive experience building affordable housing.

Design and Amenities

NCC-II is the proposed second phase of the affordable multifamily housing community. The project consists of 54 units including a manager's unit and containing one, two- and three-bedroom units on approximately 2.07 acres. The 54 units include 13 one-bedroom units, 24 two-bedroom units and 17 three-bedroom units, which includes 1 three-bedroom manager unit. There will be two- and three-story apartment buildings and NCC-II will share the single-story community building built as part of NCC-I. The community building will contain managerial/leasing offices, multi-purpose lounge, kitchen and outdoor gathering space.

On-site covered, tuck-under vehicle parking, as well as bike parking will be provided for residents. The site has been designed with "walkability" in mind and will be landscaped with a balance of large and small open spaces, recreation courtyards with play structures, stormwater-mitigating bioswales and outdoor amenities, such as barbecue areas, raised planter community gardens, and gazebo areas overlooking Little Chico Creek.

Emphasis has been placed on energy-efficient apartments by having efficient mechanical units with minimized ducting, radiant barrier in the attic and roof trusses that allow for high roof insulation. A solar system will be installed to provide power to common areas.

RE: North Creek Crossings 2

April 19, 2022

Page 3

#

Educational classes including life skills, financial literacy, health and nutrition, and job seeking skills will be offered to the residents, as well as social programs and activities.

Affordability and Unit Types

This project is composed of one-, two- and three-bedroom units and a manager unit. It will serve households between 30-60% of area median income (AMI) for Chico. Thirteen (13) of the units will have Project Based Housing Vouchers from the Housing Authority of the County of Butte, providing greater affordability for households while providing necessary operating revenue.

Proposed units and rents using 2021 limits are as follows:

Unit Type	Size	Number	Rent Range*
One Bedroom	594-762 sf	13	\$392-\$784
Two Bedroom	857-985 sf	24	\$471-\$942
Three Bedroom	1,111-1,269 sf	16	\$543-\$1,087
Manager 3-bed	1,190 sf	1	n/a
Total Units		54	

* Gross Rents

Project Budget and Financing

The table below provides development budget estimated sources and uses summary for NCC-2:

Uses	Initial Budget	Current Budget
Land Acquisition	\$ 1,072,200	\$ 868,471
Construction incl Site Work & Bonds	\$ 15,935,231	\$ 18,264,273
Contingency	\$ 816,762	\$ 946,997
Solar	\$ 400,000	\$ 675,675
Local Fees	\$ 1,300,000	\$ 1,352,000
Financing /Legal Costs/ Escrow/Insurance	\$ 1,453,770	\$ 2,349,910
Soft Costs	\$ 1,907,086	\$ 1,657,626
Developer Fee	\$ 2,200,000	\$ 2,200,000
Operating Reserves	\$ 129,149	\$ 125,125
TOTAL	\$ 25,214,198	\$ 28,440,077
Sources		
LIH Tax Credit Equity	\$ 19,489,040	\$ 22,757,000
City HOME & AHF Loans	\$ 1,001,523	\$ 1,971,523
Permanent Loan	\$ 3,422,000	\$ 2,980,000
Deferred Developer Fee	\$ 1,301,635	\$ 601,554
Solar Equity		\$ 130,000
TOTAL	\$ 25,214,198	\$ 28,440,077

Payment of federal Davis-Bacon wage rates is required due to the allocation of Project Based Housing Vouchers and HOME funds to the project. Current per square foot hard construction cost is \$288 or

RE: North Creek Crossings 2

April 19, 2022

Page 4

#

\$338,227 per unit.

The operating pro forma estimates annual expenses of \$5,353 per unit, which is within the expected range and consistent with other similar projects. The pro forma assumes a 5% vacancy rate which is in line with standard practices. In terms of reserves, the developer proposes to establish a \$125,125 operating reserve when the project is complete and shows a \$18,900 annual contribution to a replacement reserve. The project anticipates operating revenue from Project Based Housing Choice Vouchers in addition to rent collected. The pro forma demonstrates a 15-year positive cash flow.

DISCUSSION

NCC-II will complete the fully envisioned North Creek Crossings project and greatly contribute to the severely needed affordable housing in Chico. The developer has an excellent track record of providing quality, well-designed and well-managed affordable housing communities in Chico. CCHC/AHDC formed Chico North Creek II, LP, a limited partnership as the ownership entity of NCC-II and secured conventional construction and permanent loans. The project was awarded 2021 Disaster Low Income Tax Credits and the equity raised from the sale of these tax credits provides the vast majority of financing for the project, but as seen above, additional financing is necessary. The shortfall became evident as final construction bids were received just prior to closing the construction escrow which had to be completed in March 2022 to meet Low Income Housing Tax Credit timeline requirements.

