

BUTTE COUNTY AFFORDABLE HOUSING
DEVELOPMENT CORPORATION

Board of Directors Meeting

2039 Forest Avenue
Chico, CA 95928

SPECIAL MEETING AGENDA

October 19, 2023
2:00 p.m.

Due to COVID-19 and California State Assembly Bill 361 that amends the Ralph M. Brown Act to include new authorization for remote meetings, including remote public comment for all local agencies. California State Assembly Bill 361 extends the provision of Governor Newsom's Executive Order N-29-20 and N-35-20 until January 2024. The meeting will be a hybrid meeting both in person at this Housing Authority office and remotely. 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.

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You can also dial in using your phone.

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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. 23-12C

ITEMS OF BUSINESS

1. ROLL CALL

*Butte County Affordable Housing Development Corporation
Board of Directors*

Agenda – Special Meeting of October 19, 2023

2. AGENDA AMENDMENTS
3. CONSENT CALENDAR
4. CORRESPONDENCE
5. REPORTS FROM PRESIDENT
 - 5.1 Harvest Park Budget – Adoption of FY2024 Harvest Park Budget.
Recommendation: Resolution No. 23-12C
 - 5.2 Orchard View Apartments Phase II, Gridley – Development MOA with Pacific West Community (PWC)
Recommendation: Resolution No. 23-13C
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 – November 16, 2023
13. ADJOURNMENT

MEMO

October 13, 2023

To: BCAHDC Board of Directors

From: Larry Guanzon, HACB Deputy Executive Director
Hope Stone, BCAHDC CFO

Subject: Agenda Item No. 5.1 – Resolution No. 23-12C
Adoption of 2024 Operating Budget for Harvest Park Apartments, Chico

Attached please find proposed Resolution No. 23-12C, adopting the 2024 Operating Budget for the Harvest Park Apartments, Chico. Attached to the Resolution is the Operating Budget itself. In considering the budget, BCAHDC is acting in its capacity of Managing General Partner of Chico Harvest Park LP, owner of the property.

The proposed budget was prepared by WINN Residential, third party property manager, along with Central California Housing Corporation (Administrative General Partner, aka AHDC). HACB reviewed the draft and provided input on behalf of BCAHDC.

The budget was compiled using current and historical trends. Vacancy loss is projected at 3.00%, which we recommended given current and anticipated market dynamics. The budget shows an estimated positive cash flow of \$114,024 for the year.

Changes and revisions may be considered at the Board meeting.

The Capital Expenditures from operations include tree trimming; flooring replacements; and appliance replacements.

If you have any questions we will gladly answer them at the Board Meeting.

Recommendation: motion to approve Resolution No. 23-12C

BUTTE COUNTY AFFORDABLE HOUSING DEVELOPMENT CORPORATION

RESOLUTION NO. 23-12C

APPROVAL OF THE FISCAL YEAR 2024 OPERATING BUDGET FOR
HARVEST PARK APARTMENTS, CHICO, CA

WHEREAS, Butte County Affordable Housing Development Corporation (BCAHDC) is Managing General Partner (MGP) of Chico Harvest Park LP (Partnership), owner of Harvest Park Apartments, Chico (Property), and

WHEREAS the Operating Budget for the Property is prepared in conjunction with the Partnership's Administrative General Partner (AGP), Chico Harvest Park, LLC, the Property manager, WINN Residential and BCADC as MGP; and

WHEREAS the Board of Directors of BCAHDC has reviewed the Operating Budget as proposed and found the budget to be in the best interest of the Harvest Park Apartments property, its residents, the Partnership, and BCAHDC;

THEREFORE, BE IT RESOLVED by the Board of Directors of the Butte County Affordable Housing Development Corporation, acting as Managing General Partner of Chico Harvest Park, LP, owner of the Harvest Park Apartments, Chico, CA, to hereby approve and adopt the Operating Budget for Fiscal Year 2024 for Harvest Park Apartments, Chico, California, such Operating Budget attached to and made a part of this Resolution No. 23-12C.

Dated: October 19, 2023.

Edward S. Mayer, President

ATTEST:

