

# YOLO COUNTY HOUSING

## AGENDA

### REGULAR MEETING

April 19, 2017

4:00 p.m.



**YOLO COUNTY HOUSING**  
HOUSING COMMISSION

WILL ARNOLD  
ANGEL BARAJAS  
MARK JOHANNESSEN  
PIERRE NEU  
HELEN MACLEOD THOMSON  
KAREN VANDERFORD  
JENNIFER WIENECKE-FRIEDMAN

**BOARD OF SUPERVISORS CHAMBERS**  
625 COURT STREET, ROOM 206  
WOODLAND, CALIFORNIA 95695

LISA A. BAKER  
CHIEF EXECUTIVE OFFICER

HOPE WELTON  
AGENCY COUNSEL

## Reminder: Please turn off cell phones.

### CALL TO ORDER

1. Pledge of Allegiance.
2. Consider approval of the agenda.
3. Public Comment: Opportunity for members of the public to address the Housing Authority on subjects not otherwise on the agenda relating to Housing Authority business. The Board reserves the right to impose a reasonable limit on time afforded to any topic or to any individual speaker.

### PRESENTATIONS

4. Presentation from Siemens regarding Energy Performance Contract, MASH Solar and Non-HUD Energy Project

### CONSENT AGENDA

5. Approval of Minutes from the meeting of March 8, 2017
6. Review and Approve Destruction of YCH Records in Accordance with Revised Records Retention Policy and Schedules (Holt and Gillette)
7. Authorize YCH to Write Off Uncollectible Balances in the Amount of \$6,805.00 for the period ending March 31, 2017 (Gillette and Dogias)
8. Review and Approve Agreement with City of Davis for Interim Bridge Rental Assistance and Services Related to Davis Pathways Project (Baker)
9. Review and Approve Agent Resolution to Submit Storm Damage Claims (Gillette and Baker)

### REGULAR AGENDA

10. Public Hearing Adopting Resolution Approving the Proposed FY 2017 Annual Plan Update and Authorize Submission to the Department of Housing and Urban Development (Holt and Baker)
11. Public Hearing Regarding the FY 2017 Capital Fund Annual Statement and Five-Year Plan, Review, Approve and Authorize the CEO to Execute with the U.S. Department of Housing and Urban Development (HUD) (Ichtertz and Holt)

12. Review and Approve Revised Annual Meeting Calendar for 2017 (Baker)
13. Review and Approve Resolution Authorizing Ground Lease and Approve Ground Lease for the Property located at 180 W. Beamer to Mercy New Hope L.P. for purposes of Constructing Approximately 80 New Units of Affordable Housing and Authorizing the CEO to Execute (Baker)
14. Receive comments from CEO Baker
15. Receive comments from Commissioners

**ADJOURNMENT**

Next meeting is TBD.

I declare under penalty of perjury that the foregoing agenda was posted by April 14, 2017 by 5:00 p.m. at the following places:

- On the bulletin board at the east entrance of the Erwin W. Meier Administration Building, 625 Court Street, Woodland, California; and
- On the bulletin board outside the Board of Supervisors Chambers, Room 206 in the Erwin W. Meier Administration Building, 625 Court Street, Woodland, California; and
- On the bulletin board of Yolo County Housing, 147 West Main Street, Woodland, California.
- On the Yolo County website: [www.yolocounty.org](http://www.yolocounty.org).

Julie Dachtler, Clerk of the Board

By: \_\_\_\_\_  
Clerk

**NOTICE**

If requested, this agenda can be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 and the Federal Rules and Regulations adopted in implementation thereof. Persons seeking an alternative format should contact the Clerk of the Board for further information. In addition, a person with a disability who requires a modification or accommodation, including auxiliary aids or services, in order to participate in a public meeting should telephone or otherwise contact the Clerk of the Board as soon as possible and at least 72 hours prior to the meeting. The Clerk of the Board may be reached at (530) 666-8195 or at the following address:

Yolo County Housing  
c/o Clerk of the Board of Supervisors  
County of Yolo  
625 Court Street, Room 204, Woodland, CA 95695



**Yolo County Housing**  
**Meeting Date: 04/19/2017**

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**5.**

**Information**

**SUBJECT**

Approval of Minutes from the meeting of March 8, 2017

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**Attachments**

Att. A. Minutes

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**Form Review**

Form Started By: Julie Dachtler  
Final Approval Date: 04/14/2017

Started On: 04/14/2017 09:16 AM

# Yolo County Housing Yolo County, California

March 8, 2017

## MINUTES

The Yolo County Housing met on the 8th day of March, 2017, in regular session in its Chambers in the Erwin W. Meier Administration Building, 625 Court Street, Woodland, California at 4:00 p.m.

Present: Will Arnold; Mark Johannessen; Pierre Neu; Karen Vanderford; Jennifer Wienecke-Friedman

Absent: Angel Barajas; Helen Thomson

Staff Present: Lisa Baker, CEO  
Hope Welton, Agency Counsel  
Julie Dachtler, Clerk

### ANNOUNCEMENT

Oath of Office: Jennifer Wienecke-Friedman

The Clerk swore in Jennifer Wienecke-Friedman.

### CALL TO ORDER

1. Pledge of Allegiance.
2. Consider approval of the agenda.

Minute Order No. 17-11: Approved agenda as submitted.

MOTION: Arnold. SECOND: Neu. AYES: Arnold, Johannessen, Neu, Vanderford, Wienecke-Friedman. ABSENT: Barajas, Thomson.

3. Public Comment: Opportunity for members of the public to address the Housing Authority on subjects not otherwise on the agenda relating to Housing Authority business. The Board reserves the right to impose a reasonable limit on time afforded to any topic or to any individual speaker.

There was no public comment.

## PRESENTATIONS

4. Presentation of Public Housing Management Certification to Tom Dogias

CEO Lisa Baker presented the Public Housing Management Certification to Tom Dogias.

5. Presentation of New Employee, Mary Ackman, Management Analyst

Senior Management Analyst Colleen Brock presented new employee, Mary Ackman, Management Analyst.

6. Presentation of HUD Award for National High Performer in Low Rent Public Housing

CEO Lisa Baker presented the HUD Award for National High Performer in Low Rent Public Housing.

7. Presentation of HUD Award for National High Performer in Housing Choice Voucher Operations

CEO Lisa Baker presented the HUD Award for National High Performer in Housing Choice Voucher Operations.

## CONSENT AGENDA

Minute Order No. 17-12: Approved Consent Agenda Item Nos. 8 and 9.

MOTION: Wienecke-Friedman. SECOND: Arnold. AYES: Arnold, Johannessen, Neu, Vanderford, Wienecke-Friedman. ABSENT: Barajas, Thomson.

8. Approval of Minutes from the meeting of February 15, 2017

Approved minutes from the meeting of February 15, 2017 on Consent.

9. Review and Approve Updates to the YCH Procurement Policy and Procurement Policy Summary (Holt)

Approved recommended action on Consent.

## REGULAR AGENDA

10. Review and Approve the Proposed FY 2016 - 2017 Mid-Year Budget Revisions and Financial Information through December 31, 2016 (Gillette, Holt, Dogias, Jimenez-Perez, Castillo, Ichtertz, Baker)

Minute Order No. 17-13: Approved recommended action.

MOTION: Arnold. SECOND: Wienecke-Friedman. AYES: Arnold, Johannessen, Neu, Vanderford, Wienecke-Friedman. ABSENT: Barajas, Thomson.

11. Review and Approve Agreement with the County of Yolo for Single Family Residential Property Purchase for "Step Down" program for Supportive Housing to Medi-Cal Eligible Justice Involved Population of Yolo County through the Intergovernmental Transfer program in a total amount of \$300,000 (Baker)

Minute Order No. 17-14: Approved recommended action by **Agreement No. 17-01**.

MOTION: Vanderford. SECOND: Neu. AYES: Arnold, Johannessen, Neu, Vanderford, Wienecke-Friedman. ABSENT: Barajas, Thomson.

12. Review and Approve a Change in April Commission meeting from April 12 to April 19 to Accommodate Proposed Energy Project Proposal (Baker)

Minute Order No. 17-15: Approved moving the next meeting from April 12, 2017 to April 19, 2017 at 4:00 p.m.

MOTION: Arnold. SECOND: Neu. AYES: Arnold, Johannessen, Neu, Vanderford, Wienecke-Friedman. ABSENT: Barajas, Thomson.

13. Consider substitute appointment for Ad Hoc Fundraising Subcommittee member Stallard

Minute Order No. 17-16: Approved delegating CEO Lisa Baker the responsibility of reaching out to Commissioner Barajas and the City of Woodland about who to appoint from the City to serve on the Ad Hoc Fundraising Subcommittee.

MOTION: Arnold. SECOND: Wienecke-Friedman. AYES: Arnold, Johannessen, Neu, Vanderford, Wienecke-Friedman. ABSENT: Barajas, Thomson.

14. Receive comments from CEO.

Fred Ichtertz provided a public facilities update to the Commissioners, noting there are seven projects in design phase. CEO Lisa Baker commented that this week Madison Water District will be doing another water increase of \$3 a unit at the Madison Migrant Center. She also spoke about the contract they entered into with Legal Wise, an energy portfolio third party manager to assist with their energy performance contract. All AT&T mobile phones used in the field are to be replaced with Team Mobile Government Solution phones, which is a more advantageous program for them. As a solution to the rising costs of maintaining their fleet, which has been serviced by the County of Yolo, they have switched to Enterprise Government Fleet Services, which will assist in selling all of their current vehicles and use the money to lease vehicles, and to maintain vehicles. The advantage of this program is that YCH will always have newer fleet vehicles under a lease agreement. It is a cost saving measure in the long run as they have piggy backed onto the Sacramento Housing program. Lisa also relayed they will be upgrading their internal AV and EOC operations at the admin building in the Woodland office. Tele-Pacific switches are now located in Pacifico, El Rio Villas in Winters and Woodland and hopefully soon in West Sacramento. Goal is to better track recent criminal activity at the housing units. Regarding the Homeless Commission, an update on the final structure will be brought to the commissioners in April or May. As to International Women's Day on March 8, 2017, there is a video available at Facebook.com/housing authority.

15. Receive comments from Commissioners.

There were no comments from the Commissioners.

**ADJOURNMENT**

Adjourned in memory of Crystal Apodaca.

Next meeting is Wednesday, April 19, 2017 at 4:00 p.m.

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Mark Johannessen, Chair  
Yolo County Housing

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Julie Dachtler, Clerk  
Yolo County Housing

**Information**

**SUBJECT**

Review and Approve Destruction of YCH Records in Accordance with Revised Records Retention Policy and Schedules (Holt and Gillette)

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**Attachments**

Staff Report

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**Form Review**

Form Started By: Julie Dachtler  
Final Approval Date: 04/14/2017

Started On: 04/14/2017 04:12 PM



## **Yolo County Housing**

147 W. Main Street  
WOODLAND, CA 95695

Woodland: (530) 662-5428  
Sacramento: (916) 444-8982  
TTY: (800) 545-1833, ext. 626

DATE: April 19, 2017  
TO: YCH Housing Commission  
FROM: Lisa A. Baker, CEO  
PREPARED BY: Janis Holt, General Director

**SUBJECT: Review and Approve Destruction of YCH Records in Accordance with Revised Records Retention Policy and Schedules.**

### **RECOMMENDED ACTION:**

That the Board of Commissioners authorizes staff to destroy housing, finance, contractual and personnel records in accordance with the Agency's revised records retention policy and schedules.

### **BACKGROUND / DISCUSSION**

In accordance with the Records Retention policy, the General Director, Finance Director, and Housing Program Supervisors have reviewed documents stored on-site. These records were not previously listed for approval by the Commission on December 17, 2015.

- Housing Assistance (HCV) and Real Estate Services (LRPH and Migrant) files of active participant file contents that are greater than three years after the annual re-exam (unit inspection reports; rent reasonableness determination (during term of HAP contract); income verification documentation; HCV terminations 7 years or older; (EIV) and other records specified by HUD in 24 CFR 908.101 and 982.158(e). Destroy after three (3) years.
- Personnel files of former employees; Destroy after seven (7) years any records dated April 2010 or older.
- Past applications for employment; Destroy after three (3) years any records dated April 2014 or older.
- Financial records; Pre-7/2009 AP records; Pre-7/2009 Bank Statements; Pre-7/2009 Monthly Financial Reports and Supporting Documents; Pre-7/2010

*Working together to provide quality affordable housing and community development services for all*

AP records; Pre-7/2010 Bank Statements; Pre-7/2010 Monthly Financial Reports and Supporting Documents; YCH policy allows destruction of records seven (7) years after close of fiscal year.

**FISCAL IMPACT**

Approximate cost for destruction of records will be \$150.

**CONCLUSION**

Staff recommends that the Housing Commission approve the destruction of these records in accordance with the approved policy.

**Information**

**SUBJECT**

Authorize YCH to Write Off Uncollectible Balances in the Amount of \$6,805.00 for the period ending March 31, 2017 (Gillette and Dogias)

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**Attachments**

Staff Report

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**Form Review**

Form Started By: Julie Dachtler  
Final Approval Date: 04/14/2017

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## **Yolo County Housing**

*Lisa A. Baker, Chief Executive Officer*

147 W. Main Street      Woodland: (530) 662-5428  
WOODLAND, CA 95695      Sacramento: (916) 444-8982  
TTY: (800) 545-1833, ext. 626

**DATE:**                      April 19, 2017

**TO:**                              YCH Housing Commission

**FROM:**                      Lisa A. Baker, Chief Executive Officer

**PREPARED BY:**      Tom Dogias, Real Estate Services

**SUBJECT: Authorize YCH to Write Off Uncollectible Balances in the Amount of \$6,805.00 for the period ending March 31, 2017.**

### **RECOMMENDED ACTIONS:**

That the Housing Commissioners:

Authorize staff to write off bad debts of the Yolo County Housing Low Income Public Housing Program of \$6,805.00 for the period ending March 31, 2017. The overall total write off for fiscal year will be \$6,805.00.

### **BACKGROUND/DISCUSSION**

According to policy, the process of writing off bad debts takes place regularly. At this time, staff requests that the Commission authorize the write off of debts that have not been collected over the last year.

The bad debts primarily consist of tenants who have moved out with a balance of rent due, leaving unclean or damaged apartments and without rendering payment on their final closing bills. Real Estate Services staff has provided a list of tenant balances that they request to be written off. Staff's efforts to locate the tenants and collect payment on these accounts have been exhausted.

The total write off for fiscal year 2016-2017 in the amount of \$6,805.00 for Low Income

Public Housing is lower than the previous year due to less turnover and higher collection of past debt. A stronger emphasis on on-time rent collection and repayment of tenant charges has helped reduce the amount of debt written off.

After approval by the Commission, Real Estate Services submits write off documentation to Finance for entry into the Tenant Accounts Receivable system. These debts are forwarded to our collection agency for a final attempt at restitution. To date the Agency has not received any funds from collection agency restitution.

**FISCAL IMPACT LOW INCOME PUBLIC HOUSING**

For the past twelve (12) months, bad debts requested to be written off for Low Income Public Housing total \$6,805.00. This amount is .29% of total rents charged for the programs during this period.

Low Income Public Housing Write-Offs approved per year have been:

● 2008-2009	\$25,500	1.16%
● 2009-2010	\$19,200	1.23%
● 2010-2011	\$22,300	1.49%
● 2011-2012	\$18,000	1.20%
● 2012-2013	\$ 7,500	0.50%
● 2013-2014	\$16,730	0.93%
● 2014-2015	\$17,635	1.00%
● 2015-2016	\$9,229	0.50%
● 2016-2017	\$6,805	0.29%

**CONCLUSION**

The periodic write off of uncollectible accounts receivable helps the Agency present a true representation of revenues that can be expected to be received and of debts that have a reasonable chance of being successfully collected.

Staff recommends that the Commission approve the requested authorization to write off debt in the amount of \$6,805.00.

**Yolo County Housing**  
**Meeting Date: 04/19/2017**

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**8.**

**Information**

**SUBJECT**

Review and Approve Agreement with City of Davis for Interim Bridge Rental Assistance and Services Related to Davis Pathways Project (Baker)

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**Attachments**

Staff Report

Att. A. Agreement

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**Form Review**

Form Started By: Julie Dachtler  
Final Approval Date: 04/14/2017

Started On: 04/14/2017 04:14 PM



## Yolo County Housing

147 W. Main Street  
WOODLAND, CA 95695

Woodland: (530) 662-5428  
Sacramento: (916) 444-8982  
TTY: (800) 545-1833, ext. 626

**DATE:** April 19, 2017

**TO:** Housing Commission

**FROM:** Lisa A. Baker, Chief Executive Officer

**SUBJECT:** **Review and Approve Agreement with City of Davis for Interim Bridge Rental Assistance and Services Related to Davis Pathways Project**

### **RECOMMENDED ACTIONS:**

That the Housing Commission review and Approve the Agreement with the City of Davis for an interim voucher assistance program with services; and

Authorize the CEO to execute the agreement.