Completion of both phases of NCC is critical to meeting the City's requirements to produce affordable housing units under the recently awarded Infill and Infrastructure Grant awarded by the State for the improvement of Bruce Road.

Funds in the AHF are to be used for the production of affordable housing with priority for housing affordable to low-, very low- and extremely low income households. This project meets these criteria.

Staff recommends an amendment to the existing AHF loan to the project to increase the loan by \$970,000 for a total AHF loan of in the amount of \$1,300,000. All existing terms of the loan would remain unchanged including that it be a 55-year deferred, residual receipts loan at two percent (2%) simple interest, accruing from the date the funds are first disbursed. The following documents would be executed:

- An Amendment to the AHF Loan Agreement increasing the total loan; and
- An amended deed of trust to be recorded against fee title of the property.

The loan will remain subordinate to conventional construction and permanent loans, and upon review of the City Manager, subordination to other public lenders as needed for feasibility and expeditious development of the project, may be considered and approved.

Timeline

Begin Construction	April 2022
Complete Construction	June 2023

ENVIRONMENTAL REVIEW

The proposed project is within the scope of the Environmental Impact Report (EIR) for Meriam Park. All relevant EIR mitigation measures will apply to the Project. Pursuant to Section 15162 of the California Environmental Quality Act, no subsequent environmental review is necessary, as there have been no

RE: North Creek Crossings 2

April 19, 2022

Page 5

#

substantial changes to the project which would require revisions of the EIR, no substantial changes have occurred with respect to the circumstances under which the project is being undertaken which would require major revisions of the EIR, and no new information has become available which was not known and could not have been known at the time the EIR was completed.

An Environmental Assessment per the National Environmental Policy Act (NEPA) was prepared and a determination that the project has a Finding of No Significant Impact (FONSI) per 24 CFR Section 58.40(g)(1) was made. A Notice of Intent and Request for Release of Grant Funds was submitted to HUD which subsequently provided Authority to Use Grant funds for the project. NEPA review was required due to the allocation of Project Based Housing Vouchers and HOME funds to NCC.

PUBLIC CONTACT

The NCC project was presented to the Architectural Review and Historic Preservation Board on May 24, 2020. A Notice of Finding of No Significant Impact (FONSI) and Notice of Intent and Request to Release Grant Funds was published in the Chico Enterprise Record on October 13, 2020 and sent to local Tribes. This meeting was noticed by distribution of the agenda and posted on the City's website.

Reviewed by:

Approved and Recommended by:

Brendan Vieg, Community Development
Director

Matthew Madden, Interim City Manager

DISTRIBUTION

City Clerk (3)

Brendan Vieg, CDD-Planning & Housing

Laurie Doyle, ldoyle@ahdcinc.com

Erik Holland, eholland@ahdcinc.com

Ed Mayer, ed@butte-housing.com

ATTACHMENTS

Attachment A—Resolution

FILE

LMIHF/AHF North Creek Crossings-2 2021

BUTTE COUNTY AFFORDABLE HOUSING DEVELOPMENT CORPORATION

RESOLUTION NO. 22-11C

NORTH CREEK CROSSINGS AT MERIAM PARK II, CHICO
CORPORATE AND PARTNERSHIP AUTHORIZATIONS

At a duly constituted meeting of the Board of Directors (the “Board”) of Butte County Affordable Housing Development Corporation, a California nonprofit public benefit corporation (“BCAHDC”), held on April 21, 2022, the following resolutions were adopted:

WHEREAS, BCAHDC and Central California Housing Corporation (“CCHC”) are parties to that certain Memorandum of Understanding dated June 17, 2021 (the “MOU”) with respect to the development of an affordable housing project to be known as “North Creek Crossings at Meriam Park II” that will contain 54 apartment units, including one manager’s unit, to be located in Meriam Park, Chico, California (the “Project”); and

WHEREAS, the Board previously adopted Resolution No. 22-2C on January 20, 2022 in connection with the Project;

WHEREAS, BCAHDC is the managing general partner of Chico North Creek II, LP, a California limited partnership (the “Partnership”); and

WHEREAS, it has been determined to be in the best interest of BCAHDC to obtain the following additional financing for the Project, which will be secured by liens on the Project (“Secured Financing”):

- (a) A construction-to-permanent loan from the City of Chico, a municipal corporation, in the principal amount not to exceed \$970,000 from the Affordable Housing Fund or any other source.