Marysol Perez, Secretary

WinnResidential LLC
2024 Budget
Site Name - Harvest Park - 1649

No. Units: 90

Account Description	2024 Budget	2023 Budget	2023 Forecast	\$ Variance - Current Fiscal Year Budget vs Prior Fiscal Year Budget	% Variance - Current Fiscal Year Budget vs Prior Fiscal Year Budget	Comment
INCOME						
RENTAL INCOME						
5120-0000 Rental Income	948,804	738,144	802,193	\$210,660	22.2%	Rates from Manager cert effective 7/1/2023.
5150-0000 Rental Assistance	133,236	282,312	224,505	\$-149,076	-111.9%	Based on August YTD Actuals.
5221-0000 Gain/(Loss) to Lease	18,000	74,700	28,293	\$-56,700	-315.0%	Based off actuals/averages 2023.
Total RENTAL INCOME	1,100,040	1,095,156	1,054,991	\$4,884	0.4%	
MISC INCOME						
5330-0000 Tenant Services	0	125	125	\$-125	0.0%	NSF Fees.
5332-0000 Application Fees	675	350	1,240	\$325	48.1%	15 app fees @ \$45.00 each..
5341-0000 Cable Revenue	4,820	4,644	4,738	\$176	3.7%	Budget This quarterly based on the last 2 payments received in the months 2/23, 5/23.Last 4 cable income.
5341-0001 Contra Cable Revenue	-1,204	-1,160	-580	\$-44	3.7%	25% of Cable income.
5385-0000 Late/Term Fees	4,800	5,400	5,850	\$-600	-12.5%	\$50 late fees (8) per month..
5390-0002 Damages	3,600	3,600	10,839	\$0	0.0%	Based on 2023 Actuals YTD. Not including carpet replacement requested/paid by resident.
Total MISC INCOME	12,691	12,959	22,211	\$-268	-2.1%	
VACANCY LOSS/RENTAL LOSS/BAD DEBT						
5218-0000 Free Rent-Marketing Concession	-600	-1,200	-600	\$600	-100.0%	\$50.00 for key holder.
5220-0000 Vacancies Apartment	-32,280	-27,372	-30,235	\$-4,908	15.2%	
6370-0000 Bad Debt	-4,563	-4,563	-17,454	\$0	-0.0%	
6370-0001 Bad Debt Local Housing Authority	0	0	1,636	\$0	0.0%	
6370-0004 Bad Debt-Miscellaneous	0	0	-1,740	\$0	0.0%	
6539-0002 Maintenance Staff Rent Free Unit	-14,196	-13,392	-13,332	\$-804	5.7%	Unit 211 (3x2) set at the 60% max TCAC rent. Manuel (Maintenance).
Total VACANCY LOSS/RENTAL LOSS/BAD DEBT	-51,639	-46,527	-61,724	\$-5,112	9.9%	
TOTAL INCOME	1,061,092	1,061,588	1,015,478	\$-496	-0.0%	
EXPENSES						
MANAGEMENT FEES						
6320-0000 Management Fees	52,694	52,719	50,034	\$-25	-0.0%	5% Management Fee.
Total MANAGEMENT FEES	52,694	52,719	50,034	\$-25	-0.0%	
REAL ESTATE TAXES						
6710-0000 Taxes Real Estate	168	168	164	\$0	0.0%	The estimate for 2024 includes a 3% increase.
6712-0000 Taxes Other	389	389	0	\$0	0.0%	Based off 2023 invoices - pool permit and business license.
Total REAL ESTATE TAXES	557	557	164	\$0	0.0%	
INSURANCE						
6720-0000 Insurance Property	44,163	38,598	38,991	\$5,565	12.6%	The insurance premium is expected to incur a 10% increase in 2024.
6720-0001 Misc Insurance	540	540	540	\$0	0.0%	Crime/EPL/Cyber @ \$5/unit; Pollution @ \$1/unit.
6720-0002 Franchise Tax - Calif Pnps	800	800	800	\$0	0.0%	FTB Tax.
Total INSURANCE	45,503	39,938	40,331	\$5,565	12.2%	
UTILITIES EXPENSES						
6430-0000 Electricity Vacant	600	300	606	\$300	50.0%	
6430-0001 Employee Unit Utility	1,248	858	1,142	\$390	31.3%	Manager Cert UA- 3 bed \$104.00/monthly.
6440-0000 Gas/Oil Heat Vacant	180	150	458	\$30	16.7%	Increase of 18%..
6450-0000 Electricity	16,110	12,174	13,279	\$3,936	24.4%	Based on actuals 2023 YTD + 18% anticipated increase.
6451-0000 Water and Sewer	53,884	57,667	52,382	\$-3,783	-7.0%	Based on actuals YTD 2023; 5% increase anticipated.
6452-0000 Natural Gas Heat	3,882	2,550	3,166	\$1,332	34.3%	Based on actuals YTD 2023 and 18% increase anticipated.
6454-0000 Utility Processing	920	1,066	667	\$-146	-15.9%	RUM Fees; Utility Benchmarking..
6470-0000 Rubbish Removal	14,812	13,080	14,107	\$1,732	11.7%	Based on YTD actuals plus 5% increase..
6470-0001 Rubbish Removal - Bulk	2,200	1,000	1,488	\$1,200	54.5%	Bulk/haul-away items- End of year requires more pickups due to the holidays..
Total UTILITIES EXPENSES	93,836	88,845	87,295	\$4,991	5.3%	
PAYROLL						
6310-0000 Office Payroll	2,980	1,840	3,951	\$1,140	38.3%	Includes system Charge Backs.
6317-0000 Temporary Services	0	0	9,566	\$0	0.0%	
6330-0000 Managers Payroll	76,190	72,171	69,196	\$4,019	5.3%	AMPI bonus structure paid in Feb/Aug,
6539-0000 Maintenance Payroll General	57,621	49,183	53,323	\$8,438	14.6%	
6714-0001 Taxes-Payroll Administrative	6,227	5,915	5,855	\$312	5.0%	
6714-0002 Taxes-Payroll Maintenance	4,725	4,079	4,200	\$646	13.7%	
6724-0001 Workers Comp. - Payroll Admin	5,721	5,418	5,089	\$303	5.3%	Based on 7.56%.
6724-0002 Workers Compensation-Payroll Maintenance	4,329	3,698	4,073	\$631	14.6%	Based on 7.56%.
6726-0001 Health Ins. & Benefits-Payroll Admin	20,033	18,816	19,991	\$1,217	6.1%	
6726-0002 Health Ins. & Benefits-Payroll Maint.	15,911	14,750	16,475	\$1,161	7.3%	
Total PAYROLL	193,737	175,870	191,719	\$17,867	9.2%	
OPERATING & MAINTENANCE EXPENSE						