### **BACKGROUND/DISCUSSION**

This past November Sutter Health approved the City of Davis' grant proposal request for \$232,990 to address gaps in its New Pathways program. On December 6, the City Council approved a Memorandum of Understanding with Sutter Health to approve the Sutter grant to fill several gaps in its goal to move individuals who are homeless to permanent supported housing. Earlier this month, Sutter Health officially launched its Getting to Zero initiative to find permanent solutions to homelessness across the tri-county region of Yolo, Sacramento, and Placer Counties.

Over the past months, it became clear that New Pathways initiated in March of last year is missing three needed components to achieve its goal to permanently house and support vulnerable individuals. The enhanced program, now referred to as Davis Pathways, has incorporated these additional components:

1. employment training, Pathways to Employment, to be operated by DCM
2. bridge rental assistance, Getting to Zero Vouchers, to be managed by the Housing Authority
3. support services also to be managed by the Housing Authority

The Housing Authority to manage Getting to Zero Vouchers and support services (\$162,100).

*Working together to provide quality affordable housing and community development services for all*

a. Getting to Zero vouchers will function as rental assistance that bridges the gap from no housing, emergency shelter, or interim housing, to permanent housing. Yolo Housing will apply the same criteria as that for its federally funded housing voucher program. In this way, when Yolo Housing vouchers are available, the housed individual can transfer seamlessly from a Sutter grant funded housing subsidy to a federally funded housing subsidy.

Support Services aimed at maximizing the success of each individual will include wrap-around services such as move-in assistance, a damages fund, and case management services. Social work staff and peer counselors will tailor the case management services to the individual needs of each participant.

Staff requests that the Commission authorize the CEO to execute the attached agreement so that work can officially begin on the grant.

**FISCAL IMPACT**

There is no fiscal impact to existing operations. This funding would allow YCH to provide interim rental assistance for homeless families until a federal voucher became available.

**CONCLUSION:**

Staff recommends that the Commission authorize the agreement and program.

Attachments: Pathways Agreement

**Intergovernmental Agreement for Sutter Funded Pathways Project  
Between the City of Davis and Yolo Housing Authority**

This Agreement is made this \_\_\_\_\_ day of \_\_\_\_\_, 2017 by and between the **CITY OF DAVIS**, a political subdivision of the State of California (“City”) and the **HOUSING AUTHORITY OF THE COUNTY OF YOLO**, a public body corporate and politic (“Yolo Housing”) (collectively with City, the “parties”).

**RECITALS**

**WHEREAS**, the City is receiving funding from Sutter Health following the approval of City grant applications for the Pathways Project (“Project”); and

**WHEREAS**, Yolo Housing administers a variety of public housing programs within Yolo County and it has substantial expertise in local affordable housing programs and other relevant housing and social service related matters; and

**WHEREAS**, the City would like Yolo Housing to provide the services necessary for the management and administration of the City’s Project and provide a range of related services, as set forth more specifically below; and

**NOW, THEREFORE**, in consideration of the foregoing, the parties agree as follows:

**AGREEMENT**

**1. Services to be Provided by Yolo Housing.** During the term of this Agreement, Yolo Housing promises and agrees to furnish to City all labor, services, and incidental and customary work necessary to fully and adequately perform the professional housing and case management services necessary for the Project (“Services”). The Services are more particularly described in Exhibit A. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state, and federal laws, rules, and regulations. In the event of a conflict between a provision in this Agreement and a provision in Exhibit A or in any other exhibit to this Agreement, the provision in this Agreement shall control.

a. **City’s Representative.** The City hereby designates the City Manager to act as its representative for the performance of this Agreement. The City Manager shall have the power to act on behalf of the City for all purposes under this Agreement.

b. **Yolo Housing’s Representative.** Yolo Housing hereby designates hereby designates Lisa A. Baker, to act as its representative for the performance of this Agreement. Yolo Housing’s Representative shall serve as the City’s primary source of contact for carrying out performance under this Agreement and shall have full authority to represent and act on behalf of Yolo Housing for all purposes under this Agreement.

**2. Compensation and Expenses to Be Paid by the City of Davis.** Yolo Housing will bill City for the professional services provided during the term of this Agreement in accordance with Exhibit B, which represent its standard billing rates for staff and do not exceed the actual costs in providing services under this Agreement. Exhibit B may be adjusted by mutual agreement of the parties. The total compensation shall not exceed one hundred sixty two thousand one hundred ten dollars (\$162,110) without written approval of the City Manager. Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement. City will not provide facilities, equipment or other material for this Project or funds for any administrative expenses required and incurred in the implementation of this Agreement.

**3. Staff.** The responsibilities of Yolo Housing is described in Exhibit A for the work covered by this Agreement. Exhibit A may be augmented by the parties from time to time to include other work that Yolo Housing assists with at the City's request, each of which shall constitute an approved Scope of Work. Yolo Housing will provide only those services requested by the City, consistent with Exhibit A and agrees to work closely with City staff in the performance of the Services and shall be available to City staff at all reasonable times. Yolo Housing shall invoice the City for work performed or services rendered by such personnel and the City shall be responsible for paying such costs as provided for in Section 4, below.

**4. Payment for Services.**

A. Lump Sum Payment. If a project or task indicates lump sum payment, then Yolo Housing shall be compensated for work performed or services provided under the Agreement on a lump sum basis for each task as described in an approved Scope of Work, or in any addenda attached and made part of the Agreement, by making periodic or progress payments upon completion of each task or item of work.

Within fifteen (15) calendar days of the receipt of Yolo Housing's invoice (addressed as indicated in subsection B, below) and accompanying deliverable(s) or other satisfactory evidence of performance (such as a written progress report), the City shall either authorize payment for services performed or advise Yolo Housing in writing of any concerns that it has with the invoice and any need for further documentation. The City shall use reasonable efforts to ensure that it processes payment of each invoice with thirty (30) calendar days after payment of an invoice is approved. The parties acknowledge and agree that the invoicing and payment process described in this Section is different from the process that the City will follow in obtaining reimbursement from grant funders.

B. Periodic or Monthly Reimbursement Payment. If a project or task indicates periodic reimbursement based on invoices, then Yolo Housing shall be compensated for work performed or services provided via regular invoice in the following manner.

At the time specified in an approved Scope of Work or, if no time is specified, on a monthly basis, Yolo Housing will submit an invoice to the City for services rendered under the Agreement to the following address:

City of Davis  
Attention: City Manager  
23 Russell Boulevard  
Davis, CA 95616

The invoice submitted pursuant to this Section shall show the Agreement number, if any, hours worked by each person who performed services during the billing period allocated in one-quarter of an hour increments, the hourly rate of pay for each person who performed services, the dates on which the services were performed, a description of the services performed, and such other information as the City may reasonably require.

Within fifteen (15) calendar days of receipt of Yolo Housing's invoice, the City shall either authorize payment for services performed or advise Yolo Housing in writing of any concerns that it has with the invoice and any need for further documentation. The City shall use reasonable efforts to ensure that it processes payment of each invoice with thirty (30) calendar days after payment of an invoice is approved.

**5. Applicable Laws.** In the performance of the services covered by this Agreement, Yolo Housing shall comply with all applicable laws. Furthermore, parties agree to abide by the confidentiality requirements set out in Exhibit C.

**6. Indemnification/Hold Harmless.** Yolo Housing shall indemnify, defend, and hold harmless the City of Davis, its City Council, officials, consultants, agents, and employees from and against any and all loss, damages, liability, claims, suits, costs and expenses, including reasonable attorney's fees, arising from Yolo Housing's performance of this Agreement, with the exception of matters that are based upon the negligent or intentional acts or omissions of the City, its City Council, officials, consultants, agents and employees.

The City shall indemnify, defend, and hold harmless Yolo Housing, its board, commission, officials, consultants, agents, and employees from and against any and all loss, damages, liability claims, suits, costs and expenses, including reasonable attorneys' fees arising from the City's performance of this Agreement, with the exception of matters that are based on the negligent or intentional acts or omissions of Yolo Housing, its board, commission, officials, consultants, agents, and employees.

**7. Insurance.** On or before the commencement of the term of this Agreement, each party shall furnish to the other party certificates showing the type, amount, class of operations covered, effective dates and dates of expiration of insurance coverage. Such certificates, which do not limit each party's indemnification, shall also contain substantially the following statement: "Should any of the above insurance covered by this certificate be canceled or coverage reduced before the expiration date thereof, the insurer affording coverage shall provide thirty (30) days' advance written notice to the [insert name of other party] by certified mail." It is agreed that each party shall maintain in force at all times during the performance of this Agreement all appropriate coverage of insurance required by this Agreement with an insurance company that is acceptable to the other party and licensed to do insurance business in the State of California. Endorsements naming the other party as additional insured shall be submitted with the insurance certificates.

- A. Coverage. Each party shall maintain the following insurance coverage:
  - (i) Workers' Compensation: Statutory coverage as required by the State of California.
  - (ii) Liability: Commercial general liability coverage in the following minimum limits:
    - Bodily Injury: \$1,000,000 each occurrence

	\$2,000,000	aggregate- all other
Property Damage:	\$1,000,000	each occurrence
	\$2,000,000	aggregate

If submitted, combined single limit policy with aggregate limits in the amounts of \$1,000,000 will be considered equivalent to the required minimum limits shown above.

(iii) Automotive: Comprehensive automotive liability coverage in the following minimum limits:

Bodily Injury:	\$1,000,000	each occurrence
	\$2,000,000	aggregate - all other
Property Damage:	\$1,000,000	each occurrence
	\$2,000,000	aggregate– all other
	or	
Combined Single Limit:	\$1,000,000	each occurrence

B. Subrogation Waiver. Each party agrees that in the event of loss due to any of the perils for which it has agreed to provide comprehensive general and automotive liability insurance, it shall look solely to its insurance for recovery. Yolo Housing hereby grants to the City, on behalf of any insurer providing comprehensive general and automotive liability insurance to either Yolo Housing or the City with respect to the services of Yolo Housing herein, a waiver of any right to subrogation, which any such insurer of said Yolo Housing may acquire against the City by virtue of the payment of any loss under such insurance. The City hereby grants to Yolo Housing, on behalf of any insurer providing comprehensive general and automotive liability insurance to either Yolo Housing or the City with respect to the services of the City herein, a waiver of any right to subrogation, which any such insurer of said City may acquire against Yolo Housing by virtue of the payment of any loss under such insurance.

C. Failure to Secure. If a party at any time during the term hereof should fail to secure or maintain the foregoing insurance, the non-compliant party shall be permitted to obtain such insurance in the non-compliant party’s name or as an agent of the non-compliant party and shall be compensated by the non-compliant party for the costs of the insurance premiums at the maximum rate permitted by law and computed from the date written notice is received that the premiums have not been paid.

D. Additional Insured. The City, its City Council, officers, and employees shall be named as an additional insured under all insurance coverages, except any professional liability insurance, required by this Agreement. Yolo Housing, its board, officers, and employees shall be named as an additional insured under all insurance coverages, except any professional liability insurance, required by this Agreement. The naming of an additional insured shall not affect any recovery to which such additional insured would be entitled under this policy if not named as such additional insured. An additional insured named herein shall not be held liable for any premium, deductible portion of any loss, or expense of any nature on this policy or any extension thereof. Any other insurance held by an additional insured shall not be required to contribute anything toward any loss or expense covered by the insurance provided by this policy.

**8. Term.** The term of this Agreement shall begin on \_\_\_\_\_ and end on \_\_\_\_\_, unless sooner terminated as hereinafter provided. Thereafter, the Agreement may be renewed by

the parties for two additional terms of one year each, based on a mutually agreeable schedule of costs and tasks.

**9. Termination of Agreement.** This Agreement may be terminated by either party at any time for convenience by giving the other party ninety (90) calendar days advance written notice. Upon termination, Yolo Housing shall promptly submit its final invoice(s) to the City.

**10. Notice.** During the term of this Agreement, all notices shall be made in writing and either served personally, sent by first class mail, or sent by facsimile provided confirmation of delivery is obtained at the time of facsimile transmission, addressed as follows:

To: Yolo Housing	Yolo Housing Attention: Chief Executive Officer 147 W. Main Street Telephone Number: (530) 662-5428 Fax Number: (530) 662-5429
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To City of Davis:	City of Davis Attention: City Manager 23 Russell Boulevard Davis, CA Telephone Number: (530) 757-5602 Fax Number: (530) 758-0204
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Any party may change the address to which notice is to be given by providing the other party with written notice of such change at least fifteen (15) calendar days prior to the effective date of the change.

Service of notices shall be deemed complete on the date of receipt if personally served or if served using facsimile machines provided confirmation of delivery is obtained at the time of facsimile transmission. Service of notices sent by first class mail shall be deemed complete on the fifth (5<sup>th</sup>) day following deposit in the United States mail.

**11. Assignment and Subcontracting.** The services and obligations required of Yolo Housing under this Agreement are not assignable in whole or in part. In addition, Yolo Housing shall not subcontract any portion of the services required of it by this Agreement without the express written consent of the City.

**12. Consultant Not Agent.** Except as the City may specify in writing, Yolo Housing shall have no authority, express or implied, to act on behalf of the City in any capacity whatsoever as an agent. Yolo Housing shall have no authority, express or implied, pursuant to this Agreement to bind the City to any obligation whatsoever.

**13. Governing Law.** This Agreement shall be deemed to be executed within the State of California and construed in accordance with and governed by laws of the State of California. Any action or proceeding arising out of this Agreement shall be filed and resolved in a court of competent jurisdiction located in Woodland, California.

**14. Severability.** If any provision of this Agreement is adjudicated by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the Agreement shall continue in full force and effect.

**15. Amendment.** Except as otherwise expressly provided in Section 1, above, this Agreement and the exhibits hereto may only be amended in writing signed by both parties, and any purported amendment shall be of no force or effect. This Agreement may be amended to both extend the term and conditions, as well as to add tasks. Yolo Housing will not begin new tasks without express written permission of the City.

**16. Counterparts.** This Agreement may be signed in counterparts, each of which shall constitute an original.

**17. Entire Agreement.** This Agreement and its exhibits constitutes the entire agreement between the City and Yolo Housing and supersedes all prior negotiations, representations, or agreements, whether written or oral.

[Signatures on following page]

**SIGNATURE PAGE FOR INTERGOVERNMENTAL AGREEMENT**  
**Between the City of Davis and Yolo Housing Authority**

**IN WITNESS WHEREOF**, the parties hereto have executed this agreement in duplicate on the day and year first above written.

**CITY OF DAVIS**, A Municipal Corporation of  
the State of California

By: \_\_\_\_\_  
Dirk Brazil  
City Manager

APPROVED AS TO FORM:

\_\_\_\_\_  
HARRIET STEINER  
City Attorney

**YOLO COUNTY HOUSING**, A Public Entity  
Both Corporate and Politic of the State of  
California\_\_

Tax I.D. Number: \_\_\_\_\_

DUNS # \_\_\_\_\_

By: \_\_\_\_\_  
Lisa A. Baker  
Chief Executive Officer

APPROVED AS TO FORM:

\_\_\_\_\_  
HOPE P. WELTON  
Attorney for Yolo Housing

**ATTACHMENT A**  
**SCOPE OF SERVICES**

The Scope of Services for this Agreement has three components: 1) Managing the Getting to Zero Voucher Program, 2) Case Management Services, and 3) Reporting.

1. Management of Getting to Zero Voucher Program. This is a temporary rental assistance program for individuals who receive “homeless” priority points in their application for subsidized housing provided by the Housing Authority. To be eligible for these extra points, code enforcement must determine that an individual has been displaced from a substandard living situation, and referred to the Housing Authority by the Davis City Manager or his designee for being vulnerable. Applicants must meet all other requirements for the Housing Authority’s Voucher Program to qualify for the Getting to Zero Voucher program.
  - a. Application Assistance—Assist participants with completing the Housing Authority’s Voucher application and obtaining documents to meet the Getting to Zero Voucher requirements.
  - b. Eligibility—Determine eligibility for the Housing Authority’s Voucher program and the Getting to Zero Voucher program.
  - c. Getting to Zero Vouchers—Issue Getting to Zero Vouchers to eligible participants and assist them in locating housing.
  - d. Record Keeping—Keep a list of applicants, identify those who have been issued Getting to Zero Vouchers, those successful in locating housing, and those still looking for housing. For those deemed ineligible, indicate reason for ineligibility and refer them to other social services for assistance.
  - e. Budget Monitoring—Manage expenditures to stay within budget.
  
2. Support Services and Case Management.
  - a. Move-In Assistance—Provide financial assistance to Getting to Zero participants, if needed. Eligible expenses include but are not limited to security deposits, assistance with outstanding housing-related bills, furniture, and household items.
  - b. Reimbursement of Property Damage—Reimburse property owners for damages incurred by program participants, not to exceed two months’ rent.
  - c. Case Management—Provide case management to participants in the Getting to Zero Voucher program and later when placed in the Yolo Housing Voucher program per the schedule outlined in Appendix C. Case management services to include supportive services, linkage to treatment such as mental health or substance abuse, assistance with management of personal finances, and modeling good tenant and neighbor behaviors. Professional staff, interns, and peer counselors may provide services. A graduate level professional is to provide supervision to the case manager per schedule outlined in Schedule C.
  