WHEREAS, as a condition of the Secured Financing, the lender may require that BCAHDC and/or the Partnership assign any fees from the Partnership or pledge other interests in the Project as security for the Secured Financing (the “Security Assignments”), and it has been determined to be in the best interests of BCAHDC and the Partnership, to make and enter into Security Assignments; and

WHEREAS, it has been determined to be in the best interests of BCAHDC and the Partnership to execute and deliver any and all documents or agreements necessary or advisable for the acquisition, development, financing, construction, rehabilitation, management, operation and maintenance of the Project, including, but not limited to, all grant deeds, deeds of trust, UCC financing statements, loan agreements, loan documents, regulatory agreements, assignments of rents, leases, income and profits, general assignments, construction contracts, architect

agreements, grant agreements, development agreements, sub-development agreements, management agreements, service contracts, housing assistance payments contracts, partnership agreements, and similar or related agreements for housing subsidies, title-related indemnities and affidavits and any other types of agreements (collectively, the “**Project Documents**”).

NOW, THEREFORE, BE IT RESOLVED by the Board that BCAHDC, for itself and in its capacity as the Managing General Partner of the Partnership, does hereby approve and is authorized to enter into the following transactions and documents, as applicable:

1. Secured Financings;
2. Security Assignments;
3. Such other documents, agreements and contracts deemed necessary or advisable by an Officer in furtherance of these resolutions and/or to assist in the development of the Project (collectively, the “**Transaction Documents**”), using his or her own independent judgment; and

BE IT FURTHER RESOLVED, that the Board hereby authorizes each of (a) Edward S. Mayer, President of BCAHDC, (b) Marysol Perez, Secretary of BCAHDC, and (c) Hope Stone, Chief Financial Officer of BCAHDC (each, an “**Officer**”), each acting alone to accept the Transaction Documents subject to any minor conforming, technical or clarifying changes approved by an Officer; and that each Officer is hereby further authorized and directed to take such further actions and execute and record such documents as are necessary to accept the Transaction Documents on behalf of BCAHDC and the Partnership; and

BE IT FURTHER RESOLVED, that all actions previously taken by BCAHDC and the Partnership, and any of their employees, officers and agents, in connection with the Project or the transactions described herein are hereby ratified and approved.

PASSED AND ADOPTED this 21st day of April 2022 by the following vote:

AYES: _____ NOES: _____ ABSTENTIONS: _____ ABSENT: _____

Signature of Attesting Officer:

Edward S. Mayer, President

SECRETARY’S CERTIFICATION

I, the Secretary of BCAHDC, hereby certify that the foregoing is a true copy of Resolution No. 22-11C adopted by the Board of Directors of Butte County Affordable Housing Development Corporation, a California nonprofit public benefit corporation, and that said Resolution No. 22-11C is in full force and effect, and the Board of Directors has, and at the time of the adoption of the Resolution No. 22-11C had, full power and authority to adopt such resolutions.

Marysol Perez, Secretary

Date

MEMO

Date: February 11, 2022

To: BCAHDC Board of Directors

From: Ed Mayer, President

Subject: Corporate Authorizations – Resolutions No. 22-12C and 22-13C

BCAHDC has entered into a Memorandums of Agreement with Pacific West Communities regarding development of two (2) affordable housing development projects now ready for construction closings. Development of the housing utilizes federal low-income housing tax credits to achieve affordability, and lender financing, requiring BCAHDC to participate in the developments' owning partnerships as Managing General Partner.

The projects are scheduled to close their financing packages this May and June, setting in motion construction. Completion of the transaction requires specific authorizations regarding the partnership agreement, loan documents, the development agreement, security assignments, and other supporting documents and representations. The following Resolutions No. 22-12C and 22-13C addresses these authorizations to the satisfaction of the partnerships, the lenders, and the title companies involved. These resolutions are typical and routine for such development transactions.

The following summarizes the subject authorizations:

Resolution Number	Development Name	Date of MOA	Partnership
22-12C	Liberty Bell Courtyards, Orland	January 16, 2020	Orland Senior Associates, LP
22-13C	Woodward Family Apts, Orland	January 16, 2020	Orland Family Associates, LP

The 32-unit Liberty Bell Courtyards will serve very-low income seniors, with a Housing Authority-committed complement of thirty-one project-based Section 8 Vouchers.