WinnResidential LLC
2024 Budget
Site Name - Harvest Park - 1649

No. Units: 90

Account Description	2024 Budget	2023 Budget	2023 Forecast	\$ Variance - Current Fiscal Year Budget vs Prior Fiscal Year Budget	% Variance - Current Fiscal Year Budget vs Prior Fiscal Year Budget	Comment
6462-0000 Exterminating Contract	8,406	8,400	7,379	\$6	0.1%	Monthly pest control service, increase of 5% in 2024, Gopher control required - monthly service fee and 1 time cost to install stations, 1 bed bug treatment, 1 additional roach treatment..
6511-0000 Security Contract and Repairs	1,561	540	648	\$1,021	65.4%	Installation fee and monthly fee for ADT burglar monitoring for clubhouse and maintenance shed.
6521-0000 Grounds Supplies	7,245	2,920	2,095	\$4,325	59.7%	Annual spring of crepe myrtles/lawn broad leaf/all beds with pre-emergent & irrigation repairs; playground bark (Apr).
6522-0000 Grounds Contract	29,100	25,800	28,020	\$3,300	11.3%	Increase of 5% in 2024..
6522-0001 Landscaping	3,674	0	0	\$3,674	100.0%	Gutter Cleaning (Oct).
6541-0000 Maintenance Supplies	16,920	12,000	12,789	\$4,920	29.1%	Based on YTD actuals, plus a 10% increase in 2024;.
6545-0000 Repairs Contract General	5,200	7,310	9,764	\$-2,110	-40.6%	General repairs, emergency water extractions, and carpet repairs, based on 2023 YTD actuals..
6546-0000 Repairs Contract Electric	600	1,200	500	\$-600	-100.0%	Electric Repairs.
6547-0000 Repairs - Contract - HVAC	5,400	1,500	7,689	\$3,900	72.2%	Based on 2023 YTD actuals..
6548-0000 Repairs - Contract - Plumbing	3,050	7,280	3,212	\$-4,230	-138.7%	Plumbing repairs, based on 2023 YTD actuals, plus potential 5% increase, backflow test and repairs..
6552-0000 Uniforms	300	250	-4	\$50	16.7%	Maintenance Uniforms and office Winn Shirt.
6581-0000 Appliance Repair	1,560	2,520	1,850	\$-960	-61.5%	Appliance Repairs/Supplies, based on 2023 YTD actuals..
6582-0000 Lock and Key Expense	500	500	250	\$0	0.0%	Dead Bolts, Keys.
6586-0000 Fire and Safety Systems	9,724	5,900	5,712	\$3,824	39.3%	Quarterly fire sprinkler inspections (3), 5 year sprinkler inspection/repairs, annual fire alarm monitoring fee, annual and semi- annual fire alarm inspections/ repairs, annual fire extinguisher inspection/repairs..
6991-0000 Pool Supplies	1,700	1,460	1,225	\$240	14.1%	Chemicals, Pool Supplies. based on 2023 YTD actuals..
6992-0000 Pool Contract	4,452	3,300	4,018	\$1,152	25.9%	Monthly Pool Contract - anticipate a 5% increase..
Total OPERATING & MAINTENANCE EXPENSE	99,392	80,880	85,146	\$18,512	18.6%	
TURNOVER COSTS						
6531-0000 Cleaning Supplies	0	500	125	\$-500	0.0%	
6532-0000 Cleaning Contract	4,440	4,200	6,921	\$240	5.4%	Carpet and janitorial cleaning for turns, based on 2023 YTD actuals..
6561-0000 Decorator Supplies	3,084	2,400	2,955	\$684	22.2%	Based on 2023 YTD actuals, potential 5% increase, 1 paint on turn per month..
6562-0000 Decorator Contract Services	3,600	3,000	2,190	\$600	16.7%	Vend out paint (3) units..
Total TURNOVER COSTS	11,124	10,100	12,191	\$1,024	9.2%	
MARKETING						
6210-0000 Rental Advertising	0	660	408	\$-660	0.0%	
6212-0000 Collateral Materials/Brand Identity	2,813	2,333	2,020	\$480	17.1%	Active Building, RealPage Website Subscription & Hosting, Winn Reputation Management Fee, Winn Website Maintenance Fee.
6290-0000 Miscellaneous Renting Expense	1,486	1,970	1,603	\$-484	-32.6%	Esusu; e-lead/Internet Shop, Resident Screening, based on 2023 YTD actuals..
6981-0000 Resident Supplies	1,750	1,420	930	\$330	18.9%	Office refreshments, NNO event, Halloween Party, Holiday Party..
Total MARKETING	6,049	6,383	4,961	\$-334	-5.5%	
ADMINISTRATIVE EXPENSES						
6280-0000 Credit Reports and Fees	132	132	476	\$0	0.0%	Income verification, The Work Number.
6311-0000 Office Expenses	12,191	7,434	7,352	\$4,757	39.0%	Microsoft 365, Information Security Bundle, RealPage Spend AP, Labor Law Posters, Blue Moon Annual License, Office Supplies, EAP, NAA..Meraki Install (March).
6312-0000 Copy Machine	3,544	2,088	2,327	\$1,456	41.1%	Annual contract fees for color and black ink, monthly service fees..
6313-0000 Postage	492	300	356	\$192	39.0%	Based on 2023 Data YTD.
6316-0000 Travel/Mileage	2,390	2,520	2,513	\$-130	-5.4%	Employee Mileage, Includes travel to summer BBQ and year end event; Regional Maintenance Mileage (Feb).Regional Maintenance Mileage (Feb).
6316-0003 Training	1,763	1,948	1,592	\$-185	-10.5%	Annual Training, Angela's Managers Meeting, Summer Picnic, Year End Event. Tax Credit Training.
6316-0004 Training - New Employee Orientation	516	0	516	\$516	100.0%	New hire training and welcome gift..
6340-0000 Legal Expense	4,800	2,400	2,354	\$2,400	50.0%	5 potential evictions- Based on 2023 YTD actuals..
6350-0000 Auditing	15,203	14,080	14,077	\$1,123	7.4%	Budgeted in 2/22 based on a 5% increase on payments made in 2021.The audit fee is based on prior year actual plus 8%. If a 3 year contract was signed and the contract is current, then, the fee is based on the contract..
6355-0001 Administrative Fees	2,916	2,700	2,700	\$216	7.4%	Budget 5 star fees in 12/22 based on AHDC fees schedule provided. This fee is based on prior year actual plus 8%..
6360-0000 Telephone	11,520	14,208	12,263	\$-2,688	-23.3%	(2) staff phone reimbursement @ \$50 each per month, office phone line, fax line, cable/Internet, core communication for repairs, based on actuals 2023..
6380-0000 Advertising - Employees	0	0	450	\$0	0.0%	
6385-0000 Dues and Memberships	963	1,738	1,022	\$-775	-80.5%	North Valley Property Owners Association Annual Fee, AHMA Renewal Fee, Cal RHA..
6390-0000 Miscellaneous	0	211	269	\$-211	0.0%	