3. Reporting. Yolo Housing shall submit a quarterly summary of activities under this contract to the Davis City Manager. It will also include the following performance measures included in Exhibit C: 1) How many clients were served; 2) How well were they were served; and 3) Is anyone better off?

**Schedule**

Activity	Completion Date
Getting to Zero Voucher Program <ul style="list-style-type: none"> <li>• Determine eligibility and issue vouchers</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing activity</li> </ul>
Case Management <ul style="list-style-type: none"> <li>• Provide case management services to participants eligible for Getting to Zero Vouchers and after placed in housing</li> <li>• Provide graduate level supervision to case managers</li> <li>• Submit quarterly performance reports to the City</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing activity. Weekly face-to-face meetings for the first two months after housed; intensity may decrease, as indicated, to two face-to-face meeting per month for months three through six; intensity may decrease, as indicated, to monthly face-to-face meetings after six months</li> <li>• Ongoing activity. Weekly face-to-face meetings for the first two months after hire; may decrease to twice a month, as indicated</li> <li>• July 15, October 15, in 2017; January 15, and April 15 in 2018</li> </ul>
Reporting <ul style="list-style-type: none"> <li>• Submit Quarterly Performance Reports to the City</li> </ul>	<ul style="list-style-type: none"> <li>• July 15, Oct 15 in 2017; January 15 and April 15 in 2018</li> </ul>

**Performance Measures**

How much did we do?

- Number of people served
- Demographics: age, gender, length of homelessness, length of time in Davis

How will did we do it?

- Participation Rate
- Retention Rate

Is Anyone Better Off?

- Number and percent of participants that were housed and maintained housing for 3 months, 6 months, and 9 months

**ATTACHMENT B  
PAYMENT**

Payment will be issued on a reimbursement basis, up to \$162,110, as outlined below and in the Scope of Services in Exhibit A.

Yolo Housing may move dollars between budget categories--Getting to Zero Vouchers and Case Management and Support Services—without the written agreement of the City Manager. Yolo Housing may, up to 10% or \$10,467, modify the Support Services and Case Management category without permission.

<u>Budget Category</u>	<u>Not to Exceed</u>
Getting to Zero Vouchers – Temporary Rental Assistance	<u>\$57,440</u>
Support Services and Case Management	<u>\$104,670</u>
• Move-in Assistance	\$30,000
• Damages Fund	\$7,500
• Administrative Fee -- \$70 per month per unit and one Start-up cost of \$450	\$7,170
• Case Management – professional supervision, paid graduate interns, peer counselor, and staff expenses	\$60,000
<b>TOTAL</b>	<b>\$162,110</b>

Hourly Rates

Hourly rates for first year of grant agreement are listed below: Hourly costs may increase should the grant continue beyond one year, if agreed upon by both parties.

• Client Services Supervisor	\$50.80 per Hour
• HSII	\$41.02 per Hour
• OAI	\$39.43 per Hour
• MSW Intern	\$16.67 per Hour
• Peer Mentor	\$150 per Month

## **ATTACHMENT C CONFIDENTIALITY**

Yolo Housing shall obtain consent and/or authorization from Participants, as required under and in accordance with applicable state or federal laws regarding the confidentiality of personal or individually identifiable health information, including but not limited to the Health Insurance Portability and Accountability Act, the California Confidentiality of Medical Information Act, and the confidentiality of substance use disorder regulations at 42 C.F.R Part 2, in order to (1) obtain personal information or individually identifiable health information from any provider of health care or social service provider for individuals being served by the Project, (2) use and disclose such information to the City of Davis, including its subcontractors and/or agents, for purposes of coordination of housing and social services or (3) use or disclose any personal information or individually identifiable health information provided by the Participant in verbal or written form to the City of Davis, including its subcontractors and/or agents. Yolo Housing shall retain copies of such consent and/or authorization in its records for a minimum of six (6) years after services to Participant have terminated.

Yolo Housing represents and warrants that it will disclose personal information and individually identifiable health information to the City of Davis, including its subcontractors and/or agents only if it has obtained the appropriate consents and authorizations for lawful disclosure in accordance with state and federal laws.

City of Davis, including its subcontractors and/or agents shall use and disclose personal information or individually identifiable information solely for the purposes of the coordination of services under the Project and as permitted by the Participant consent and/or authorizations under which information has been provided, if any, and shall not further redisclose such information to any third party other unless required by law. City of Davis, including its subcontractors and/or agents agrees to implement appropriate safeguards to prevent any use or disclosure of such information other than as provided for by this Agreement.

**Yolo County Housing**  
**Meeting Date: 04/19/2017**

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**9.**

**Information**

**SUBJECT**

Review and Approve Agent Resolution to Submit Storm Damage Claims (Gillette and Baker)

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**Attachments**

Staff Report

Att. A. Cal OES 130 form

Att. B. Cal OES 89 form

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**Form Review**

Form Started By: Julie Dachtler  
Final Approval Date: 04/14/2017

Started On: 04/14/2017 04:15 PM



## **Yolo County Housing**

147 W. Main Street  
WOODLAND, CA 95695

Woodland: (530) 662-5428  
Sacramento: (916) 444-8982  
TTY: (800) 545-1833, ext. 626

**DATE:** April 19, 2017  
**TO:** YCH Board of Commissioners  
**FROM:** Lisa A. Baker, Chief Executive Officer  
**PREPARED BY:** Jim Gillette, Finance Director  
**SUBJECT:** **Review and Approve Agent Resolution to Submit Storm Damage Claims**

### **RECOMMENDED ACTION**

That the Board of Commissioners review and approve the resolution naming the agents to represent YCH in claims submitted to the California Office of Emergency Services (Cal-OES) for the next three (3) years.

### **BACKGROUND/DISCUSSION**

During the January 2017 storms, YCH incurred storm-related damage at various locations throughout the portfolio totaling approximately \$22,704. These costs incurred were primarily related to roof repairs and removal of trees near buildings, that fell or threatened to fall, due to the high winds during these storm events.

The Yolo County Office of Emergency Services filed claims for damages related to these storm events, which included costs from YCH. These claims will be formally submitted and reviewed by Cal-OES and FEMA to approve any qualifying payments to YCH.

Staff anticipates its claims will be processed over the next 3-4 months and reimbursement for approved costs to be received in approximately 6 months.

### **FISCAL IMPACT**

The claims being submitted by YCH are for emergency repairs only, which includes tree removal costs of \$17,611, permanent roof repairs of \$3,282, and some minor temporary roof and fence repairs. Of the claimed costs ultimately approved, 75% would be reimbursed by FEMA, 18.75% reimbursed by Cal-OES, and the remaining 6.25% would



be the share for YCH to absorb.

## **CONCLUSION**

Staff recommends that the Board of Commissioners review and approve the resolution naming Lisa A. Baker, Janis Holt and James D. Gillette as the agents to represent YCH in claims submitted to the California Office of Emergency Services (Cal-OES) for the next three (3) years.

## **Attachments:**

- Designation of Applicant's Agent Resolution for Non-State Agencies (Cal OES 130 form)
- Project Assurances for Federal Assistance (Cal OES 89 form)

**DESIGNATION OF APPLICANT'S AGENT RESOLUTION  
FOR NON-STATE AGENCIES**

BE IT RESOLVED BY THE Board of Commissioners OF THE Housing Authority of the County of Yolo  
(Governing Body) (Name of Applicant)

THAT Chief Executive Officer OR  
(Title of Authorized Agent)

General Director OR  
(Title of Authorized Agent)

Finance Director  
(Title of Authorized Agent)

is hereby authorized to execute for and on behalf of the Housing Authority of the County of Yolo, a public entity  
(Name of Applicant)  
established under the laws of the State of California, this application and to file it with the California Governor's Office of Emergency Services for the purpose of obtaining certain federal financial assistance under Public Law 93-288 as amended by the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988, and/or state financial assistance under the California Disaster Assistance Act.

THAT the Housing Authority of the County of Yolo, a public entity established under the laws of the State of California,  
(Name of Applicant)  
hereby authorizes its agent(s) to provide to the Governor's Office of Emergency Services for all matters pertaining to such state disaster assistance the assurances and agreements required.

**Please check the appropriate box below:**

- This is a universal resolution and is effective for all open and future disasters up to three (3) years following the date of approval below.
- This is a disaster specific resolution and is effective for only disaster number(s) \_\_\_\_\_

Passed and approved this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_  
(Name and Title of Governing Body Representative)

\_\_\_\_\_  
(Name and Title of Governing Body Representative)

\_\_\_\_\_  
(Name and Title of Governing Body Representative)

**CERTIFICATION**

I, \_\_\_\_\_, duly appointed and \_\_\_\_\_ of  
(Name) (Title)

\_\_\_\_\_, do hereby certify that the above is a true and correct copy of a  
(Name of Applicant)

Resolution passed and approved by the Board of Commissioners of the Housing Authority of the County of Yolo  
(Governing Body) (Name of Applicant)

on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Title)

**Cal OES Form 130 Instructions**

**A Designation of Applicant's Agent Resolution for Non-State Agencies is required of all Applicants to be eligible to receive funding. A new resolution must be submitted if a previously submitted Resolution is older than three (3) years from the last date of approval, is invalid or has not been submitted.**

When completing the Cal OES Form 130, Applicants should fill in the blanks on page 1. The blanks are to be filled in as follows:

**Resolution Section:**

**Governing Body:** This is the group responsible for appointing and approving the Authorized Agents.

Examples include: Board of Directors, City Council, Board of Supervisors, Board of Education, etc.

**Name of Applicant:** The public entity established under the laws of the State of California. Examples include: School District, Office of Education, City, County or Non-profit agency that has applied for the grant, such as: City of San Diego, Sacramento County, Burbank Unified School District, Napa County Office of Education, University Southern California.

**Authorized Agent:** These are the individuals that are authorized by the Governing Body to engage with the Federal Emergency Management Agency and the Governor's Office of Emergency Services regarding grants applied for by the Applicant. There are two ways of completing this section:

1. **Titles Only:** If the Governing Body so chooses, the titles of the Authorized Agents would be entered here, not their names. This allows the document to remain valid (for 3 years) if an Authorized Agent leaves the position and is replaced by another individual in the same title. If "Titles Only" is the chosen method, this document must be accompanied by a cover letter naming the Authorized Agents by name and title. This cover letter can be completed by any authorized person within the agency and does not require the Governing Body's signature.
2. **Names and Titles:** If the Governing Body so chooses, the names **and** titles of the Authorized Agents would be listed. A new Cal OES Form 130 will be required if any of the Authorized Agents are replaced, leave the position listed on the document or their title changes.

**Governing Body Representative:** These are the names and titles of the approving Board Members.

Examples include: Chairman of the Board, Director, Superintendent, etc. The names and titles **cannot** be one of the designated Authorized Agents, and a minimum of two or more approving board members need to be listed.

**Certification Section:**

**Name and Title:** This is the individual that was in attendance and recorded the Resolution creation and approval.

Examples include: City Clerk, Secretary to the Board of Directors, County Clerk, etc. This person **cannot** be one of the designated Authorized Agents or Approving Board Member (if a person holds two positions such as City Manager and Secretary to the Board and the City Manager is to be listed as an Authorized Agent, then the same person holding the Secretary position would sign the document as Secretary to the Board (not City Manager) to eliminate "Self Certification.")

Disaster No: \_\_\_\_\_

Cal OES ID No: \_\_\_\_\_

DUNS No: \_\_\_\_\_

### PROJECT ASSURANCES FOR FEDERAL ASSISTANCE

SUBGRANTEE'S NAME: Yolo County Housing  
(Name of Organization)  
ADDRESS: 147 W. Main Street  
CITY: Woodland STATE: CA ZIP CODE: 95695  
TELEPHONE: (530) 669-2219 FAX NUMBER: \_\_\_\_\_  
AUTHORIZED AGENT: Lisa A. Baker TITLE: CEO  
EMAIL ADDRESS: lbaker@yeh.ca.gov

### ASSURANCES – CONSTRUCTION PROGRAMS

Note: Certain of these assurances may not be applicable to all of your projects. If you have questions, please contact the California Governor's Office of Emergency Services. Further, certain federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the subgrantee named above:

1. Has the legal authority to apply for federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-federal share of project costs) to ensure proper planning, management, and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States, and if appropriate, the state, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title, or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the federal interest in the title of real property in accordance with awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with federal assistance funds to assure nondiscrimination during the useful life of the project.
4. Will comply with the requirements of the assistance-awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progress reports and such other information as may be required by the assistance awarding agency or state.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gains.
8. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§ 4801 et seq.), which prohibits the use of lead based paint in construction or rehabilitation of residence structures.
9. Will comply with all federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color, or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§ 1681-1683 and 1685-1686) which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794) which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101-6107) which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 93-

255) as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616) as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§ 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. 290 dd-3 and 290 ee-3) as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. § 3601 et seq.), as amended, relating to nondiscrimination in the sale, rental, or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) which may apply to the application.

10. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provides for fair and equitable treatment of persons displaced or whose property is acquired as a result of federal and federally assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of federal participation in purchases.
11. Will comply with the flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$5,000 or more.
12. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.O 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved state management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§ 1451 et seq.); (f) conformity of federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. § 7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended, (P.L. 93-523); and (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.O. 93-205).
13. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§ 1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
14. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470), EO 11593 (identification and preservation of historic properties), and the Archeological and Historic Preservation Act of 1974 (16 U.S.C. 469a-1 et seq.).
15. Will comply with Standardized Emergency Management (SEMS) requirements as stated in the California Emergency Services Act, Government Code, Chapter 7 of Division 1 of Title 2, Section 8607.1(e) and CCR Title 19, Sections 2445, 2446, 2447, and 2448.
16. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act of 1984 and the Single Audit Act Amendments of 1996.
17. Will comply with all applicable requirements of all other federal laws, Executive Orders, regulations and policies governing this program.
18. Has requested through the State of California, federal financial assistance to be used to perform eligible work approved in the subgrantee application for federal assistance. Will, after the receipt of federal financial assistance, through the State of California, agree to the following:
  - a. The state warrant covering federal financial assistance will be deposited in a special and separate account, and will be used to pay only eligible costs for projects described above;
  - b. To return to the State of California such part of the funds so reimbursed pursuant to the above numbered application, which are excess to the approved actual expenditures as accepted by final audit of the federal or state government.
  - c. In the event the approved amount of the above numbered project application is reduced, the reimbursement applicable to the amount of the reduction will be promptly refunded to the State of California.
19. Will not make any award or permit any award (subgrant or contract) to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549 and 12689, "Debarment and Suspension."

"I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized by the above named subgrantee to enter into this agreement for and on behalf of the said subgrantee, and by my signature do bind the subgrantee to the terms thereof."

\_\_\_\_\_  
SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL

\_\_\_\_\_  
TITLE

\_\_\_\_\_  
DATE

**Yolo County Housing**  
**Meeting Date:** 04/19/2017

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**10.**

**Information**

**SUBJECT**

Public Hearing Adopting Resolution Approving the Proposed FY 2017 Annual Plan Update and Authorize Submission to the Department of Housing and Urban Development (Holt and Baker)

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**Attachments**

Staff Report

Att. A. Resolution

Att. B. Annual Plan

Att. C. Certification

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**Form Review**

Form Started By: Julie Dachtler  
Final Approval Date: 04/14/2017

Started On: 04/14/2017 04:16 PM



## **Yolo County Housing**

147 W. Main Street  
WOODLAND, CA 95695

Woodland: (530) 662-5428  
Sacramento: (916) 444-8982  
TTY: (800) 545-1833, ext. 626

DATE: April 19, 2017  
TO: YCH Housing Commission  
FROM: Lisa A. Baker, CEO  
PREPARED BY: Janis Holt, General Director

**SUBJECT: Public Hearing Adopting Resolution Approving the Proposed FY 2017 Annual Plan Update and Authorize Submission to the Department of Housing and Urban Development.**

### **RECOMMENDED ACTION:**

That the Housing Commission:

- a) Hold a public hearing to solicit public comment regarding the proposed Annual Plan; and
- b) After public testimony, comments and any changes, adopt the FY 2017 Annual Plan, approve the required HUD Resolution and authorize submission to HUD.

### **BACKGROUND / DISCUSSION**

As part of its requirements to HUD, Yolo County Housing is required to have an adopted Five Year Agency Plan, updated annually, regarding its Housing Choice Voucher and Public Housing Programs. On March 19, 2015, the Commission adopted the Five Year Plan. The Agency must review its Five-Year Plan and adopt an Annual Plan regarding how it will handle its Admissions, Occupancy, Residency, and Strategic Plans for housing.

In conformance with requirements, the Agency created an update to the annual plan and circulated it for a 45-day comment period to the public and stakeholders. The draft Plan was also presented to the Residency Advisory Board (RAB). A Public Notice was published and the comment period began on February 24, 2017 and ended on April 10, 2017.

### **Resident Advisory Board (RAB)**

In partnership with the RAB, staff held an informational meeting to engage members in the review of the Annual Agency Plan Update and the Capital Fund Annual Statement

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and Five-Year Plan. Members received presentations from each department including Finance, Administration, Facilities, Public Housing and Housing Assistance (Vouchers). During this meeting, staff received suggestions for communication with RAB members, work order processes and portfolio safety, most of which can be funded through operations. RAB members were asked to review materials and invited to the public comment meetings.