The 36-unit Woodward Family Apartments will serve low- and very-low income families, with a Housing Authority-committed twenty-five project-based Section 8 Vouchers.

Recommended is adoption of BCAHDC Resolutions No. 22-12C and 22-13C.

BUTTE COUNTY AFFORDABLE HOUSING DEVELOPMENT CORPORATION

RESOLUTION NO. 22-12C

LIBERTY BELL COURTYARDS, ORLAND
CORPORATE AUTHORIZATIONS

At a duly constituted meeting of the Board of Directors (the “Board”) of Butte County Affordable Housing Development Corporation, a California nonprofit public benefit corporation (“BCAHDC”), held on April 21, 2022, the following resolutions were adopted:

WHEREAS, BCAHDC and Pacific West Communities (“PWC”) are parties to that certain Memorandum of Agreement dated January 16, 2020 (the “MOA”) with respect to the development of an affordable housing project to be known as “Liberty Bell Courtyards” that will contain 32 apartment units, including 1 manager’s unit, located in Orland, California (the “Project”); and

WHEREAS, BCAHDC is the managing general partner of Orland Senior Associates, A California Limited Partnership, a California limited partnership (the “Partnership”); and

WHEREAS, it has been determined to be in the best interests of BCAHDC for the Partnership to acquire, develop, construct, own and operate the Project; and

WHEREAS, it has been determined to be in the best interests of BCAHDC to assist in the acquisition, construction and development of the Project by the Partnership by: (i) consenting to the withdrawal of the initial limited partner from the Partnership and facilitating the admission of Red Stone Equity Partners LLC and/or its affiliate(s) and/or its affiliate(s), or substitute investors (collectively, “Investor”), as 99.99% limited partner(s) in the Partnership in exchange for capital contributions to the Partnership in an amount not to exceed \$6,000,000, and (ii) amending and restating the agreement of limited partnership of the Partnership (the “Partnership Agreement”) to provide for such other matters as may be required by the Investor (collectively, the “Syndication”); and

WHEREAS, it has been determined to be in the best interests of BCAHDC, as sub-developer, to enter into a subdevelopment agreement with the developer of the Project, Pacific West Communities, Inc., an Idaho corporation, or, in the alternative, for BCAHDC, as co-developer, to enter into a development agreement with the Partnership (in either case, the “Development Agreement”); and

WHEREAS, it has been determined to be in the best interests of BCAHDC to obtain the following financings for the Project, which will be secured by liens on the Project (“Secured Financings”):

- (a) A tax-exempt construction loan from the California Municipal Finance Authority, as issuer, and Pacific Western Bank, as funding lender, in the principal amount not to exceed \$6,500,000, which is anticipated to convert to a permanent loan in the principal amount not to exceed \$2,000,000.

- (b) A loan from the City of Orland of HOME or other funds in the principal amount not to exceed \$3,650,000.

WHEREAS, as a condition of the Secured Financings and the Syndication, the lenders and the Investor may require that BCAHDC and/or the Partnership assign any fees from the Partnership or pledge other interests in the Project as security for the Secured Financings and the Syndication (the “**Security Assignments**”), and it has been determined to be in the best interests of BCAHDC and the Partnership, to make and enter into Security Assignments; and

WHEREAS, specifically, the MOA needs amendment to refine the Partnership and Property disposition mechanisms to be used after fifteen years of the Property's Placed-in-Service date, as addressed in Article 10 of the MOA regarding BCAHDC right of first refusal to purchase the Property; and

WHEREAS, it has been determined to be in the best interests of BCAHDC, its interest as Managing General Partner of the Partnership, and in the interests of the citizens served to negotiate, execute and deliver an amendment replacing Article 10 of the MOA and such other amendments to the MOA that an Officer deems necessary or appropriate (the “**MOA Amendment**”); and

WHEREAS, it has been determined to be in the best interests of BCAHDC and the Partnership to execute and deliver any and all documents or agreements necessary or advisable for the acquisition, development, financing, construction, rehabilitation, management, operation and maintenance of the Project, including, but not limited to, all grant deeds, deeds of trust, UCC financing statements, loan agreements, loan documents, regulatory agreements, assignments of rents, leases, income and profits, general assignments, construction contracts, architect agreements, grant agreements, development agreements, sub-development agreements, management agreements, service contracts, housing assistance payments contracts, partnership agreements, and similar or related agreements for housing subsidies, title-related indemnities and affidavits and any other types of agreements (collectively, the “**Project Documents**”).