WinnResidential LLC
2024 Budget
Site Name - Harvest Park - 1649

No. Units: 90

Account Description	2024 Budget	2023 Budget	2023 Forecast	\$ Variance - Current Fiscal Year Budget vs Prior Fiscal Year Budget	% Variance - Current Fiscal Year Budget vs Prior Fiscal Year Budget	Comment
6392-0000 Bank Charges	2,280	2,640	2,425	\$-360	-15.8%	The monthly Account Analysis Fee will be based on the average of January-July 2023 CBT Analysis Fee and the average of the bank fees.
6392-0001 RP Transaction Fees	948	1,016	930	\$-68	-7.2%	Based on 2023 YTD actuals..
6392-0002 Paymode Rebate	-267	-267	-354	\$0	0.0%	
6392-0003 Petty Cash Card Rebate	0	0	-17	\$0	0.0%	
Total ADMINISTRATIVE EXPENSES	59,391	53,148	51,252	\$6,243	10.5%	
Total EXPENSES	562,283	508,440	523,094	\$53,843	9.6%	
NET OPERATING INCOME	498,809	553,148	492,384	\$-54,339	-10.9%	
REPLACEMENT RESERVE/OTHER ESCROWS						
1316-0000 Escrow - Replacement Reserve	27,996	27,996	27,993	\$0	0.0%	Budget this according to the most recent Replace Reserve amount due. Check for a historical increase and follow suit. Based off the mortgage.
1317-0000 Res for Replacement Withdrawals	-45,927	0	0	\$-45,927	100.0%	
Total REPLACEMENT RESERVE/OTHER ESCROWS	-17,931	27,996	27,993	\$-45,927	256.1%	
DEBT SERVICE						
2320-0000 Mortgage Payable 1st Mortgage	69,996	69,163	69,165	\$833	1.2%	Based on Amortization Schedule. Make sure schedule ties to GL for 2022. January - December figures are taken directly from the amortization schedule..
6820-0000 Interest on Mortgage	125,736	127,804	127,804	\$-2,068	-1.6%	Based on Amortization Schedule. January - December figures are taken directly from the amortization schedule..
6824-0000 Interest on Mortgage - 4th	15,564	17,388	16,325	\$-1,824	-11.7%	Budget based on Monthly Recurring. January - December figures are taken directly from the amortization schedule..
6828-0000 Service Fee	68,916	69,903	69,794	\$-987	-1.4%	Budget based on Aug Mortgage statement. January - December figures are taken directly from the amortization schedule..
Total DEBT SERVICE	280,212	284,258	283,088	\$-4,046	-1.4%	
MISCELLANEOUS						
6890-0000 Miscellaneous Financial Exp	7,504	5,004	9,752	\$2,500	33.3%	This is typically the semi annual issuer fee. Budget this based off the last 2 payments in the months they were paid. Semi- Annual Issuer Fee.
6892-0000 Trustee Fees	7,608	3,396	3,398	\$4,212	55.4%	Annual Trustee Fee. This fee is based on prior year actual plus 8%..
Total MISCELLANEOUS	15,112	8,400	13,150	\$6,712	44.4%	
CAPITAL EXPENDITURES						
1415-0002 Landscape and Land Improvements	12,000	26,000	13,875	\$-14,000	-116.7%	Tree Trimming (Apr).
1431-0002 Building Improvements	-0	6,780	8,657	\$-6,780	2,825,100.0%	
1440-0001 Carpet/Flooring R/R	38,400	0	0	\$38,400	100.0%	as needed based on 3 year average
1440-0002 Carpet/Flooring	0	14,000	28,013	\$-14,000	0.0%	
1440-0006 Appliances	0	0	577	\$0	0.0%	
1461-0002 Furniture & Fixtures	0	14,630	0	\$-14,630	-3,657,400.0%	
1486-0000 Appliances	0	12,000	6,465	\$-12,000	0.0%	
1486-0001 Appliances - R/R	7,527	0	0	\$7,527	100.0%	as needed based on 3 year average
6565-0000 Repairs- REAC/Extraordinary	3,300	0	0	\$3,300	100.0%	SB-721 Inspection Fee. - balcony/ patio
Total CAPITAL EXPENDITURES	61,227	73,410	57,587	\$-12,183	-19.9%	
MORTGAGOR EXPENSES						
7115-0000 Non Profit Fee	21,600	20,000	20,000	\$1,600	7.4%	MGP Fee based on AHDC's schedule. This fee is based on prior year actual plus 8%..
7135-0000 Asset Management Fees	13,680	12,667	12,667	\$1,013	7.4%	AGP Fee based on AHDC's schedule. This fee is based on prior year actual plus 8%..
7153-0000 Administration Fee Expense	10,885	10,079	10,079	\$806	7.4%	SLP Fee based on AHDC's Schedule. This fee is based on prior year actual plus 8%..
Total MORTGAGOR EXPENSES	46,165	42,746	42,746	\$3,419	7.4%	
PROFIT/LOSS	114,024	116,338	67,820	\$-2,314	-2.0%	

BUTTE COUNTY AFFORDABLE HOUSING DEVELOPMENT CORPORATION

RESOLUTION NO. 23-13C

MEMORANDUM OF AGREEMENT WITH PACIFIC WEST COMMUNITIES FOR DEVELOPMENT AND OPERATION OF ORCHARD VIEW APARTMENTS PHASE II, GRIDLEY

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, the Pacific West Communities (PWC) has approached the Butte County Affordable Housing Development Corporation (BCAHDC) to participate in development of a 36-unit affordable low-income housing development serving families in Gridley, CA, such development known as Orchard View Apartments Phase II, to be located southwest of the intersection of Highway 99 and Archer Avenue, Gridley (Project); and

WHEREAS, such development is proposed to be accomplished by means of corporate partnership, such partnership structured and suitable for access to affordable housing subsidy sources, such as, but not limited to, the federal IRS Low Income Housing Tax Credit program as administered by the State of California Tax Credit Allocation Committee; and

WHEREAS, BCAHDC, seeks to act as Managing General Partner in the Limited Partnership (Partnership) that will own and operate the Project, in materially participating in the development and operation of the Property, and ensuring its ongoing affordability to the community; and

WHEREAS, a Memorandum of Agreement (MOA) 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 has been determined 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 PWC;

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 Agreement (MOA) between BCAHDC and Pacific West Communities (PWC) for purposes of participation in the 36-unit affordable housing development project known as Orchard View Apartments Phase II, to be located southwest of the intersection of Highway 99 and Archer Avenue, Gridley, such participation to be in accordance with the MOA, attached to and made a part of this Resolution Number 23-13C,

Dated: October 19, 2023.

Edward S. Mayer President

ATTEST:

Marysol Perez, Secretary

MEMORANDUM OF AGREEMENT

THIS AGREEMENT is entered into this 19th day of October, 2023 by and between ***Pacific West Communities, Inc.***, an Idaho corporation (hereafter “PWC”), and ***Butte County Affordable Housing Development Corporation***, a California nonprofit public benefit corporation (hereafter “BCAHDC”).

RECITALS

WHEREAS, PWC and its affiliates have the experience and expertise necessary to prepare Tax Credit applications, prepare architectural designs and plans, obtain construction and permanent financing, construct the Project, and syndicate tax credits; and

WHEREAS, PWC, or related party, has secured site control of an approximately 2.83 acre property located on Highway 99, Gridley, CA, and desires to develop 36 units of affordable family housing on the site (“Project”) as described in the attached Exhibit A; and

WHEREAS, BCAHDC provide affordable housing opportunity to households in Butte County, including the City of Gridley; and

WHEREAS, PWC has approached BCAHDC to seek BCAHDC’s participation as non-profit Managing General Partner in the LIHTC Partnership that would develop, own and operate such affordable family housing developments in Gridley; and

WHEREAS, BCAHDC have determined it in the best interest of BCAHDC, their clients, and the community they serve to work with PWC in seeking to create affordable housing opportunity through construction of new residential units meeting the needs of low-income families in Gridley;

IT IS, THEREFORE, AGREED AS FOLLOWS:

1. PWC shall seek financing for the Project suitable to BCAHDC. PWC shall also use its best possible efforts to obtain a commitment to purchase tax credits at the best possible terms. PWC shall also perform any and all procedures and pay all expenses necessary to syndicate said tax credits. This agreement is conditional upon securing an allocation of low-income housing tax credits that PWC deems sufficient for financing of the Project.
2. PWC and BCAHDC shall work jointly to prepare and submit any financing applications required for the development of the Project. BCAHDC shall be given an opportunity to review any tax credit or other financing applications submitted for the Project. PWC shall advance any and all predevelopment funds required for the applications and will also pay any other costs incurred prior to the start of construction.
3. Providing financing sufficient for development of the Project is awarded, PWC and BCAHDC shall work jointly together to obtain all federal, state and local approvals necessary to develop the Project, and shall further execute any and all documents and/or agreements, subject to appropriate review, as may be necessary to move the Project forward.