The RAB held two (2) public comment meetings on March 21, 2017, during Plan formulation, and April 4, 2017. Members expressed their appreciation for the Agency and the quality, affordable housing provided to their families and community. There was discussion around tenant responsibility and respect for their neighborhood and community. Members were engaged in discussions around the implementation of the HUD Non-Smoking Rule and were appreciative of the Agency's approach to engage with residents, forming committees at each location to work with staff. Members expressed their appreciation of the camera installations at both Yolano Village and the El Rio Villas and expressed interest in the expansion of additional safety/security measures. RAB members were supportive of the Community Awareness and Support Team (CAST) and the expansion of the program with focus on health and safety. Members were also interested in improvements and expansion of playgrounds at Las Casitas, El Rio Villas and Riverbend Manor campuses.

With regard to the interests expressed, staff will continue to use community engagement over the next 12 months during the implementation of the smoke-free housing rule. Staff will continue to expand security camera installation throughout its' portfolio using current operational funds as available. Grant and other funding will be sought for playground improvements or expansions. Staff will work with CAST to consistently outreach to expand participation throughout the portfolio.

Through the ROSS grant, the Agency will be able to continue to work to connect residents with education and employment opportunities, expand on-site youth activities, and assist seniors and disabled families with resources and referrals.

#### Public Comment

No additional public comment was received during the public comment period.

#### **FISCAL IMPACT**

Timely submission and approval of the Plan is the basis for receipt of federal funds from HUD. Failure to adopt the Plan would result in the loss of funding and subsidy.

#### **CONCLUSION**

Staff recommends that, after public testimony, comments and any changes, the Commission adopt the 2017 Annual Plan and authorize submission to the Department of Housing and Urban Development (HUD).

**Attachments:** Resolution  
Draft Annual Plan

*Working together to provide quality affordable housing and community development services for all*

Certification 5077

YOLO COUNTY HOUSING  
RESOLUTION NO. 17-\_\_\_\_\_

(Resolution Authorizing the Chief Executive Officer to Execute 2017 Agency Plan)

**WHEREAS**, the Housing Authority of the County of Yolo (“YCH”) is required to update its annual plan; and

**WHEREAS**, the agency plan must be submitted 75 days before the end of the budget cycle; and

**WHEREAS**, the approved updated Agency Plan must be submitted to HUD by the 20<sup>th</sup> of April 2017 in order to be in program compliance; and

**WHEREAS**, submission and approval of this resolution is the basis for receipt of federal funds from HUD

**NOW, THEREFORE, BE IT RESOLVED, ORDERED AND FOUND** by the Housing Commission of the Housing Authority of the County of Yolo, as follows:

1. The foregoing recitals are true and correct.
2. The Housing Commission hereby approves that the Housing Authority of the County of Yolo submit an updated agency plan to the U.S. Department of Housing and Urban Development.
3. The Housing Commission hereby authorizes the Chief Executive Officer on behalf of the Housing Authority of the County of Yolo, to execute any and all agreements necessary to carry out this transaction.

**EFFECTIVE DATES:** This Resolution shall take effect from and after the date of its adoption.

**PASSED AND ADOPTED**, by the Housing Commission of the Housing Authority of the County of Yolo, State of California, this 19<sup>th</sup> day of April, 2017 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

---

Mark Johannessen, Chair  
Housing Commission of the

Housing Authority of the County of Yolo  
Approved as to Form:

By \_\_\_\_\_  
Hope Welton, Agency Counsel

Attest:  
Julie Dachtler, Agency Clerk  
Housing Commission of the  
Housing Authority of the County of Yolo

By \_\_\_\_\_

**YOLO COUNTY HOUSING**

**FY2017 ANNUAL UPDATE TO THE FY2015 – FY2019 FIVE-YEAR AGENCY PLAN**

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**A. PHA Information**

<b>A.1 PHA Name:</b>	Yolo County Housing
<b>PHA Code:</b>	CA044
<b>PHA Type:</b>	High Performing PHA
<b>PHA Plan for Fiscal Year Beginning:</b>	07/2017
<b>Public Housing Units:</b>	431
<b>Housing Choice Vouchers:</b>	1,742
<b>Total Combined Units/Vouchers:</b>	2,173
<b>PHA Plan Submission Type:</b>	Annual Plan

**Availability of Information**

The FY2017 Agency Plan Annual Update will be available for review during the 45-day Public Hearing Notice period at Yolo County Housing's Main Office which is located at 147 West Main Street in Woodland, California.

Supporting documents to the FY2017 Agency Plan Annual Update are also available for inspection at the Main Office.

A copy of the FY2017 Agency Plan Annual Update and supporting documents will remain available for inspection during the entire fiscal year.

## **Introduction**

Yolo County Housing is dedicated to providing quality affordable housing and community development services to all persons within its service area. Yolo County Housing was first created in 1950. Its primary programs are funded by the United States Department of Housing and Urban Development (HUD) and through the State of California (OMS and HCD). The Housing Authority and its allied organizations provide assistance to approximately 2,760 households. Housing assistance is provided throughout the region and can be found in Woodland, West Sacramento, Davis, Winters, Esparto, Yolo, Knight's Landing, Dunnigan, Madison and in Dixon (Solano County).

YCH provides year-round rental assistance through low cost housing that it owns and manages, as well as through housing that it owns in partnership. It also provides assistance through its Housing Choice Voucher program, its Project-Based Voucher program and through its Housing Choice Voucher Homeownership program. Additional units are available as well as through housing programs provided by its non-profit subsidiary, New Hope Community Development Corporation.

YCH also provides decent and safe temporary housing to migrant farmworker families during the County's growing season. The City operates two centers in Yolo County. In addition, the YCH also provides staff and services to the Dixon Housing Authority and manages its Dixon Migrant Center.

YCH provides space that is used by a number of local City, County, University and non-profit organizations to provide after-school and educational programs for youth, as well as senior meal programs and classes to City and County residents regardless of whether or not they receive other services through YCH.

**B. Annual Plan Elements**

**B.1 Revision of PHA Plan Elements**

**Statement of Housing Needs and Strategy for Addressing Housing Needs**

**Housing Needs of Families in the Jurisdiction/s Served by the PHA**

Based upon the information contained in the Consolidated Plan/s applicable to the jurisdiction, and/or other data available to the PHA, provide a statement of the housing needs in the jurisdiction by completing the following table. In the “Overall” Needs column, provide the estimated number of renter families that have housing needs. For the remaining characteristics, rate the impact of that factor on the housing needs for each family type, from 1 to 5, with 1 being “no impact” and 5 being “severe impact.” Use N/A to indicate that no information is available upon which the PHA can make this assessment.

<b>Housing Needs of Families in the Jurisdiction by Family Type</b>							
Family Type	Overall	Afford- -abilit y	Supply	Quality	Access -ibility	Size	Loca-ti on
Income <= 30% of AMI	7,255	5	5	5	3	4	4
Income >30% but <=50% of AMI	5,485	4	4	4	3	3	3
Income >50% but <80% of AMI	4,550	3	3	3	3	2	3
Elderly	2,130	3	3	3	4	2	3
Families with Disabilities	9,215	3	4	4	5	4	4
White	8,045	3	3	3	3	3	3
Black	710	3	3	3	3	3	3
Hispanic	5,065	3	3	3	3	3	3
Native American	120	3	3	3	3	3	3
Asian	2,420	3	3	3	3	3	3
Pacific Islander	120	3	3	3	3	3	3



What sources of information did the PHA use to conduct this analysis? (Check all that apply; all materials must be made available for public inspection.)

- Consolidated Plan of the Jurisdiction/s  
Indicate year:
- U.S. Census data: the Comprehensive Housing Affordability Strategy (“CHAS”) dataset 2009 - 2013
- American Housing Survey data  
Indicate year:
- Other housing market study  
Indicate year:
- Other sources: (list and indicate year of information)

<b>Housing Needs of Families on the Waiting List</b>			
Waiting list type: (select one)			
<input checked="" type="checkbox"/> Section 8 tenant-based assistance			
<input type="checkbox"/> Public Housing			
<input type="checkbox"/> Combined Section 8 and Public Housing			
<input type="checkbox"/> Public Housing Site-Based or sub-jurisdictional waiting list (optional) If used, identify which development/subjurisdiction:			
	# of families	% of total families	Annual Turnover
Waiting list total	2,609	n/a	n/a
Extremely low income (<=30% AMI)	2,027	78%	
Very low income (>30% but <=50% AMI)	399	16%	
Low income (>50% but <80% AMI)	183	7%	
Families with children	2,005	77%	
Elderly families	354	14%	
Families with Disabilities	545	21%	
White	1,115	43%	
African American	846	33%	
Amer. Indian/Alaskan Native	44	2%	
Asian	79	3%	
Pacific Islander	31	1%	
Is the waiting list closed (select one)? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes			
If yes:			
<b>How long has it been closed (# of months)? 1 months (as of January 19, 2017)</b>			
Does the PHA expect to reopen the list in the PHA Plan year? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes			
Does the PHA permit specific categories of families onto the waiting list, even if			

generally closed?  No  Yes

Housing Needs of Families on the Waiting List			
Waiting list type: (select one)			
<input type="checkbox"/> Section 8 tenant-based assistance			
<input checked="" type="checkbox"/> Public Housing			
<input type="checkbox"/> Combined Section 8 and Public Housing			
<input type="checkbox"/> Public Housing Site-Based or sub-jurisdictional waiting list (optional)			
If used, identify which development/subjurisdiction:			
	# of families	% of total families	Annual Turnover
Waiting list total	21,831		n/a
Extremely low income (<=30% AMI)	18,034	83%	
Very low income (>30% but <=50% AMI)	2,761	13%	
Low income (>50% but <80% AMI)	1,036	5%	
Families with children	16,247	75%	
Elderly families	1,596	7%	
Families with Disabilities	5,034	23%	
White	8,724	40%	
African American	7,079	33%	
Amer. Indian/Alaskan Native	609	3%	
Asian	771	4%	
Pacific Islander	330	2%	
Characteristics by Bedroom Size (Public Housing Only)			
0/1 BR	5,572	26%	n/a
2 BR	9,848	45%	n/a
3 BR	5,742	26%	n/a
4/5/6 BR	657	3%	n/a
Is the waiting list closed (select one)? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes			
If yes:			
<b>How long has it been closed (# of months)? N/A</b>			
Does the PHA expect to reopen the list in the PHA Plan year? <input type="checkbox"/> No <input type="checkbox"/> Yes			
Does the PHA permit specific categories of families onto the waiting list, even if generally closed? <input type="checkbox"/> No <input type="checkbox"/> Yes			

## **Strategy for Addressing Housing Needs**

### **Strategies**

#### **Need: Shortage of affordable housing for all eligible populations**

#### **Strategy 1: Maximize the number of affordable units available to the PHA within its current resources by:**

- Employ effective maintenance and management policies to minimize the number of public housing units off-line
- Reduce turnover time for vacated public housing units
- Reduce time to renovate public housing units
- Maintain or increase Voucher lease-up rates by establishing payment standards that will enable families to rent throughout the jurisdiction, while preserving the maximum number of families able to be assisted
- Undertake measures to ensure access to affordable housing among families assisted by the PHA, regardless of unit size required
- Maintain or increase Voucher lease-up rates by marketing the program to owners, particularly those outside of areas of minority and poverty concentration

#### **Strategy 2: Increase the number of affordable housing units by:**

- Apply for additional Housing Choice Voucher units should they become available
- Leverage affordable housing resources in the community through the creation of mixed - finance housing
- Pursue housing resources other than public housing, Voucher, or Section 8 project-based assistance.

**Need: Specific Family Types: Families at or below 30% of median**

**Strategy 1: Target available assistance to families at or below 30 % of AMI**

- Exceed HUD federal targeting requirements for families at or below 30% of AMI in public housing
- Exceed HUD federal targeting requirements for families at or below 30% of AMI in tenant-based housing choice voucher assistance

**Need: Specific Family Types: Families at or below 50% of median**

**Strategy 1: Target available assistance to families at or below 50% of AMI**

- Employ admissions preferences aimed at families who are working
- Adopt rent policies to support and encourage work but, that are mindful of current unemployment rates

**Need: Specific Family Types: The Elderly**

**Strategy 1: Target available assistance to the elderly:**

- Maintain housing that is designated for elderly occupants.

**Need: Specific Family Types: Families with Disabilities**

**Strategy 1: Target available assistance to Families with Disabilities:**

- Carry out the modifications needed in public housing based on the section 504 Needs Assessment for Public Housing
- Affirmatively market to local non-profit agencies that assist families with disabilities

**Need: Specific Family Types: Races or ethnicities with disproportionate housing needs**

**Strategy 1: Increase awareness of PHA resources among families of races and ethnicities with disproportionate needs:**

- Affirmatively market to races/ethnicities shown to have disproportionate housing needs

**Strategy 2: Conduct activities to affirmatively further fair housing**

- Counsel Voucher tenants as to location of units outside of areas of poverty or minority concentration and assist them to locate those units

**Reasons for Selecting Strategies**

- Funding constraints
- Staffing constraints
- Influence of the housing market on PHA programs

**Deconcentration Policy and Other Policies that Govern Eligibility, Selection and Admissions**

YCH’s policies governing resident eligibility, selection, and admission including admissions preferences for both the Public Housing and Housing Choice Voucher Programs are described in this section. Unit assignment policies for public housing and wait list procedures for both programs are also described.

The Admissions and Continued Occupancy Policy (ACOP) covers the specific requirements for admission to the Public Housing Program. These requirements for the HCV Program are stated in the Administrative Plan. The information listed below highlights some of the main factors used in determining eligibility and admission to both programs and is not meant to be exhaustive. Both documents are on file at YCH’s main office and on YCH’s website and should be consulted for specific questions.

*Public Housing – Admissions and Continued Occupancy Policy (ACOP)*

**Eligibility**

To be eligible for the Public Housing Program an applicant family must:

- Qualify as a family as defined by HUD and YCH. A family, regardless of actual or perceived sexual orientation, gender identity, or marital status, may be a single person or group of persons. Family as defined by HUD includes a family with a child or children, two or more elderly or disabled persons living together, one or more elderly or disabled persons living with one or more live-in aides, or a single person. YCH has expanded this definition to include two or more individuals who are not related by blood, marriage, adoption, or other operation of law, but who either can demonstrate they have lived together previously or certify that each individual’s income and other resources will be available to meet the needs of the family.
- Have income at or below HUD-specified income limits. To be income-eligible, a family must be a low-income family. A low-income family is a family whose annual income does not exceed 80 percent of the median income for Yolo County, adjusted for family size.
- Qualify on the basis of citizenship or the eligible immigrant status of family members. Housing assistance is only available to individuals who are U.S. citizens, U.S. nationals, or noncitizens that have eligible

immigration status. At least one family member must be a citizen, national or noncitizen with eligible immigration status in order for the family to qualify for any level of assistance.

- Provide social security number information for family members as required. Every family member must provide documentation of a valid Social Security Number (SSN) or a certification stating that no SSN has been issued.
- Consent to the YCH's collection and use of family information as provided in YCH-provided consent forms. HUD requires each adult family member, and the head of household, spouse, or co-head, regardless of age to sign form HUD-9886, Authorization for the Release of information/Privacy Act Notice, and other consent forms as needed to collect information relevant to the family's eligibility and level of assistance.

### **Denial of Admission**

Even though a family may meet the eligibility requirements for the Public Housing Program, it does not mean that they will be housed. HUD requires YCH to deny assistance in the following cases:

- Any member of the household has been evicted from federally-assisted housing in the last three (3) years for drug-related criminal activity. YCH will admit an otherwise eligible family who was evicted from federally assisted housing within the past three (3) years for drug-related criminal activity, if YCH is able to verify that the household member who engaged in the criminal activity has completed a supervised drug rehabilitation program as approved by YCH, or the person who committed the crime, is no longer living in the household.
- YCH determines that any household member is currently engaged in the use of illegal drugs.
- YCH has reasonable cause to believe that any household member's current use or pattern of use of illegal drugs, or current abuse or pattern of abuse of alcohol, may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.
- Any household member has ever been convicted of drug-related criminal activity for the production or manufacture of methamphetamine on the

premises of federally assisted housing.

- Any household member that is subject to a lifetime registration requirement under a state sex offender registration program.

## Selection

Any family that wishes to reside in public housing must apply for admission to the program. HUD permits YCH to determine the format and content of its applications, as well how such applications will be made available to interested families and how applications will be accepted by YCH.

YCH’s application process will involve two phases:

The first is the “initial” application for admission (referred to as a pre-application). This phase is to determine the family’s eligibility for public housing and placement on the waiting list.

The second phase is the “final determination of eligibility for admission” (referred to as the full application). The full application takes place when the family reaches the top of the waiting list. At that time YCH ensures that verification of all HUD and YCH eligibility factors is current in order to determine the family’s eligibility for an offer of a suitable unit. Applicants are required to attend an application interview to discuss the family’s circumstance in greater detail.