NOW, THEREFORE, BE IT RESOLVED by the Board that BCAHDC, for itself and in its capacity as the Managing General Partner of the Partnership, does hereby approve and is authorized to enter into the following transactions and documents, as applicable:

1. Partnership Agreement and the Syndication;
2. Development Agreement;
3. Secured Financings;
4. Security Assignments;
5. MOA Amendment;
6. Project Documents;
7. Such other documents, agreements and contracts deemed necessary or advisable by an Officer in furtherance of these resolutions and/or to assist in the development of the Project (collectively, the “**Transaction Documents**”), using his or her own independent judgment; and

BE IT FURTHER RESOLVED, that the Board of BCAHDC hereby authorizes each of (a) Edward S. Mayer, President of BCAHDC, (b) Marysol Perez, Secretary of BCAHDC, and (c) Hope Stone, Chief Financial Officer of BCAHDC (each, an “Officer”), each acting alone to accept the Transaction Documents subject to any minor conforming, technical or clarifying changes approved by an Officer; and that each Officer is hereby further authorized and directed to take such further actions and execute and record such documents as are necessary to accept the Transaction Documents on behalf of BCAHDC and the Partnership; and

BE IT FURTHER RESOLVED, that all actions previously taken by BCAHDC and the Partnership, and any of their employees, officers and agents, in connection with the Project or the transactions described herein are hereby ratified and approved.

PASSED AND ADOPTED this 21st day of April 2022 by the following vote:

AYES: _____ NOES: _____ ABSTENTIONS: _____ ABSENT: _____

Signature of Attesting Officer:

Edward S. Mayer, President

SECRETARY'S CERTIFICATION

I, the Secretary of BCAHDC, hereby certify that the foregoing is a true copy of Resolution No. 22-12C adopted by the Board of Directors of Butte County Affordable Housing Development Corporation, a California nonprofit public benefit corporation, and that said Resolution No. 22-12C is in full force and effect, and the Board of Directors has, and at the time of the adoption of the Resolution No. 22-12C had, full power and authority to adopt such resolutions.

Marysol Perez, Secretary

Date

BUTTE COUNTY AFFORDABLE HOUSING DEVELOPMENT CORPORATION

RESOLUTION NO. 22-13C

WOODWARD FAMILY APARTMENTS, ORLAND
CORPORATE AUTHORIZATIONS

At a duly constituted meeting of the Board of Directors (the “Board”) of Butte County Affordable Housing Development Corporation, a California nonprofit public benefit corporation (“BCAHDC”), held on April 21, 2022, the following resolutions were adopted:

WHEREAS, BCAHDC and Pacific West Communities (“PWC”) are parties to that certain Memorandum of Agreement dated January 16, 2020 (the “MOA”) with respect to the development of an affordable housing project to be known as “Woodward Family Apartments” that will contain 36 apartment units, including 1 manager’s unit, located in Orland, California (the “Project”); and

WHEREAS, BCAHDC is the managing general partner of Orland Family Associates, A California Limited Partnership, a California limited partnership (the “Partnership”); and

WHEREAS, it has been determined to be in the best interests of BCAHDC for the Partnership to acquire, develop, construct, own and operate the Project; and

WHEREAS, it has been determined to be in the best interests of BCAHDC to assist in the acquisition, construction and development of the Project by the Partnership by: (i) consenting to the withdrawal of the initial limited partner from the Partnership and facilitating the admission of Red Stone Equity Partners LLC and/or its affiliate(s) and/or its affiliate(s), or substitute investors (collectively, “Investor”), as 99.99% limited partner(s) in the Partnership in exchange for capital contributions to the Partnership in an amount not to exceed \$11,000,000, and (ii) amending and restating the agreement of limited partnership of the Partnership (the “Partnership Agreement”) to provide for such other matters as may be required by the Investor (collectively, the “Syndication”); and

WHEREAS, it has been determined to be in the best interests of BCAHDC, as sub-developer, to enter into a subdevelopment agreement with the developer of the Project, Pacific West Communities, Inc., an Idaho corporation, or, in the alternative, for BCAHDC, as co-developer, to enter into a development agreement with the Partnership (in either case, the “Development Agreement”); and

WHEREAS, it has been determined to be in the best interests of BCAHDC to obtain the following financings for the Project, which will be secured by liens on the Project (“Secured Financings”):

- (a) A tax-exempt construction loan from the California Municipal Finance Authority, as issuer, and Pacific Western Bank, as funding lender, in the principal amount not to exceed \$10,000,000, which is anticipated to convert to a permanent loan in the principal amount not to exceed \$3,000,000.