4. PWC shall work with DG Group Architecture, LLC dba Pacific West Architecture to provide all the necessary design work and building plans subject to mutual approval by PWC and BCAHDC. PWC's affiliate, Pacific West Builders, Inc., being a licensed general contractor in the State of California, shall construct the Project.
5. At the initial closing of the construction loan, PWC, and BCAHDC shall be reimbursed from funding proceeds all project development expenses previously paid relating to the Project. BCAHDC shall also be entitled to a fee of \$10,000 that will represent payment for overhead expenses incurred. PWC shall be paid a fee equal to 90% of the developer fee for the Project, and BCAHDC shall be paid a fee equal to 10% of the developer fee for the Project. If total financing sources are not sufficient to pay all or a portion of the developer fee earned, proceeds from cash flow shall be used until the entire fee is paid in full. Payments of any developer fees shall follow closing of the permanent loan and final tax credit syndication payments from the investor, unless sufficient financing proceeds are available at an earlier date at which time a partial payment may be made. All cost overruns shall be borne by PWC, after full deferral of the developer fee. BCAHDC shall be entitled to reimbursement of up to \$25,000 in legal fees at construction loan closing.
6. BCAHDC shall provide a capital funds loan in the amount of 10% of the developer fee ("NP Loan") to facilitate the development of the Project. NP Loan terms will include a simple interest rate not to exceed 3% with a 55 year term and be secured by a promissory note and deed of trust. Payments on the NP Loan will be a participation in 50% of Residual Receipts, pro rata with all other soft financing of the Project. NP Loan shall be made only after BCAHDC has been paid their portion of the developer fee for the Project.
7. Upon completion of construction and passing of all inspections, the limited partnership established by an affiliate of PWC and BCAHDC during the predevelopment period, along with the investor limited partner under an amended and restated partnership agreement, shall thereafter own and operate the Project as an affordable housing project subject to the requirements set forth by the tax credit program and other financing agreements. All cash flow and ownership benefits, including the sale of the property shall be 100% owned by PWC. The Managing General Partner of the Project shall also receive an annual fee of \$3,600 (\$100 per unit) plus 3%/year after stabilization to the extent the Managing General Partner has and continues to take care of the customary Manager General Partner duties.
8. Managing General Partner – BCAHDC will serve as a Managing General Partner to the Limited Partnership, to be formed, that will own and operate the Project. Upon admittance, BCAHDC shall have all rights and obligations of a Managing General Partner under California law. Notwithstanding, the assignment, delegation or reservation of any duty or obligation under the Partnership or the Property Management Agreement, BCAHDC shall at all times be considered to be continuously and substantially involved in the management and operation of the Partnership and the Project. BCAHDC shall:
 - a) Advise the Partnership concerning particular requirements of low-income housing rules and regulations and monitor compliance with all government regulations and file or supervise the filing of all required documents with government agencies.

- b) Facilitate development and operation of the Project by appearance or correspondence with lenders and government bodies.
 - c) In conjunction with the Administrative General Partner execute and deliver all partnership documents on behalf of the Partnership.
 - d) Participate in hiring and overseeing the work of all persons necessary to provide services for the management and operation of the Partnership business.
 - e) Ensure Supportive Services are coordinated and delivered by BCAHDC or others as “delegated” to pursuant to BOE Rule 140.1;
 - f) BCAHDC shall use its best efforts to obtain and maintain the “Welfare Tax Exemption” available to qualified low-income projects through California State Revenue & Taxation Code §§ 214(g), et seq. and related State Board of Equalization (BOE) administrative rules and rules of procedure.
 - g) BCAHDC shall also have any and all necessary authority to ensure compliance with BOE’s rulings and policies, as well as federal and state tax statutes and court rulings relating directly to the above mentioned obligations.
9. PWC shall select a third party management company, with the approval of BCAHDC, to manage the project in accordance with commercially reasonable terms and in compliance with IRC Section 42 guidelines. BCAHDC or its affiliates may elect to provide certain management operations such as maintenance and landscaping, also on commercially reasonable terms.
10. In the event that the partnership elects to sell the project, BCAHDC shall have, after 15 years from the project’s placed-in-service date, the right of first refusal to purchase the project at its fair market value. Said right shall not terminate unless BCAHDC elects to do so in writing.

TPC HOLDINGS IX, LLC, an Idaho Limited Liability Company (“AGP”), or another affiliate of PWC, is or will be the Administrative General Partner of the LIHTC Partnership. The LPA together with all documents entered into in connection therewith or the admission of the Limited Partner are referred to herein as the “Equity Documents”.

PWC, BCAHDC and AGP hereby agree that if (I) the Limited Partner exercises any “put” or similar right under the Equity Documents to cause the AGP to purchase the Limited Partner interests in the Partnership, or (II) GP or its successor and assigns exercises any option to purchase the Limited Partner interests in the Partnership under the Equity Documents (a “Partnership Interest Option”), then immediately following the conveyance of the Limited Partner interests in the Partnership to an affiliate of AGP (but on the same day), the Equity Documents will be amended so that BCAHDC will own a 10% interest in the therewith Partnership (including, without limitation, in net cash flow and proceeds from capital transactions).

If the AGP exercises any option to purchase the Project under the Equity Documents (a “Project Option”), then immediately following the acquisition of the Project by the AGP or its assignee (“New Owner”) (but on the same day), BCAHDC will be admitted to new Owner such that BCAHDC will own a 10% interest in the New Owner (including, without limitation, in net cash flow and proceeds from capital transactions).

BCAHDC agrees that it will not exercise any right of first refusal (“Refusal Right”) or option under the Equity Documents without providing not less than five (5) business days advance written notice thereof to the AGP. In the event that AGP exercises any Partnership Interest Option of Project Option following receipt of such notice, then BCAHDC shall not exercise its Refusal Right (or if exercised, then PWC and AGP shall have the remedies herein).