YCH maintains a site-based waiting list system with separate waiting lists for each of the following sites within the public housing inventory:

City of Woodland	Yolano Homes and Donnelly Circle
City of West Sacramento	Riverbend Senior Manor I and II and Las Casitas
<u>Unincorporated</u>	
Near Winters	El Rio Villa I, II, III and IV
Yolo	Yolito
Knight’s Landing	Ridegcut Homes
Esparto	Vista Montecito

Applicants will be placed on the appropriate site-based wait list(s) according to the size of unit required and by preference (see below). Date and time of application will be used to determine the sequence of the list among applicants requiring the same size

unit and qualifying for the same preferences.

## **Preferences**

YCH has the authority to establish local preferences and to give priority to serving families that meet those criteria. YCH has adopted the following local preferences:

Residency Preference: For families who live, work or have been hired to work in Yolo County.

Veteran Preference: Any citizen of the United States who served in the active military, naval or air services of the United States who received an honorable discharge or released from active duty under honorable conditions.

Working Preference: This preference is available for families with at least one member who is employed (or who are elderly/disabled).

Involuntary Displacement: Families who claim they are being or have been displaced due either to a natural disaster declared by the President of the United States; or displaced through no fault of their own, by governmental action.

All preferences, with the exception of involuntary displacement, are given a point value of one. Involuntary displacement receives two points. Points are cumulative and applicants with the highest point total are ranked highest on the list.

## **Unit Offers**

YCH must assign eligible applicants to dwelling units in accordance with a plan that is consistent with civil rights and nondiscrimination. YCH will maintain a record of units offered, including location, date and circumstances of each offer, each acceptance or rejection, including the reason for rejection.

YCH has adopted a “one offer plan” for offering units to applicants. Under this plan, the first qualified applicant in sequence on the waiting list will be made one offer of a unit of the appropriate size. If more than one unit of appropriate type and size is available, the first unit offered will be the first unit ready for occupancy.

Applicants must accept or refuse a unit offer within five business days of the date of the unit offer. When an applicant rejects a unit offer without good cause, the applicant’s name will be removed from the waiting list.

Housing Choice Voucher Program – Administrative Plan

YCH is responsible for ensuring that each individual and family admitted to the HCV program meets all program eligibility requirements. This includes any individual approved to join the family after the family has been admitted to the program. The family must provide any information needed by YCH to confirm eligibility and determine the level of assistance.

To be eligible for the HCV program, each applicant family must:

- Qualify as a family as defined by HUD and YCH. A family, regardless of actual or perceived sexual orientation, gender identity, or marital status, may be a single person or group of persons. Family as defined by HUD includes a family with a child or children, two or more elderly or disabled persons living together, one or more elderly or disabled persons living with one or more live-in aides, or a single person. YCH has the discretion to determine if any other group of persons qualifies as a family.
- Have income at or below HUD specified income limits. To be income-eligible, a family must be a very low-income family or a low-income family which has been “continuously assisted” under the 1937 Housing Act. A very low-income family is a family whose annual income does not exceed 50 percent of the median income for Yolo County, adjusted for family size. A low-income family is a family whose annual income does not exceed 80 percent of the median income for Yolo County, adjusted for family size.
- Qualify on the basis of citizenship or the eligible immigrant status of family members. Housing assistance is only available to individuals who are U.S. citizens, U.S. nationals, or noncitizens that have eligible immigration status. At least one family member must be a citizen, national or noncitizen with eligible immigration status in order for the family to qualify for any level of assistance.
- Provide social security number information for all family members as required. Every family member must provide documentation of a valid Social Security Number (SSN) or a certification stating that no SSN has been issued.
- Consent to YCH’s collection and use of family information as provided for in YCH-provided consent forms. HUD requires each adult family member,

and the head of household, spouse, or co-head, regardless of age to sign form HUD-9886, Authorization for the Release of information/Privacy Act Notice, and other consent forms as needed to collect information relevant to the family's eligibility and level of assistance.

- YCH must determine that the current or past behavior of household members does not include activities that are prohibited by HUD or YCH.

Although an applicant may be eligible for the Housing Choice Voucher Program, it does not mean that they will be provided assistance. HUD requires YCH to deny assistance in the following cases:

- Any member of the household has been evicted from federally-assisted housing in the last three (3) years for drug-related criminal activity. YCH will admit an otherwise eligible family who was evicted from federally assisted housing within the past three (3) years for drug-related criminal activity, if YCH is able to verify that the household member who engaged in the criminal activity has completed a supervised drug rehabilitation program as approved by YCH, or the person who committed the crime, is no longer living in the household.
- YCH determines that any household member is currently engaged in the use of illegal drugs.
- YCH has reasonable cause to believe that any household member's current use or pattern of use of illegal drugs, or current abuse or pattern of abuse of alcohol, may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.
- Any household member has ever been convicted of drug-related criminal activity for the production or manufacture of methamphetamine on the premises of federally assisted housing.
- Any household member that is subject to a lifetime registration requirement under a state sex offender registration program.

If any household member is currently engaged in, or has engaged in any drug-related or violent criminal activity, within the last three years, the family will be denied admission.

HUD authorizes YCH to deny assistance based upon the family's previous behavior in assisted housing. YCH will deny assistance to an applicant family if:

- The family does not provide information that HUD or YCH determines is necessary to the administration of the program.
- The family does not provide complete and true information to YCH.
- Any public housing agency has terminated assistance under the program for any family member within the last three (3) years.
- Any family member has been evicted from federally assisted housing in the last three (3) years.
- Any family member has committed fraud, bribery, or any other corrupt or criminal act in connection with any other federal housing program.
- The family owes rent or other amounts to any public housing agency in connection with the HCV, Certificate, Moderate Rehabilitation, or public housing programs, unless the family repays the full amount of the debt prior to being selected from the waiting list.
- The family has breached the terms of a repayment agreement entered into with YCH, unless the family repays the full amount of the debt covered in the repayment agreement prior to being selected from the waiting list.
- A family member has engaged in or threatened violent or abusive behavior towards YCH personnel.

YCH is authorized to obtain criminal conviction records from law enforcement agencies to screen applicants for admission to the HCV program. This authority assists YCH in complying with HUD requirements and in-house policies to deny assistance to applicants who are engaging in or have engaged in certain criminal activities. In order to access these records, YCH requires each applicant household to submit a consent form signed by each adult household member.

When a family wishes to receive HCV assistance, the family must submit an application that provides YCH with the information needed to determine the family's eligibility. The application process involves two phases. The first phase involves placing the family on the waiting list. This process requires the family to declare any preferences to which they may be entitled and the family's income.

In the event two or more applicants with identical preferences are eligible for placement on the waiting list, their order of placement will be determined by the date and time of the application.

The second phase is the final determination of eligibility, which takes place when the family nears the top of the waiting list.

YCH is permitted to close the waiting list if it has an adequate pool of families to use its available HCV resources. YCH will close the waiting list when the estimated waiting

period for housing assistance for the most current applicants on the list reaches 12 months. Before reopening the waiting list, YCH must publish a public notice stating that it will be reopened.

YCH has established the following preferences for admission to the HCV program:

- Applicants with special provisions, which includes tenants residing in units owned and or managed by YCH required to move due to special circumstances, and approved by the Chief Executive Officer.
- Yolo County residents. Applicants who live or work in Yolo County.
- Any citizen of the United States, who served in the military, naval, or air service of the United States who received an honorable discharge or was released from active duty under honorable conditions. This preference applies to the surviving spouses of veterans.
- HCV participants who have been terminated due to over-leasing or lack of federal funding.
- Families who have at least one adult employed and has been employed for at least six (6) months. Definition of employment includes receipt of unemployment benefits. This preference is automatically extended to elderly families and a family whose head of household or spouse is receiving income based on their permanent disability.
- Involuntarily displacement with a direct referral from a local government or code enforcement entity which can verify displacement.

All preferences, with the exception of involuntary displacement, are given a point value of one. Involuntary displacement receives two points. Points are cumulative and applicants with the highest point total are ranked highest on the list.

Once an applicant family has been selected from the waiting list, YCH will notify the family by first class mail. The family will be sent a packet of forms to be completed and returned by a specified date.

## **Financial Resources**

The table below lists Yolo County Housing’s anticipated financial resources, such as PHA Operating, Capital and other anticipated Federal resources available to the Agency, as well as tenant rents and other income available to support the Public Housing and Housing Choice Voucher Programs in Fiscal Year 2017.

<b>Funding Source</b>	<b>Amount</b>	<b>Use</b>
FY2017 PH Operating Fund	\$1,080,000	PH Operations
FY2017 Capital Fund Program	\$741,046	PH Modernization
FY2016 Capital Fund Program	\$318,446	PH Modernization
FY2015 Capital Fund Program	\$368,092	PH Modernization
FY2014 Capital Fund Program	\$31,018	PH Modernization
Housing Choice Voucher Program	\$11,553,000	HCV Operations
HCV Administrative Fees	\$1,200,000	HCV Operations
Public Housing Dwelling Rent	\$1,686,000	PH Operations
Interest	\$2,300	PH/HCV Operations
Other Income	\$31,300	PH Operations
<b>Total</b>	<b>\$17,011,202</b>	

**Note:** The Capital Fund amounts for FY2016, FY2015 and FY2014 are the unobligated amounts as of 12/31/2016. The projected FY2017 CFP amount is based on the actual FY2016 amount received.

## **Rent Determination**

### **Public Housing**

A family’s income determines eligibility for assistance and is also used to calculate the family’s rent payment. The first step in calculating income-based rent is to determine each family’s total tenant payment (TTP). Then, if the family is occupying a unit that has tenant-paid utilities, the utility allowance is subtracted from the TTP. The result of this calculation, if a positive number, is the tenant rent. If the TTP is less than the utility allowance, the result of this calculation is a negative number, and is called a utility reimbursement, which may be paid to the family or directly to the utility company by YCH.

HUD regulations specify the formula for calculating the total tenant payment (TTP) for a

tenant family. TTP is the highest of the following amounts rounded to the nearest dollar.

- 30% of the family's monthly adjusted income
- 10% of the family's monthly gross income
- A minimum rent of \$25

As required, YCH also offers a Flat Rent which is designed to encourage self-sufficiency and to avoid creating disincentives for continued residency by families who are attempting to become economically self-sufficient. The flat rents are tied to the market rent and are updated on an annual basis. The flat rent schedule is available for review at YCH's main office.

#### Housing Choice Voucher

HUD regulations specify the formula for calculating the total tenant payment (TTP) for an assisted family. TTP is the highest of the following amounts, rounded to the nearest dollar:

- 30% of the family's monthly adjusted income
- 10% of the family's monthly gross income
- A minimum rent of \$25 which was established with the approval of the FY2013 Agency Plan Annual Update.

#### **Homeownership Programs**

##### Public Housing

YCH does not currently operate a public housing homeownership program.

##### Housing Choice Voucher - Tenant Based Assistance

Yolo County Housing has established a housing choice voucher tenant-based homeownership option in Yolo County, USA, pursuant to the U.S. Department of Housing and Urban Development's (HUD) final rule dated October 12, 2000 and Section 555 of the Quality Housing and Work Responsibility Act of 1998 under Section 8(y), Homeownership Option.

Any voucher eligible program participant who has been issued a Housing Choice Voucher may utilize the subsidy to purchase rather than rent a home, subject to the following:

- 1) A family must meet the requirements for continued participation in the YCH Tenant-based HCV Program.
- 2) The homeownership option will be included in all Briefing and Re-Housing classes as well as media and community announcements. Current HCV participants must be in compliance with their lease and program requirements and must terminate their current lease arrangement in compliance with the lease.
- 3) A family in which the head of household or co-head has previously received assistance and has defaulted on a mortgage obtained through the Homeownership Option is barred from participation.
- 4) Participant families must be any of the following: “first-time homeowners,” in which no family member owned any present ownership interest in a residence of any family member in the last three years; residents of limited equity cooperatives; or, a family of which a member is a person with disabilities, and use of the Homeownership Option is needed as a reasonable accommodation. (Title to a mobile home is not considered as homeownership for purposes of this option.)
- 5) Participants in the HCV Homeownership Option must attend and satisfactorily complete the pre-purchase homeownership counseling program and be deemed to be “mortgage ready” before a homeownership voucher will be issued. Participants are also required to attend and complete post-purchase, ongoing homeownership counseling. At a minimum, the counseling will cover the following:
  - Home maintenance
  - Budgeting and money management
  - Credit counseling
  - Negotiating the purchase price of a home
  - Financing
  - Locating the home
  - De-concentration issues
  - Family must only purchase a home that passes HQS inspection and has been satisfactory according the independent inspection
- 6) The head of household and/or co-head must be currently employed on a fulltime basis (as defined by HUD to average 30 hours per week) and have been continuously so employed during the year before commencement

of homeownership assistance. Families in which the head of household, spouse or co-head is disabled or elderly are exempted from this requirement. Families that include a person with disabilities may request an exemption as a reasonable accommodation.

- 7) The family's income must be equal to or exceed the HUD minimum income requirement, currently set at 2000 hours times the current Federal minimum wage or \$14,500. Welfare assistance will not be counted (used) for meeting the income requirement, except for households in which the head or co-head is elderly or disabled and for households that include a disabled person other than head or co-head. ("Welfare assistance" includes federal housing assistance or the housing component of a welfare grant; Jobs and Family Services assistance; SSI that is subject to an income eligibility test; food stamps; general assistance or other assistance provided under a federal, state or local program that provides assistance available to meet family living or housing expenses.)
- 8) Participants may be enrolled in the Family Self-Sufficiency (FSS) Program but are not required to do so for qualifying in the program. Participants enrolled in the FSS will have a preference over non-FSS families. Funds accumulated in the escrow account may be advanced for purchase of the home or home maintenance, subject to the guidelines of the FSS Program.
- 9) YCH requires the applicant for the program to be a current participant of the Voucher program and must have been in the program for at least one year, and be a participant in good standing.

The full homeownership plan can be found in the Administrative Plan for the Housing Choice Voucher Program.

### **Safety and Crime Prevention**

To increase safety and security and as a result of consultation with Woodland Police Department, YCH has installed high definition cameras at Yolano Park which is located between the Yolano Village and Donnelly Circle public housing developments in Woodland. Yolano Park and Donnelly Circle are owned by Yolo County Housing and is enjoyed by many residents of the Yolano-Donnelly public housing community. Unfortunately, there have recently been increases in trespassers, vandalism and other activities. Over the past year, there have been hundreds of dollars of property damage caused by these uninvited trespassers, who are also disrupting the peaceful environment of the residents that live on the properties. Residents and YCH have worked closely with the Woodland Police Department to eliminate this issue. The

camera system was installed and has been on line since the beginning of October 2016. The system includes eight (8) high definition cameras, three (3) DVRs, and remote viewing access. All cameras are pointed in areas of concern adding redundancy for better identification of any suspicious activity or trespassers. The system has already been useful in helping the police identify two suspects in a vandalism investigation. The residents were pleased and supportive of the installation of the camera system.

### **Pet Policy**

Yolo County Housing has adopted a Pet Policy covering the ownership of pets in its' public housing developments. The policy explains the YCH's policy on the keeping of pets and any criteria or standards pertaining to the policies. The rules adopted are reasonably related to the legitimate interest of the PHA to provide a decent, safe and sanitary living environment for all tenants, and to protect and preserve the physical condition of the property, as well as the financial interest of the Agency. The full Pet Policy is on file at the main office and can be reviewed during normal operating hours.

### **Substantial Deviation**

A "Substantial Deviation" from the 5-Year Plan is an overall change in the direction of the Agency pertaining to the Authority's Goals and Objectives. This includes revising or modifying the Agency's Goals and Objectives.

### **Significant Amendment**

A "Significant Amendment or Modification" to the Annual Plan is a change in a policy or policies pertaining to the operation of the Authority. This includes the following:

- Changes to rent or admissions policies or organization of the waiting list.
- Additions of non-emergency work items in excess of 10% of total Capital Fund Program budget (items not included in the current Annual Statement or 5-Year Action Plan) or change in use of replacement reserve funds under the Capital Fund.
- Any change with regard to demolition or disposition, designation, homeownership programs or conversion activities.

## **B.2 New Activities**

### **Hope VI or Choice Neighborhoods**

At this time, there are no plans to submit an application for a Hope VI Grant in the upcoming Fiscal Year. YCH reserves the right to submit an application if circumstances change. The Plan will be amended accordingly.

### **Mixed Finance Modernization or Development**

At this time, there are no plans to submit an application for approval of a Mixed Finance Modernization or Development project in the upcoming Fiscal Year. YCH reserves the right to submit an application for approval if circumstances change. The Plan will be amended accordingly.

### **Demolition and/or Disposition**

At this time, there are no plans to submit a Demolition and/or Disposition Application to HUD for any of its public housing properties. YCH reserves the right to submit an application for if circumstances change. The Plan will be amended accordingly.

### **Conversion of Public Housing to Tenant-Based Assistance**

At this time, there are no plans to convert any Public Housing properties to Tenant-Based Assistance in the upcoming Fiscal Year. YCH reserves the right to submit an application for conversion if circumstances change. The Plan will be amended accordingly.