- (b) A taxable construction loan from the California Municipal Finance Authority, as issuer, and Pacific Western Bank, as funding lender, in the principal amount not to exceed \$10,000,000.
- (c) A loan from the California Department of Housing and Community Development of MHP or other funds in the principal amount not to exceed \$6,905,287.

WHEREAS, as a condition of the Secured Financings and the Syndication, the lenders and the Investor may require that BCAHDC and/or the Partnership assign any fees from the Partnership or pledge other interests in the Project as security for the Secured Financings and the Syndication (the “**Security Assignments**”), and it has been determined to be in the best interests of BCAHDC and the Partnership, to make and enter into Security Assignments; and

WHEREAS, specifically, the MOA needs amendment to refine the Partnership and Property disposition mechanisms to be used after fifteen years of the Property's Placed-in-Service date, as addressed in Article 10 of the MOA regarding BCAHDC right of first refusal to purchase the Property; and

WHEREAS, it has been determined to be in the best interests of BCAHDC, its interest as Managing General Partner of the Partnership, and in the interests of the citizens served to negotiate, execute and deliver an amendment replacing Article 10 of the MOA and such other amendments to the MOA that an Officer deems necessary or appropriate (the “**MOA Amendment**”); and

WHEREAS, it has been determined to be in the best interests of BCAHDC and the Partnership to execute and deliver any and all documents or agreements necessary or advisable for the acquisition, development, financing, construction, rehabilitation, management, operation and maintenance of the Project, including, but not limited to, all grant deeds, deeds of trust, UCC financing statements, loan agreements, loan documents, regulatory agreements, assignments of rents, leases, income and profits, general assignments, construction contracts, architect agreements, grant agreements, development agreements, sub-development agreements, management agreements, service contracts, housing assistance payments contracts, partnership agreements, and similar or related agreements for housing subsidies, title-related indemnities and affidavits and any other types of agreements (collectively, the “**Project Documents**”).

NOW, THEREFORE, BE IT RESOLVED by the Board that BCAHDC, for itself and in its capacity as the Managing General Partner of the Partnership, does hereby approve and is authorized to enter into the following transactions and documents, as applicable:

1. Partnership Agreement and the Syndication;
2. Development Agreement;
3. Secured Financings;
4. Security Assignments;
5. MOA Amendment;
6. Project Documents;
7. Such other documents, agreements and contracts deemed necessary or advisable by an Officer in furtherance of these resolutions and/or to assist in the development of the

Project (collectively, the “**Transaction Documents**”), using his or her own independent judgment; and

BE IT FURTHER RESOLVED, that the Board of BCAHDC hereby authorizes each of (a) Edward S. Mayer, President of BCAHDC, (b) Marysol Perez, Secretary of BCAHDC, and (c) Hope Stone, Chief Financial Officer of BCAHDC (each, an “**Officer**”), each acting alone to accept the Transaction Documents subject to any minor conforming, technical or clarifying changes approved by an Officer; and that each Officer is hereby further authorized and directed to take such further actions and execute and record such documents as are necessary to accept the Transaction Documents on behalf of BCAHDC and the Partnership; and

BE IT FURTHER RESOLVED, that all actions previously taken by BCAHDC and the Partnership, and any of their employees, officers and agents, in connection with the Project or the transactions described herein are hereby ratified and approved.

PASSED AND ADOPTED this 21st day of April 2022 by the following vote:

AYES: _____ NOES: _____ ABSTENTIONS: _____ ABSENT: _____

Signature of Attesting Officer:

Edward S. Mayer, President

SECRETARY’S CERTIFICATION

I, the Secretary of BCAHDC, hereby certify that the foregoing is a true copy of Resolution No. 22-13C adopted by the Board of Directors of Butte County Affordable Housing Development Corporation, a California nonprofit public benefit corporation, and that said Resolution No. 22-13C is in full force and effect, and the Board of Directors has, and at the time of the adoption of the Resolution No. 22-13C had, full power and authority to adopt such resolutions.

Marysol Perez, Secretary

Date