Neither BCAHDC nor AGP shall transfer or assign its rights or options under the Equity Documents except to an affiliate assignee that acknowledges and agrees to the terms of this Section 10 in writing reasonably satisfactory to the non-transferring party. AGP and PWC shall be jointly and severally liable for their obligations under this Section 10. Notices to the AGP hereunder shall be made at the same address as PWC.

BCAHDC shall not be required to contribute capital or otherwise provide funds in connection with the purchase of the limited partnership interest in the LIHTC Partnership with respect to the Partnership Interest Options or the Purchase Option under the Equity Documents.

BCAHDC, PWC and AGP shall each have all remedies available at law and equity, including specific performance, to enforce its rights under this Section 10. In the event of any dispute among any of PWC, AGP and BCAHDC, the prevailing party/ies shall be entitled to reimbursement of reasonable attorney’s fees from the non-prevailing party/ies.

11. PWC, or BCAHDC may terminate this Agreement without liability upon written notice to the other party if either party determines, in its sole discretion, that (i) the Project or the partnership is infeasible or is not in such party’s best interests or (ii) that sufficient financing to develop the Project will not be awarded by December 31, 2023. In the event the Project becomes infeasible and does not close, all predevelopment costs of the Project incurred by PWC shall be the responsibility of PWC, except those costs described above incurred by BCAHDC prior to admittance of BCAHDC to the Partnership.
12. BCAHDC shall not be responsible for project “guaranties” or indemnities” to the tax credit investor, lenders and any other financial participant to the Project financing. PWC shall also indemnify BCAHDC for its role and participating in the Partnership. PWC, for itself, its subsidiaries, and affiliates agrees that BCAHDC’s liability for failure to perform any duty or obligation under this MOA, the Partnership or any financing or security agreement entered into by the Partnership shall be limited to BCAHDC’s interest in the Partnership.
13. The Parties realize that although it is the sincere desire of each of them for the proposed Project to come completely to fruition, that there is always a degree of risk in pre-development activities and that the Parties each acknowledge that there may be certain circumstances, the occurrence of which may result in the decision that the best course of action is to terminate this Memorandum of Agreement. Such circumstances might include the inability of the project to secure sufficient funds, LIHTC’s, or bond cap authority; the inability of the project despite the best efforts of the Parties to obtain other necessary portions of the project’s financing package (such as loans, or other city funding) or other causes which are not within the control of the parties to this agreement.

14. In the event such a termination is necessary for any reason by either Party, PWC and BCAHDC hereto agree that each of them shall indemnify and hold harmless each of the other parties from any and all claims, causes of action or alleged injuries other than those caused by the gross negligence of one of the parties.
15. The Parties agree and understand that in all other respects each of them shall move forward and negotiate in good faith all issues necessary to plan the structure and financing of the above-mentioned affordable permanent supportive housing apartment complex.
16. Formal notices, demands, and communications among the Parties shall not be deemed given unless dispatched by certified mail, return receipt requested, by facsimile delivery with correct answerback received, by electronic mail or by reputable delivery service with a delivery receipt, to the Parties' principal offices as follows:

BCAHDC: Butte County Affordable Housing Development Corporation
2039 Forest Avenue
Chico, CA 95928
Attention: Edward S. Mayer, President
Telephone: 530-895-4474 x 215
Fax: (530) 895-4459
Email: edm@butte-housing.com

PWC: Pacific West Communities, Inc.
430 East State St., Suite 100
Eagle, ID 83616
Attention: Caleb Roope
Telephone: 208-461-0022
Fax: 208-461-3267
Email: calebr@tpchousing.com

IN WITNESS WHEREOF, the parties hereto executed this Agreement as of the date first written above.

Pacific West Communities, Inc.

By: Caleb Roope, President

Butte County Affordable Housing Development Corporation

By: Edward S. Mayer, President

Exhibit A

Project Description

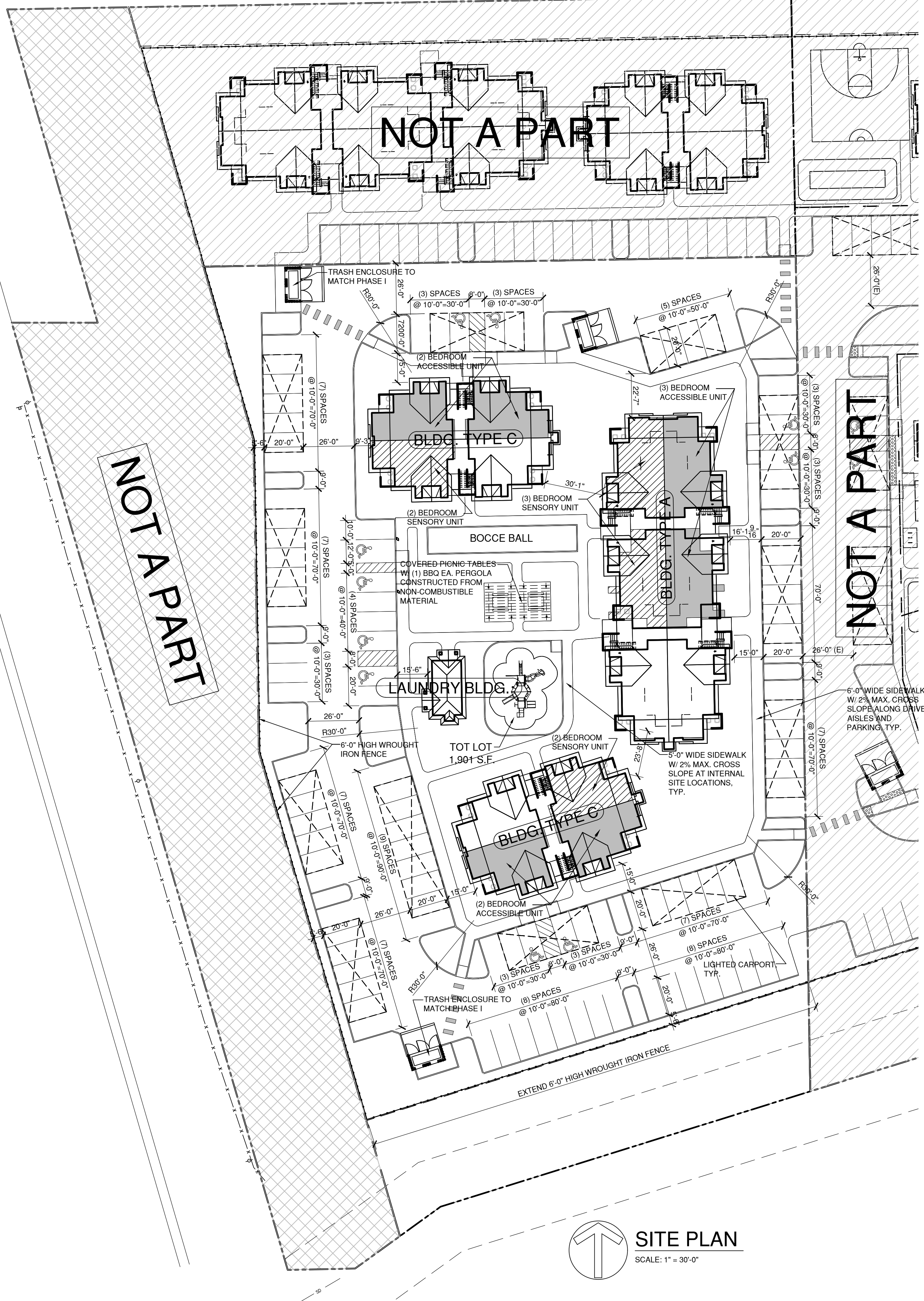
Gridley Orchard View Apartments – Phase II