### **Conversion of Public Housing to Project-Based Assistance using RAD**

At this time, there are no plans to convert any Public Housing properties to Project-Based Assistance using Rental Assistance Demonstration (RAD) during the upcoming Fiscal Year. YCH reserves the right to submit an application for conversion if circumstances change. The Plan will be amended accordingly.

### **Project-Based Vouchers**

To expand the availability of affordable housing in Yolo County, YCH uses project-based vouchers. The current Annual Contributions Contract with HUD allows YCH to use up to 20% of its voucher program budget authority to attach funding to specific units rather than using it for tenant-based assistance. PBV assistance may be attached to existing housing or newly constructed or rehabilitated housing. HAP contracts cannot be renewed or entered into if more than twenty (20%) of the base allocation is utilized for PBV. YCH is responsible for determining the amount of budget authority that is available for project-based vouchers and ensuring that the amount of assistance that is attached to units is within the amounts available and/or authorized by HUD.

Currently, YCH uses approximately 6.3% (108 units) of the budget authority for project-based vouchers with contracts for periods of 10 to 15 years. The table below provides information on the apartment complexes which currently have project-based contracts with:

<b>Complex</b>	<b>Units</b>	<b>Effective Date</b>	<b>City</b>
Fair Plaza Senior Apts.	27	10/1/2008	Woodland
Homestead Apts.	4	2/1/2009	Davis
Eleanor Roosevelt Circle	15	4/1/2009	Davis
Terracina at Springlake	15	8/15/2012	Woodland
New Harmony	17	2/1/2013	Davis
Esperanza Crossing	10	6/24/2013	Esparto
Cesar Chavez Plaza	10	11/8/2013	Davis
Hotel Woodland VASH	10	12/1/2014	Woodland

The implementation of project-based vouchers up to 20% of the Annual Budget Authority will increase the quality of affordable housing and expand housing opportunity to low-income families in Yolo County which is consistent with the Agency Plan's Goals and Objectives.



## **Units with Approved Vacancies for Modernization**

At certain times, a PHA may have a need to request the approval from HUD for vacancies in which to complete significant modernization work. At this time, YCH does not have a need to request this approval from HUD. YCH reserves the right to request approval if a need should arise during the upcoming Fiscal Year.

## **Other Capital Grant Programs**

Currently, YCH is not receiving funding through any other Capital Grant Programs such as the Capital Fund Facilities Grants or Emergency Safety and Security Grants. YCH reserves the right to apply for funding through these grants should they become available during the upcoming Fiscal Year.

### **B.3. Progress Report**

#### **2016 Summary**

The Department of Housing and Urban Development (HUD) field office staff conducted a Comprehensive Compliance Monitoring Review on the 1st week of May 2016 and at the end of August 2016 for Yolo County Housing (YCH). The review team reviewed various areas of the Agency's operations and programs including financial management, procurement, purchasing, maintenance, public housing and voucher program compliance. At the conclusion of the compliance review, HUD staff conducted an exit interview with the management team where the items outlined in this correspondence were discussed.

HUD congratulated YCH on its on-time rent collection, high occupancy percentages and overall compliance. There were no financial findings with the exception of the General Depository Agreement, no program findings, no procurement findings, no maintenance or operations findings. The only finding, was completed and is closed. This related to the requirement for an updated form of the General Depository Agreement, which was brought to the Housing Commission for approval and execution on September 14, 2016, and was subsequently closed by HUD as of October 18, 2016.

During 2016, YCH updated its' ACOP and Administrative Plan to include the mandatory changes found in PIH Notice 2016-05.

Also, YCH is in the early stages of developing plan to comply with HUD's recently

issued Smoke-Free Policy. This policy states that all public housing developments should be designated no smoking. YCH has 18 months from the time the Final Rule was issued to implement the policy. Staff will be alerting residents to this new policy in the near future in hopes of getting feedback to make the implementation go smoothly.

Moving forward, YCH will be focusing efforts on helping residents improve their job-related skill sets which will in turn help their employability. Currently, YCH has a high working population. The majority of the programs will be focused on youth and helping currently employed residents get higher paying jobs by improving their skill set.

### **On-going Goals and Objectives**

- Continue to analyze opportunities for operational cost savings that will be necessary due to cuts in funding.

**Progress:** YCH is operating as streamlined as possible and at this point, no additional cuts can be made without severely affecting delivery of services.

- Complete renovations to public housing properties to meet accessibility requirements.

**Progress:** Due to repair and replacement of the water wells at El Rio Villas in Winters which was a necessity, the accessibility renovations have had to be delayed once more. YCH is hoping to use the remaining funds from the FY2016 CFP to begin to complete the ADA renovations.

**Through partnership with the Yolo County Transportation District, a new ADA accessible transit stop was installed at El Rio Villas during 2015.**

**Funds from the 2011, 2012, and 2013 Capital Fund Programs were used to address site accessibility deficiencies at the EL Rio Villa I and II public housing developments located in Winters. Phase I of the ADA site improvements at El Rio Villas I and II were completed in late 2014. Improvements included ADA path of travel,**

ADA parking and van accessible stall upgrades, ADA ramping upgrades to accessible units and at the YCH property management office and community room, and new ADA signage and striping. Roadway and parking bay improvements at both complexes were completed.

In the same contract, ADA parking stall improvements, path of travel and ramping, ADA parking and an accessible stall upgrades, new ADA signage and striping at the Vista Montecito housing complex in Esparto were completed.

Phase II of the ADA site improvements at El Rio Villa III and IV, had to be delayed due to the Health and Safety issues concerning the drinking water from the West water well. The proposal for Phase II is currently under review by staff.

- Continue to increase the sustainability of the Agency's portfolio by reducing energy usage using both simple and complex strategies.

**Progress:** In 2015 through 2016, YCH was able to reduce water usage by 53% as a result of resident education and stringent enforcement of outdoor watering ordinances.

In 2016, YCH received grants from Pacific Gas and Electric totaling \$588,648 for the installation of solar panels at El Rio Villas (Winters), Riverbend Manor (West Sacramento) and Yolano-Donnelly (Woodland).

- Maintain leasing rates, on-time collections and other benchmarks for on-going programs at a rate equal to or above generally accepted standards.

**Progress:** YCH's average occupancy rate for Public Housing is 99% which is 2% higher than the Goal of 97%.

The on-time rent collection rate of 95% meets the Goal of 95%.

- Continue to improve the Public Housing Assessment System (PHAS) score.

**Progress:** YCH received a score of 94 on the most recent Public Housing Assessment System (PHAS) and is considered a High Performing agency.

- Continue to train staff on Asset Management to ensure compliance with all new HUD regulations.

**Progress:** Employees continue to attend training on an as needed basis.

- Achieve and maintain a 98% lease-up in the budget year (combined between tenant-based Housing Choice Voucher (HCV) and project-based vouchers and includes either units or budget authority).

**Progress:** While the current allotment of vouchers in the HCV Program is 1,727, funding is not sufficient to cover this level of vouchers. Presently, the Program can fund approximately 1,500 vouchers. The current lease-up rate is 100% of budget.

- Close an additional three (3) homes through the HCV Home Ownership Program in the coming year.

**Progress:** Due to the tight housing market in Yolo County, no homes were closed in 2016. Interest remains high but unfortunately, most participants do not meet the requirements.

In 2016, YCH approved bringing the Trio Home Lease with Purchase Option Financing Program to Yolo County through the California Affordable Housing Agency (CalAHA). Trio is an affordable home ownership program specializing in a lease with purchase option agreement that enables a qualified consumer to select a home and finance it for one to five years until they are ready to purchase. Staff believes that this program provides a

**good opportunity for low and moderate income households that are nearly qualified for home ownership to lock in low interest rates and home affordability now that may not be available to them in the future.**

- Continue to achieve High Performer status on Section 8 Management Assessment (SEMAP) score.

**Progress: YCH was notified that it received a score of 100% on the SEMAP for the fiscal year ending June 30, 2016. This is the 7<sup>th</sup> consecutive year that the Housing Choice Voucher Program is a High Performer.**

- Implement new owner outreach materials to attract potential new owners to participate in the HCV Program.

**Progress: YCH hosted the Landlord Workshop presented by Legal Services of Northern California (LSNC) in April 2016. The Landlord Access Program remains active.**

- Complete full enrollment in the Family Self-Sufficiency Program (FSS) to comply with the HUD requirement.

**Progress: The Agency maintains full enrollment in the FSS Program based on their mandatory slots. YCH continues to seek HCV-FSS and PH-FSS funding opportunities to expand program enrollment and self-sufficiency for families.**

- Continue to upgrade computer systems including servers, software, and memory capacity.

**Progress: On an as-needed basis, older computers are replaced with updated models.**

**YCH's enterprise software system was upgraded to a newer version during 2015 to better meet client needs and provide better data management for staff.**

- Continue with customer satisfaction surveys; gather and interpret results;

identify strengths and areas of needed improvement in YCH services.

**Progress:** Staff will be sending out customer satisfaction surveys with the 2017 Annual Report to all HCV tenants and landlords and public housing residents. Sending it with this report reduces administrative costs associated with staff time and postage. YCH will also be looking at building customer service feedback tools into their new website design. If the results are received before submittal of the PLAN in April, they will be included.

- Install individual water meters at apartments where there is currently no meter.

**Progress:** YCH is planning to move forward with an Energy Performance Contract. Part of those services will be to install individual water meters. Installation of the meters will be left in the Capital Plan in case the EPC does not work out. YCH hopes that the meters will be installed by the end of 2017.

- Develop eco-friendly landscaping plan to reduce water usage.

**Progress:** Eco-friendly landscaping was installed at Riverbend Manor in 2011. YCH also completed a demonstration landscape at El Rio Villa in 2013. YCH was also able to install drought tolerant landscaping at its El Rio Villas office and community center in 2014. In 2015, YCH installed a small drought tolerant garden at its' new transportation hub at the El Rio Villas. Due to more pressing capital needs, YCH has been unable to fund the installation of any additional eco-friendly landscapes.

- Install broadband access capability to reach all sites and offer inexpensive in-home broadband access to residents.

**Progress:** Unfortunately, YCH has been unable to receive any grant funding to cover the monthly cost associated with providing broadband access to residents. YCH is unable to cover the cost from operations at present. YCH

**continues to pursue opportunities to provide internet access to all residents.**

- Continue to deploy Facebook page to help distribute information to residents and applicants.

**Progress: Information concerning YCH matters and other important news is posted to the Agency’s Facebook page on a continual basis. The page currently has 232 likes/followers.**

- Upgrade website to include better information, easier navigation and install access portals for customers – landlords, tenants, and participants.

**Progress: YCH has published a Request for Proposal for the redevelopment of the website to provide more user friendly features, information and access. The proposals are currently being reviewed with the hopes of selecting a contractor by Spring 2017.**

- Move forward with additional elements of YCH’s “Welcome Home” strategy that are already outlined in the Five-Year Plan, including development of a welcome packet for residents, participants, and landlords.

**Progress: YCH established CAST (Community Awareness and Safety Team) at three sites (El Rio Villas, Yolano Village and Donnelly Circle) which is a key component of the Welcome Home Plan and has implemented the program at two additional sites (Las Casitas and Riverbend Manor). The Welcome Home packet provides information to residents, voucher holders, and landlords and remains a goal.**

- Apply for additional funding including the Capital Fund Education and Training Community Facilities (CFCF) Program and Resident Opportunity and Self-Sufficiency (ROSS) Service Coordinators Program.

**Progress:** A successful ROSS Grant application was submitted in 2013. The Grant covered a three-year period which expired in September 2016. The 2016 ROSS Grant application was submitted to HUD, approved and fully funded effective February 1, 2017 for three additional years to serve our public housing families.

- Complete software conversion to Tenmast's Winten 2+ system to enhance productivity and streamline operations.

**Progress:** The conversion to Tenmast's Winten 2+ system was completed in late 2015.

Staff is working on implementing the mobile work order module of the software system. This will allow the maintenance staff to become more efficient by receiving work orders on their company issued tablets.

- Expand CAST (Community Awareness and Safety Team) to the El Rio Villa public housing developments.

**Progress:** The CAST Program has been established at the El Rio Villa communities with five (5) members receiving CPR/First Aid Training, Community Preparedness Training, and meetings with local law enforcement for coordinated security efforts. YCH has scheduled CPR and First Aid classes for staff and CAST members from five different public housing sites (El Rio Villas, Las Casitas, Riverbend, Yolano and Donnelly). Members meet quarterly at their respective housing sites.

- Speed up the collection of past due accounts.

**Progress:** The Agency wrote off bad debts of \$7,380 in 2015-2016 as compared to \$17,635 in 2014-2015. The lower amounts indicate that YCH is doing a better job at collecting past due accounts.

- Provide services to other Public Housing Authorities or similar entities as a means to increase revenue.

**Progress:** YCH continues to provide grant management services related to the Community Block Grant and Home Grant for Yolo County.

YCH entered into a contract to provide grant management services to the City of Winters.

YCH entered into a contract with the State of California to provide technical assistance.

YCH entered into an intergovernmental agreement with the City of Davis to provide affordable housing monitoring, financial, services, grants management and consultation services.

The CEO continues to provide staffing to the Ten Year Plan Commission.

YCH continues to be a member of the Continuum of Care.

YCH will continue to assess opportunities like the above on an on-going basis and undertake the ones which make financial sense while also helping the entire community.

#### **B.4 Most Recent Fiscal Year Audit**

The most recent Fiscal Year Audit covers FYE June 30, 2016, There were no findings in that Audit.

### **C. Other Documents and/or Certification Requirements**

#### **C.1 Certification of Compliance with PHA Plans and Related Regulations**

Form HUD-50077-ST-HCV-HP, PHA Certifications of Compliance with the PHA Plans and Related Regulations, will be submitted as an electronic attachment to the FY2017 Annual Plan. This Form will be signed by the Chair of the Housing Commission once the Plan is approved by the Board.



## **C.2 Civil Rights Certification**

Form HUD-50077-ST-HCV-HP, PHA Certifications of Compliance with the PHA Plans and Related Regulations, will be submitted as an electronic attachment to the FY2017 Annual Plan. This Form will be signed by the Chair of the Housing Commission once the Plan is approved by the Board.

## **C.3 Resident Advisory Board Comments**

On March 2, 2017, YCH staff held a Resident Advisory Board meeting to review the updates to the Agency Plan and the Capital Fund Plan. During this meeting, staff received input for future consideration in the Annual Planning process and suggestions for communication with RAB members, work order processes and campus safety, most of which can be funded through operations. RAB members were asked to review the provided materials and invited to the public comment meeting scheduled March 21, 2017.

On March 21, 2017 and again on April 4, 2017, YCH staff held Resident Advisory Board (RAB) meetings to allow members to provide comments and provide feedback on the Plan. Also, during this meeting, the projected use for the Capital Fund Program was discussed. RAB members commented that they supported the Annual Plan.

Three members commented that they were looking forward to the implementation of the HUD non-smoking rule and one member stated that they would encourage YCH to consider allowing disabled seniors to smoke outside their unit. Staff will be working with resident committees at each public housing location on implementation of the HUD rule over the next 12 months.

Two members commented that the Community Awareness and Support Team (CAST) is valuable to public housing and suggested that the resident liaison be required to be part of CAST as well as implementing a consistent recruitment and training process with an increased focus on health and safety.

RAB members provided positive feedback regarding the installation of cameras at Yolano Village and the additional cameras installed at El Rio Villas. They suggested consideration of additional security camera installations at the entrances of each complex. In addition, they suggested improvement in exterior lighting.

Two RAB members recommended the installment of a tot lot or small

playground at the Riverbend Manor Housing complex for visiting grandchildren. Staff will assess and evaluate this suggestion with the community as funding may become available.

YCH staff believes that most of the concerns raised by the RAB can be addressed using either normal operating procedures or current operational funds. Improved exterior lighting will be addressed with ADA road improvements and community member engagement will take place during implementation of HUD initiatives such as Affirmatively Furthering Fair Housing and Non-Smoking Rule.

There is no need to alter the Plan based on the comments received from the RAB.

#### **C.4 Certification by State or Local Officials**

YCH has submitted Form HUD-50077 SL, Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan, to the appropriate local official for their signature. The signed form will be submitted to HUD as an electronic attachment to the FY2017 Annual Update.

### **D. Statement of Capital Improvements**

#### **D.1 Capital Improvements**

The most recent Capital Fund Five-Year Action Plan was submitted with the FY2015 – FY2019 Five-Year Agency Plan and was approved by HUD on June 30, 2016.

The Capital Fund Five-Year Action Plan covering the years FY2017 – FY2021 will be discussed in the same Public Hearing as the FY2017 Agency Plan Annual Update. A copy of the FY2017 – FY2021 Capital Fund Five-Year Action Plan will be available for review during the 45-day Public Hearing notice period as well.