The proposed Project, phase 2 of the Orchard View Apartments, is a 36-unit new family construction Project located on a 2.83+/- acres of land identified as a portion of APN 021-110-033 (parcel map in process). With a mix of 24 two-bedroom units (772 gross sq. ft.) and 12 three-bedroom units (1,005 gross sq. ft.) the proposed Project will target families earning up to 60% of the area median income for Butte County. The Project will provide 107 parking stalls, 58 of which will be covered. It will also include 36 bicycle spaces.

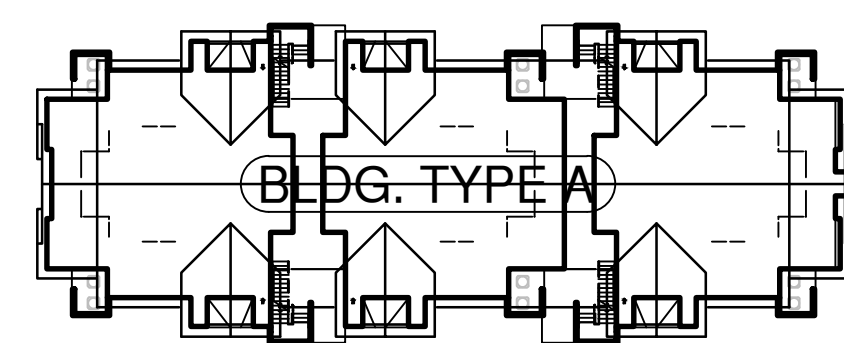
The Project will accommodate 2 different types of two- story residential buildings, totaling 3 residential structures. The type of construction will be wood frame supported by perimeter foundations with concrete slab flooring. This type of construction will allow the building to conform to the natural terrain with only minor amounts of grading. The exterior will be stucco with tile roof shingles. Architectural accents will be incorporated, providing an aesthetically appealing exterior that blends with the character of the surrounding neighborhood and the community of Gridley. The development will meet Title 24 energy efficiency standards. Minimum construction standards will be adhered to in order to assure that a quality family housing development is provided.

The buildings will be oriented appropriately throughout the site with the intent to create a community concept for the families to enjoy while remaining social and active. Tenants will enjoy access to a centrally located playground, half basketball court, and dog park furnished in phase 1, as well as a tot lot and bocce ball court provided in phase 2. In addition, residents and their guests will have access to a picnic area featuring tables, seating areas and barbeques, all covered by a pergola made from non-combustible material. Further, tenants will have access to a community building (approximately 2,734 sq. ft.) offered in phase 1, which will include an office space, computer room, laundry facility, exercise room and a community room with a common kitchen. An on-site resident manager will provide assistance and management while residing in a three-bedroom manager's unit. There will be 2 trash enclosures distributed throughout this phase of the development, as well as a 516 square foot laundry facility.

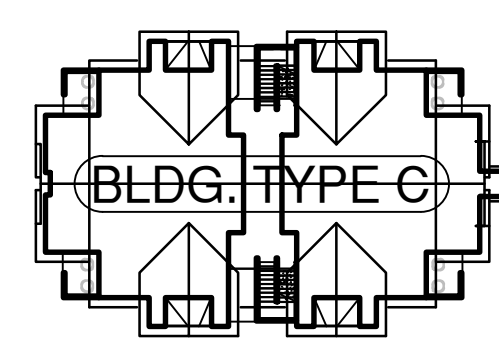
Within the units, tenants will enjoy standard features such as refrigerators, exhaust fans, dishwashers, disposals and ranges with ovens. All units feature an outdoor patio or balcony and storage space. The design of these apartments will adhere to all necessary requirements to satisfy Section 504 as well as any additional mandates that the local jurisdiction deems appropriate.



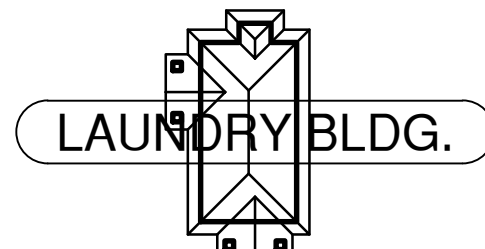
SITE PLAN
SCALE: 1" = 30'-0"



BUILDING A
(1) BLDG.
(12) 3 BEDROOM UNIT PER BLDG.
FOOTPRINT - 8,595 S.F.
MAXIMUM HEIGHT - 30'-1 1/2" (2) STORY
OCCUPANCY R-2
FULLY SPRINKLERED PER NFPA 13-R
CONSTRUCTION TYPE: VB