**Certifications of Compliance with  
PHA Plans and Related Regulations  
(Standard, Troubled, HCV-Only, and  
High Performer PHAs)**

**U.S. Department of Housing and Urban Development**  
Office of Public and Indian Housing  
**OMB No. 2577-0226**  
**Expires 02/29/2016**

**PHA Certifications of Compliance with the PHA Plan and Related Regulations including  
Required Civil Rights Certifications**

*Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the     5-Year and/or   X   Annual PHA Plan for the PHA fiscal year beginning   July 1, 2017  , hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:*

1. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
2. The Plan contains a certification by the appropriate State or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the PHA's jurisdiction and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan.
3. The PHA has established a Resident Advisory Board or Boards, the membership of which represents the residents assisted by the PHA, consulted with this Resident Advisory Board or Boards in developing the Plan, including any changes or revisions to the policies and programs identified in the Plan before they were implemented, and considered the recommendations of the RAB (24 CFR 903.13). The PHA has included in the Plan submission a copy of the recommendations made by the Resident Advisory Board or Boards and a description of the manner in which the Plan addresses these recommendations.
4. The PHA made the proposed Plan and all information relevant to the public hearing available for public inspection at least 45 days before the hearing, published a notice that a hearing would be held and conducted a hearing to discuss the Plan and invited public comment.
5. The PHA certifies that it will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
6. The PHA will affirmatively further fair housing by examining their programs or proposed programs, identifying any impediments to fair housing choice within those programs, addressing those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and by maintaining records reflecting these analyses and actions.
7. For PHA Plans that includes a policy for site based waiting lists:
  - The PHA regularly submits required data to HUD's 50058 PIC/IMS Module in an accurate, complete and timely manner (as specified in PIH Notice 2010-25);
  - The system of site-based waiting lists provides for full disclosure to each applicant in the selection of the development in which to reside, including basic information about available sites; and an estimate of the period of time the applicant would likely have to wait to be admitted to units of different sizes and types at each site;
  - Adoption of a site-based waiting list would not violate any court order or settlement agreement or be inconsistent with a pending complaint brought by HUD;
  - The PHA shall take reasonable measures to assure that such a waiting list is consistent with affirmatively furthering fair housing;
  - The PHA provides for review of its site-based waiting list policy to determine if it is consistent with civil rights laws and certifications, as specified in 24 CFR part 903.7(c)(1).
8. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.

9. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
10. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
11. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
12. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
13. The PHA will provide the responsible entity or HUD any documentation that the responsible entity or HUD needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58 or Part 50, respectively.
14. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under Section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
15. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
16. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act, the Residential Lead-Based Paint Hazard Reduction Act of 1992, and 24 CFR Part 35.
17. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments), 2 CFR Part 225, and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments).
18. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the regulations and included in its Plan.
19. All attachments to the Plan have been and will continue to be available at all times and all locations that the PHA Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its PHA Plan and will continue to be made available at least at the primary business office of the PHA.
22. The PHA certifies that it is in compliance with applicable Federal statutory and regulatory requirements, including the Declaration of Trust(s).

Yolo County Housing

CA044

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PHA Name

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PHA Number/HA Code

Annual PHA Plan for Fiscal Year 2017

5-Year PHA Plan for Fiscal Years 2015 - 2019

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I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. **Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).

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Name of Authorized Official

**Mark Johannessen**

Signature

Title

**Commission Chair**

Date

**Information**

**SUBJECT**

Public Hearing Regarding the FY 2017 Capital Fund Annual Statement and Five-Year Plan, Review, Approve and Authorize the CEO to Execute with the U.S. Department of Housing and Urban Development (HUD) (Ichtertz and Holt)

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**Attachments**

Staff Report

Att. A. CFP Information

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**Form Review**

Form Started By: Julie Dachtler  
Final Approval Date: 04/14/2017

Started On: 04/14/2017 04:18 PM



## **Yolo County Housing**

147 W. Main Street  
WOODLAND, CA 95695

Woodland: (530) 662-5428  
Sacramento: (916) 444-8982  
TTY: (800) 545-1833, ext. 626

DATE: April 19, 2017  
TO: YCH Housing Commission  
FROM: Lisa A. Baker, CEO  
PREPARED BY: Janis Holt, General Director

**SUBJECT: Public Hearing Regarding the FY 2017 Capital Fund Annual Statement and Five-Year Plan, Review, Approve and Authorize the CEO to Execute with the U.S. Department of Housing and Urban Development (HUD)**

### **RECOMMENDED ACTION:**

That the Housing Commission:

- a) Hold public hearing to solicit public comment regarding the proposed Capital Fund Annual Statement and Five Year Plan; and
- b) After public testimony, comments and any changes, approve the Plan, and;
- c) authorize CEO to execute and submit to HUD.

### **BACKGROUND / DISCUSSION**

As part of its requirements to HUD, Yolo County Housing is required to annually update their Five Year Capital Fund Plan. In past years, the Capital Fund Plan public hearing and adoption was part of the Annual Plan Update. New HUD guidance requires the Capital Fund Plan to be separate from the Annual Plan.

As part of the Capital Fund Plan approval process, the Agency created an update to the Five Year Plan and circulated it for a 45-day comment period to the public and stakeholders. The draft Plan was also presented to the Residency Advisory Board (RAB). A Public Notice was published and the comment period began on February 24, 2017 and ended on April 10, 2017.

#### **Resident Advisory Board (RAB)**

The Resident Advisory Board had no comments related to the FY 2017 Capital Fund Plan Statement or Five-Year Plan during the meetings held March 21, 2017 and April 4,

*Working together to provide quality affordable housing and community development services for all*

2017.

Public Comment

No public comment was received during the public comment period.

**FISCAL IMPACT**

Timely approval of the Annual Capital Plan Statement and Five Year Plan is required for receipt of capital funds from HUD.

**CONCLUSION**

Staff recommends that, after public testimony, comments and any changes, that the Commission approve the 2017 Capital Fund Plan Statement and Five Year Plan and authorize CEO to execute with HUD.

**Attachments:** Draft 2017 Capital Fund Annual Plan Statement and Five Year Plan

**FY2017 CAPITAL FUND PROGRAM ANNUAL  
STATEMENT AND FIVE-YEAR PLAN**

Part I: Summary		Grant Type and Number Capital Fund Program Grant No: CA30P04450117 Replacement Housing Factor	FFY of Grant: 2017
PHA Name: Yolo County Housing		Grant No: Date of CFFP: _____	FFY of Grant Approval: 2017
Type of Grant <input checked="" type="checkbox"/> Original Annual Statement <input type="checkbox"/> Performance and Evaluation Report for Period Ending:		<input type="checkbox"/> Revised Annual Statement (revision no: ) <input type="checkbox"/> Final Performance and Evaluation Report	
Summary by Development Account		Total Estimated Cost	Total Actual Cost <sup>1</sup>
Line		Original	Revised <sup>2</sup> Obligated
1	Total non-CFFP Funds		Expended
2	1406 Operations (may not exceed 20% of line 21) <sup>3</sup>	\$148,209.00	
3	1408 Management Improvements	\$30,000.00	
4	1410 Administration (may not exceed 10% of line 21)	\$74,104.00	
5	1411 Audit		
6	1415 Liquidated Damages		
7	1430 Fees and Costs	\$40,000.00	
8	1440 Site Acquisition		
9	1450 Site Improvement	\$256,735.00	
10	1460 Dwelling Structures	\$0.00	
11	1465.1 Dwelling Equipment - Nonexpendable	\$4,100.00	
12	1470 Nondwelling Structures		
13	1475 Nondwelling Equipment	\$20,000.00	
14	1485 Demolition		
15	1492 Moving to Work Demonstration		
16	1495.1 Relocation Costs		
17	1499 Development Activities <sup>4</sup>		
18a	1501 Collateralization or Debt Service paid by the PHA		
18b	9000 Collateralization or Debt Service paid Via System of Direct Payment	\$167,898.00	
19	1502 Contingency (may not exceed 8% of line 20)		
20	Amount of Annual Grant: (sum of line 2- 19)	\$741,046.00	
21	Amount of Line 20 Related to LBP Activities		
22	Amount of Line 20 Related to Section 504 Activities		
23	Amount of Line 20 Related to Security - Soft Costs		
24	Amount of Line 20 Related to Security - Hard Costs		
25	Amount of Line 20 Related to Energy Conservation Measures		



Annual Statement/Performance and Evaluation Report  
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2577-0226  
 Expires 6/30/2017

<b>Part II: Supporting Pages</b>		<b>Grant Type and Number</b>		<b>Federal FY of Grant: 2017</b>		
<b>PHA Name: Yolo County Housing</b>		<b>Capital Fund Program Grant No: CA30P04450117 CFFP (Yes/No):</b>				
		<b>Replacement Housing Factor Grant No:</b>				
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Status of Work
				Original	Revised <sup>1</sup>	
	<b>Operations</b>					
PHA-Wide	Operations	1406	LS	\$148,209.00		
	<b>Subtotal 1406</b>			<b>\$148,209.00</b>		
	<b>Management Improvements</b>					
PHA-Wide	PHA Staff/Commissioner Training	1408	LS	\$7,500.00		
PHA-Wide	Resident Training	1408	LS	\$500.00		
PHA-Wide	Develop 5-Year Agency Plan/Update Policies	1408	LS	\$5,000.00		
PHA-Wide	Update Utility Allowances	1408	LS	\$4,000.00		
PHA-Wide	Update computer software system and provide training	1408	LS	\$13,000.00		
	<b>Subtotal 1408</b>			<b>\$30,000.00</b>		

<sup>1</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement

<sup>2</sup> To be completed for the Performance and Evaluation Report

<b>Part II: Supporting Pages</b>									
<b>PHA Name:</b> Yolo County Housing					<b>Federal FY of Grant:</b> 2017				
<b>Grant Type and Number</b> Capital Fund Program Grant No: CA30P04450117 CFFP (Yes/No): Replacement Housing Factor Grant No:									
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work	
				Original	Revised <sup>1</sup>	Funds Obligated <sup>2</sup>	Funds Expended <sup>2</sup>		
	<b>Administration</b>								
PHA-Wide	Administrative costs related to the CFP	1410	LS	\$74,104.00					
	<b>Subtotal 1410</b>			<b>\$74,104.00</b>					
	<b>Fees and Costs</b>								
PHA-Wide	A&E Design Fee	1430	LS	\$25,000.00					
PHA-Wide	Environmental Assessments	1430	LS	\$10,000.00					
PHA-Wide	Capital Fund Program Update Fee	1430	LS	\$5,000.00					
	<b>Subtotal 1430</b>			<b>\$40,000.00</b>					
	<b>Site Improvements</b>								
AMP044000001	ADA site improvements at Knight's Landing	1450	LS	\$14,500.00					
AMP044000001	ADA site improvements at Yolito	1450	LS	\$14,500.00					
AMP044000001	Sewer lift station improvements at Yolito	1450	LS	\$45,000.00					
AMP044000002	Water storage tank improvements at El Rio Villa I, II, III and IV	1450	2	\$100,000.00					
AMP044000003	ADA site improvements at Las Casitas	1450	LS	\$33,335.00					
PHA-Wide	Replace sewer lines	1450	LS	\$49,400.00					
	<b>Subtotal 1450</b>			<b>\$256,735.00</b>					

<sup>1</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement

<sup>2</sup> To be completed for the Performance and Evaluation Report

<b>Part II: Supporting Pages</b>		<b>Grant Type and Number</b>		<b>Federal FY of Grant: 2017</b>		
<b>PHA Name: Yolo County Housing</b>		<b>Capital Fund Program Grant No: CA30P04450117</b>		<b>CFPP (Yes/No):</b>		
<b>Development Number Name/HA-Wide Activities</b>		<b>Replacement Housing Factor Grant No:</b>				
<b>Development Number Name/HA-Wide Activities</b>	<b>General Description of Major Work Categories</b>	<b>Development Account No.</b>	<b>Quantity</b>	<b>Total Estimated Cost</b>		<b>Status of Work</b>
				<b>Original</b>	<b>Revised<sup>1</sup></b>	
	<b>Dwelling Equipment</b>					
PHA-Wide	Replace ranges	1465.1	5	\$2,500.00		
PHA-Wide	Replace refrigerators	1465.1	5	\$1,600.00		
	<b>Subtotal 1465.1</b>			<b>\$4,100.00</b>		
	<b>Non-Dwelling Equipment</b>					
PHA-Wide	Replace computer equipment	1475	1	\$20,000.00		
	<b>Subtotal 1475</b>			<b>\$20,000.00</b>		
	<b>Collateralization or Debt Service</b>					
PHA-Wide	Debt Service for CFPP	1501	LS	\$167,898.00		
	<b>Subtotal 1501</b>			<b>\$167,898.00</b>		
	<b>Total CFP</b>			<b>\$741,046.00</b>		

<sup>1</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement

<sup>2</sup> To be completed for the Performance and Evaluation Report



**Capital Fund Program—Five-Year Action Plan**

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
Expires 6/30/2017

<b>Part I: Summary</b>						
PHA Name/Number: Yolo County Housing/CA044		Locality (Woodland/Yolo Co., California)			<input checked="" type="checkbox"/> Original 5-Year Plan	<input type="checkbox"/> Revision No:
A.	Development Number and Name	Work Statement for Year 1 FFY 2017	Work Statement for Year 2 FFY 2018	Work Statement for Year 3 FFY 2019	Work Statement for Year 4 FFY 2020	Work Statement for Year 5 FFY 2021
B.	Physical Improvements Subtotal	Annual Statement	\$292,735.00	\$268,835.00	\$265,000.00	\$290,483.00
C.	Management Improvements		\$22,000.00	\$22,000.00	\$55,835.00	\$30,352.00
D.	PHA-Wide Non-dwelling Structures and Equipment		\$6,100.00	\$30,000.00	\$0.00	\$0.00
E.	Administration		\$74,104.00	\$74,104.00	\$74,104.00	\$74,104.00
F.	Other		\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00
G.	Operations		\$148,209.00	\$148,209.00	\$148,209.00	\$148,209.00
H.	Demolition		\$0.00	\$0.00	\$0.00	\$0.00
I.	Development		\$0.00	\$0.00	\$0.00	\$0.00
J.	Capital Fund Financing – Debt Service		\$167,898.00	\$167,898.00	\$167,898.00	\$167,898.00
K.	Total CFP Funds		\$741,046.00	\$741,046.00	\$741,046.00	\$741,046.00
L.	Total Non-CFP Funds		\$0.00	\$0.00	\$0.00	\$0.00
M.	Grand Total		\$741,046.00	\$741,046.00	\$741,046.00	\$741,046.00

**Capital Fund Program—Five-Year Action Plan**

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
Expires 6/30/2017

**Part I: Summary (Continuation)**

PHA Name/Number: Yolo County Housing/CA044		Locality (Woodland/Yolo Co., California)				<input checked="" type="checkbox"/> Original 5-Year Plan	<input type="checkbox"/> Revision No:
A.	Development Number and Name	Work Statement for Year 1 FFY 2017	Work Statement for Year 2 FFY 2018	Work Statement for Year 3 FFY 2019	Work Statement for Year 4 FFY 2020	Work Statement for Year 5 FFY 2021	
	PHA-Wide	Annual Statement	\$442,211.00	\$442,211.00	\$476,046.00	\$450,563.00	
	CA044001 Yolano Homes		\$9,250.00	\$0.00	\$25,000.00	\$42,000.00	
	CA044002 El Rio Villa I		\$25,000.00	\$0.00	\$0.00	\$21,750.00	
	CA044004 Vista Montecito		\$4,100.00	\$0.00	\$25,000.00	\$11,600.00	
	CA044005 Ridge Cut Homes		\$3,300.00	\$0.00	\$32,500.00	\$0.00	
	CA044006 Yolito		\$4,200.00	\$70,835.00	\$7,500.00	\$0.00	
	CA044007 Donnelly Circle		\$15,700.00	\$0.00	\$25,000.00	\$50,000.00	
	CA044008 El Rio Villa II		\$25,000.00	\$0.00	\$0.00	\$18,850.00	
	CA044015 Riverbend Sr. Manor I		\$143,860.00	\$108,000.00	\$125,000.00	\$28,275.00	
	CA044017 Riverbend Sr. Manor II		\$2,700.00	\$120,000.00	\$25,000.00	\$17,400.00	
	CA044018 El Rio Villa III		\$39,325.00	\$0.00	\$0.00	\$35,000.00	
	CA044025 El Rio Villa IV		\$25,000.00	\$0.00	\$0.00	\$13,050.00	
	CA044028 Las Casitas		\$1,400.00	\$0.00	\$0.00	\$52,558.00	