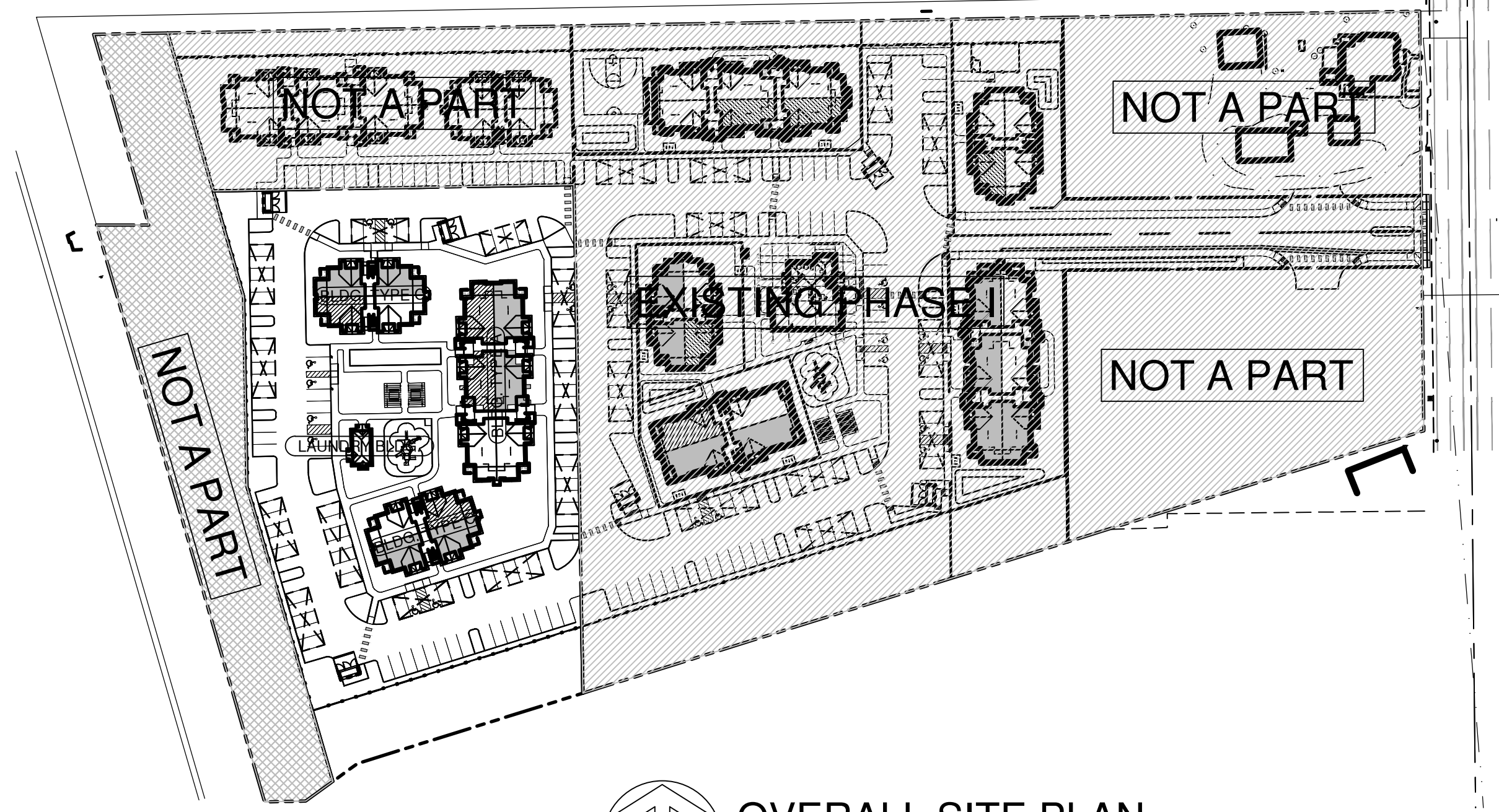
BUILDING B
(2) BLDG. TOTAL
(12) 2 BEDROOM UNITS PER BLDG.
FOOTPRINT - 4,693
MAXIMUM HEIGHT - 40'-1 1/2" (3) STORY
OCCUPANCY R-2
FULLY SPRINKLERED PER NFPA 13
CONSTRUCTION TYPE: VA



LAUNDRY BLDG.
FOOTPRINT - 516 S.F.
MAXIMUM HEIGHT - 13'-3 1/2" (1) STORY
OCCUPANCY A-3
FULLY SPRINKLERED PER NFPA 13
CONSTRUCTION TYPE: VA



VICINITY MAP
N.T.S.



OVERALL SITE PLAN
SCALE: 1" = 100'-0"

APPLICANT
ORCHARD VIEW FAMILY ASSOCIATES II, CA LP
430 E. STATE ST. STE. #100
EAGLE, ID 83616
(208) 461-0022

PLAN PREPARED BY:
DOUGLAS GIBSON - G29792
430 E. STATE ST. STE. #100
EAGLE, ID 83616
(208) 461-0022 EXT.3021

ACCESSIBILITY	# OF UNITS	PERCENTAGE
ADAPTABLE UNITS (ALL GROUND FLOOR REQ.)	4	11.11%
ACCESSIBLE UNITS (15% TOTAL REQ.)	6	16.67%
SENSORY IMPAIRED UNITS (10% TOTAL REQ.)	4	11.11%

UNIT MIX SUMMARY	CONDITIONED SQ. FOOTAGES
(24) 2-BEDROOM UNITS	(24) X 772 S.F. = 18,528 S.F.
(12) 3-BEDROOM UNITS	(12) X 1,005 S.F. = 12,060 S.F.
(36) UNITS TOTAL	18,528 S.F. + 12,060 S.F. = 30,588 S.F.
LAUNDRY BLDG.	516 S.F.
TOTAL	31,104 S.F.

BICYCLE PARKING SUMMARY

BICYCLE SPACES
6 SPACES PER RACK * 6 LOCATIONS = 36 BICYCLE SPACES PROVIDED

PARKING SUMMARY

REQUIRED - 1.5 SPACES PER UNIT + 10% = 60 SPACES
PROVIDED - 58 COVERED SPACES (INCLUDING 6 ADA) + 45 STANDARD SPACES + 2 ADA SPACES + 1 VAN ACCESSIBLE E.V. SPACE + 1 STANDARD ACCESSIBLE E.V. SPACE = 107 SPACES
TOTAL PARKING SPACES PROVIDED = 107 SPACES

SITE COVERAGE

	SQ. FEET	PERCENTAGE
BUILDING FOOTPRINT	29,486 S.F.	23.89%
ON-SITE A.C. PAVING	25,974.62 S.F.	21.04%
SITE AMENITIES	3,659 S.F.	2.96%
CONC. WALKS	8,869 S.F.	7.81%
LANDSCAPE OPEN SPACE	55,450.57 S.F.	44.92%
TOTAL AREA	123,439.19 S.F.	100.00%

SITE AREA:

123,439.19 S.F. ± (2.83 AC ±)

UNITS PER ACRE:

36 UNITS / 2.83 AC ± = 12.72 UNITS PER ACRE

REVISIONS

COPYRIGHT DATE
7/20/22

DRAWN BY
DE

PROJECT #
AMG22-13

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Pacific West Architecture
430 E. STATE STREET, SUITE 100
EAGLE, IDAHO 83616
TEL (208) 461-5267
FAX (208) 461-5267

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PROJECT
ORCHARD VIEW APARTMENTS II

GOLDEN STATE HIGHWAY
GRIDLEY, CA

-A1.1

SCHMATIC SET / NOT FOR CONSTRUCTION