**Capital Fund Program—Five-Year Action Plan**

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
Expires 6/30/2017

Work Statement for Year 1 FFY 2017	Work Statement for Year 2 FFY 2018				Work Statement for Year 3 FFY 2019			
	Development Number/Name General Description of Major Work Categories	Quantity	Estimated Cost		Development Number/Name General Description of Major Work Categories	Quantity	Estimated Cost	
	<b>Operations/PHA-Wide</b>				<b>Operations/PHA-Wide</b>			
	Operations	LS	\$148,209.00		Operations	LS	\$148,209.00	
	<b>Subtotal 1406</b>		<b>\$148,209.00</b>		<b>Subtotal 1406</b>		<b>\$148,209.00</b>	
	<b>Management Improvements/PHA-Wide</b>				<b>Management Improvements/PHA-Wide</b>			
	PHA Staff/Commissioner Training	LS	\$7,500.00		PHA Staff/Commissioner Training	LS	\$7,500.00	
	Resident Training	LS	\$500.00		Resident Training	LS	\$500.00	
	Five Year Agency Plan Development	LS	\$5,000.00		Five Year Agency Plan Development	LS	\$5,000.00	
	Update Utility Allowances	LS	\$4,000.00		Update Utility Allowances	LS	\$4,000.00	
	Update Computer Software and Training	LS	\$5,000.00		Update Computer Software and Training	LS	\$5,000.00	
	<b>Subtotal 1408</b>		<b>\$22,000.00</b>		<b>Subtotal 1408</b>		<b>\$22,000.00</b>	
	<b>Administration/PHA-Wide</b>				<b>Administration/PHA-Wide</b>			
	Administrative costs related to the CFP	LS	\$74,104.00		Administrative costs related to the CFP	LS	\$74,104.00	
	<b>Subtotal 1410</b>		<b>\$74,104.00</b>		<b>Subtotal 1410</b>		<b>\$74,104.00</b>	
	<b>Fees and Costs/PHA-Wide</b>				<b>Fees and Costs/PHA-Wide</b>			
	A and E Fees	LS	\$25,000.00		A and E Fees	LS	\$25,000.00	
	Capital Fund Program Update Fee	LS	\$5,000.00		Capital Fund Program Update Fee	LS	\$5,000.00	
	<b>Subtotal 1430</b>		<b>\$30,000.00</b>		<b>Subtotal 1430</b>		<b>\$30,000.00</b>	
	<b>Subtotal of Estimated Cost</b>		<b>See Next Page</b>		<b>Subtotal of Estimated Cost</b>		<b>See Next Page</b>	
								<b>See Next Page</b>





**Capital Fund Program—Five-Year Action Plan**

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
Expires 6/30/2017

Part II: Supporting Pages – Physical Needs Work Statement(s)		Work Statement for Year 4 FFY 2020		Work Statement for Year 5 FFY 2021		
Work Statement for Year 1 FFY 2017	Development Number/Name General Description of Major Work Categories	Quantity	Estimated Cost	Development Number/Name General Description of Major Work Categories	Quantity	Estimated Cost
	<b>Operations/PHA-Wide</b>					
	Operations	LS	\$148,209.00	Operations	LS	\$148,209.00
	<b>Subtotal 1406</b>		<b>\$148,209.00</b>	<b>Subtotal 1406</b>		<b>\$148,209.00</b>
	<b>Management Improvements/PHA-Wide</b>			<b>Management Improvements/PHA-Wide</b>		
	PHA Staff/Commissioner Training	LS	\$7,500.00	PHA Staff/Commissioner Training	LS	\$7,500.00
	Resident Training	LS	\$500.00	Resident Training	LS	\$500.00
	Five Year Agency Plan Development	LS	\$5,000.00	Five Year Agency Plan Development	LS	\$5,000.00
	Update Utility Allowances	LS	\$4,000.00	Update Utility Allowances	LS	\$4,000.00
	Update Computer Software and Training	LS	\$5,000.00	Energy Audit	LS	\$8,352.00
	Physical Needs Assessment	LS	\$33,835.00	Update Computer Software and Training	LS	\$5,000.00
	<b>Subtotal 1408</b>		<b>\$55,835.00</b>	<b>Subtotal 1408</b>		<b>\$30,352.00</b>
	<b>Administration/PHA-Wide</b>			<b>Administration/PHA-Wide</b>		
	Administrative costs related to the CFP	LS	\$74,104.00	Administrative costs related to the CFP	LS	\$74,104.00
	<b>Subtotal 1410</b>		<b>\$74,104.00</b>	<b>Subtotal 1410</b>		<b>\$74,104.00</b>
	<b>Fees and Costs/PHA-Wide</b>			<b>Fees and Costs/PHA-Wide</b>		
	A and E Fees	LS	\$25,000.00	A and E Fees	LS	\$25,000.00
	Capital Fund Program Update Fee	LS	\$5,000.00	Capital Fund Program Update Fee	LS	\$5,000.00
	<b>Subtotal 1430</b>		<b>\$30,000.00</b>	<b>Subtotal 1430</b>		<b>\$30,000.00</b>
	<b>Site Improvements</b>			<b>Site Improvements</b>		
	Install individual water meters at Yolito	10	\$7,500.00	Install individual water meters at Donnelly Cir.	72	\$50,000.00
	Install individual water meters at Knight's Landing	10	\$7,500.00	Install individual water meters at RBM I	39	\$28,275.00
	<b>Subtotal 1450</b>		<b>\$15,000.00</b>	Install individual water meters at RBM II	24	\$17,400.00
				Install individual water meters at Las Casitas	76	\$52,558.00
				(continued on next page)		
	<b>Subtotal of Estimated Cost</b>		<b>See Next Page</b>	<b>Subtotal of Estimated Cost</b>		<b>See Next Page</b>

**Capital Fund Program—Five-Year Action Plan**

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
Expires 6/30/2017

Work Statement for Year 1 FFY 2017		Work Statement for Year 4 FFY 2020				Work Statement for Year 5 FFY 2021			
Development Number/Name General Description of Major Work Categories	Quantity	Estimated Cost	Development Number/Name General Description of Major Work Categories	Quantity	Estimated Cost	Development Number/Name General Description of Major Work Categories	Quantity	Estimated Cost	
<b>Dwelling Structures</b>			<b>Site Improvements (cont.)</b>						
Interior modernization at Riverbend Manor I including bathroom, kitchen, plumbing, flooring, doors, and lighting	1	\$25,000.00	Install individual water meters at El Rio Villa I	30	\$21,750.00				
Replace roofing at Riverbend Sr. Manor I	23,803 sf	\$100,000.00	Install individual water meters at El Rio Villa II	26	\$18,850.00				
Interior modernization at Riverbend Manor II including bathroom, kitchen, plumbing, flooring, doors, and lighting	1	\$25,000.00	Install individual water meters at El Rio Villa III	50	\$35,000.00				
Interior modernization at Donnelly Circle including bathroom, kitchen, plumbing, flooring, doors, and lighting	1	\$25,000.00	Install individual water meters at El Rio Villa IV	18	\$13,050.00				
Interior modernization at Vista Montecito including bathroom, kitchen, plumbing, flooring, doors, and lighting	1	\$25,000.00	Install individual water meters at Yolano Drive	60	\$42,000.00				
Interior modernization at Yolano Drive including bathroom, kitchen, plumbing, flooring, doors, and lighting	1	\$25,000.00	Install individual water meters at Vista Montecito	16	\$11,600.00				
Interior modernization at Knight's Landing including bathroom, kitchen, plumbing, flooring, doors, and lighting	1	\$25,000.00	<b>Subtotal 1450</b>		<b>\$290,483.00</b>				
<b>Subtotal 1460</b>		<b>\$250,000.00</b>							
<b>Collateralization of Debt Service/PHA-Wide</b>			<b>Collateralization of Debt Service/PHA-Wide</b>						
Repayment of CFFP	LS	\$167,898.00	Repayment of CFFP	LS	\$167,898.00				
<b>Subtotal 1501</b>		<b>\$167,898.00</b>	<b>Subtotal 1501</b>						
<b>Subtotal of Estimated Cost</b>		<b>\$741,046.00</b>	<b>Subtotal of Estimated Cost</b>		<b>\$741,046.00</b>				

**FY2016 CAPITAL FUND PROGRAM  
PERFORMANCE & EVALUATION REPORT**

Part I: Summary		Grant Type and Number Capital Fund Program Grant No: CA30P04450116 Replacement Housing Factor		FFY of Grant: 2016
PHA Name: Yolo County Housing		Grant No: Date of CFFP:		FFY of Grant Approval: 2016
Type of Grant <input type="checkbox"/> Original Annual Statement <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 12/31/2016		<input checked="" type="checkbox"/> Revised Annual Statement (revision no: 1) <input type="checkbox"/> Final Performance and Evaluation Report		
Line	Summary by Development Account	Total Estimated Cost	Revised <sup>2</sup>	Total Actual Cost <sup>1</sup>
		Original	Obligated	Expended
1	Total non-CFFP Funds			
2	1406 Operations (may not exceed 20% of line 21) <sup>3</sup>	\$148,209.00	\$148,209.00	\$0.00
3	1408 Management Improvements	\$30,000.00	\$30,000.00	\$0.00
4	1410 Administration (may not exceed 10% of line 21)	\$74,104.00	\$74,104.00	\$74,104.00
5	1411 Audit			
6	1415 Liquidated Damages			
7	1430 Fees and Costs	\$40,000.00	\$0.00	\$0.00
8	1440 Site Acquisition			
9	1450 Site Improvement	\$149,335.00	\$226,835.00	\$0.00
10	1460 Dwelling Structures	\$85,000.00	\$0.00	\$0.00
11	1465.1 Dwelling Equipment - Nonexpendable	\$1,500.00	\$9,000.00	\$0.00
12	1470 Nondwelling Structures			
13	1475 Nondwelling Equipment	\$45,000.00	\$45,000.00	\$2,388.19
14	1485 Demolition			
15	1492 Moving to Work Demonstration			
16	1495.1 Relocation Costs			
17	1499 Development Activities <sup>4</sup>			
18a	1501 Collateralization or Debt Service paid by the PHA	\$167,898.00	\$167,898.00	\$36,798.99
18b	9000 Collateralization or Debt Service paid Via System of Direct Payment			
19	1502 Contingency (may not exceed 8% of line 20)			
20	Amount of Annual Grant: (sum of line 2- 19)	\$741,046.00	\$741,046.00	\$113,291.18
21	Amount of Line 20 Related to LBP Activities			
22	Amount of Line 20 Related to Section 504 Activities			
23	Amount of Line 20 Related to Security - Soft Costs			
24	Amount of Line 20 Related to Security - Hard Costs			
25	Amount of Line 20 Related to Energy Conservation Measures			



<b>Part II: Supporting Pages</b>		<b>Federal FY of Grant: 2016</b>						
<b>PHA Name: Yolo County Housing</b>		<b>Grant Type and Number</b>						
		<b>Capital Fund Program Grant No: CA30P04450116 CFFP (Yes/No):</b>						
		<b>Replacement Housing Factor Grant No:</b>						
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised <sup>1</sup>	Funds Obligated <sup>2</sup>	Funds Expended <sup>2</sup>	
	<b>Operations</b>							
PHA-Wide	Operations	1406	LS	\$148,209.00	\$148,209.00	\$148,209.00	\$0.00	
	<b>Subtotal 1406</b>					<b>\$148,209.00</b>	<b>\$0.00</b>	
	<b>Management Improvements</b>							
PHA-Wide	PHA Staff/Commissioner Training	1408	LS	\$7,500.00	\$7,500.00	\$7,500.00	\$0.00	
PHA-Wide	Resident Training	1408	LS	\$500.00	\$500.00	\$500.00	\$0.00	
PHA-Wide	Develop 5-Year Agency Plan/Update Policies	1408	LS	\$5,000.00	\$5,000.00	\$5,000.00	\$0.00	
PHA-Wide	Update Utility Allowances	1408	LS	\$4,000.00	\$4,000.00	\$4,000.00	\$0.00	
PHA-Wide	Update computer software system and provide training	1408	LS	\$13,000.00	\$13,000.00	\$13,000.00	\$0.00	
	<b>Subtotal 1408</b>					<b>\$30,000.00</b>	<b>\$0.00</b>	
	<b>Administration</b>							
PHA-Wide	Administrative costs related to the CFP	1410	LS	\$74,104.00	\$74,104.00	\$74,104.00	\$74,104.00	
	<b>Subtotal 1410</b>					<b>\$74,104.00</b>	<b>\$74,104.00</b>	

<sup>1</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement

<sup>2</sup> To be completed for the Performance and Evaluation Report

Annual Statement/Performance and Evaluation Report  
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2577-0226  
 Expires 6/30/2017

Part II: Supporting Pages		Grant Type and Number			Federal FY of Grant: 2016			
PHA Name: Yolo County Housing		Capital Fund Program Grant No: CA30P04450116 CFFP (Yes/No):						
		Replacement Housing Factor Grant No:						
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised <sup>1</sup>	Funds Obligated <sup>2</sup>	Funds Expended <sup>2</sup>	
	<b>Fees and Costs</b>							
PHA-Wide	A&E Design Fee	1430	LS	\$25,000.00	\$25,000.00	\$0.00	\$0.00	
PHA-Wide	Environmental Assessments	1430	LS	\$10,000.00	\$10,000.00	\$0.00	\$0.00	
PHA-Wide	Capital Fund Program Update Fee	1430	LS	\$5,000.00	\$5,000.00	\$0.00	\$0.00	
	<b>Subtotal 1430</b>			<b>\$40,000.00</b>	<b>\$40,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	
	<b>Site Improvements</b>							
AMP044000001	ADA site improvements at Knight's Landing	1450	LS	\$14,500.00	\$0.00	\$0.00	\$0.00	
AMP044000001	ADA site improvements at Yolito	1450	LS	\$14,500.00	\$0.00	\$0.00	\$0.00	
AMP044000002	Replace water well systems at El Rio Villa properties in Winters (Phase 3)	1450	2	\$0.00	\$18,305.00	\$0.00	\$0.00	
AMP044000002	ADA site improvements at El Rio Villa III and IV in Winters (Phase 2)	1450	LS	\$0.00	\$208,530.00	\$0.00	\$0.00	
AMP044000003	ADA site improvements at Riverbend Manor I and II	1450	LS	\$87,000.00	\$0.00	\$0.00	\$0.00	
AMP044000003	ADA site improvements at Las Casitas	1450	LS	\$33,335.00	\$0.00	\$0.00	\$0.00	
	<b>Subtotal 1450</b>			<b>\$149,335.00</b>	<b>\$226,835.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	

<sup>1</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement

<sup>2</sup> To be completed for the Performance and Evaluation Report

<b>Part II: Supporting Pages</b>									
<b>PHA Name: Yolo County Housing</b>									
<b>Grant Type and Number</b> Capital Fund Program Grant No: CA30P04450116 CFFP (Yes/No): Replacement Housing Factor Grant No:									
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work	Federal FY of Grant: 2016
				Original	Revised <sup>1</sup>	Funds Obligated <sup>2</sup>	Funds Expended <sup>2</sup>		
	<b>Dwelling Structures</b>								
PHA-Wide	Replace smoke/carbon monoxide detectors	1460	1400	\$85,000.00	\$0.00	\$0.00	\$0.00	2014 CFP	
	<b>Subtotal 1460</b>			<b>\$85,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>		
	<b>Dwelling Equipment</b>								
PHA-Wide	Replace ranges	1465.1	10	\$900.00	\$5,000.00	\$0.00	\$0.00		
PHA-Wide	Replace refrigerators	1465.1	10	\$600.00	\$4,000.00	\$0.00	\$0.00		
	<b>Subtotal 1465.1</b>			<b>\$1,500.00</b>	<b>\$9,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>		
	<b>Non-Dwelling Equipment</b>								
PHA-Wide	Replacement vehicle for Capital Fund Program	1475	1	\$45,000.00	\$42,611.81	\$0.00	\$0.00		
PHA-Wide	Replace computer equipment	1475	LS	\$0.00	\$2,388.19	\$2,388.19	\$2,388.19		
	<b>Subtotal 1475</b>			<b>\$45,000.00</b>	<b>\$45,000.00</b>	<b>\$2,388.19</b>	<b>\$2,388.19</b>		

<sup>1</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement

<sup>2</sup> To be completed for the Performance and Evaluation Report





**FY2015 CAPITAL FUND PROGRAM  
PERFORMANCE & EVALUATION REPORT**

Part I: Summary		Grant Type and Number Capital Fund Program Grant No: CA30P04450115 Replacement Housing Factor	FFY of Grant: 2015
PHA Name: Yolo County Housing		Grant No: Date of CFPP:	FFY of Grant Approval: 2015
Type of Grant <input type="checkbox"/> Original Annual Statement <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 12/31/2016		<input checked="" type="checkbox"/> Revised Annual Statement (revision no: 3) <input type="checkbox"/> Final Performance and Evaluation Report	
Summary by Development Account		Total Estimated Cost	Total Actual Cost <sup>1</sup>
Line		Original	Revised <sup>2</sup>
			Obligated
			Expended
1	Total non-CFP Funds		
2	1406 Operations (may not exceed 20% of line 21) <sup>3</sup>	\$145,823.00	\$145,823.00
3	1408 Management Improvements	\$30,000.00	\$0.00
4	1410 Administration (may not exceed 10% of line 21)	\$72,911.00	\$72,911.00
5	1411 Audit		
6	1415 Liquidated Damages		
7	1430 Fees and Costs	\$60,904.07	\$0.00
8	1440 Site Acquisition		
9	1450 Site Improvement	\$364,028.42	\$459,249.48
10	1460 Dwelling Structures	\$0.00	\$0.00
11	1465.1 Dwelling Equipment - Nonexpendable	\$10,000.00	\$5,683.01
12	1470 Nondwelling Structures		
13	1475 Nondwelling Equipment		
14	1485 Demolition		
15	1492 Moving to Work Demonstration		
16	1495.1 Relocation Costs		
17	1499 Development Activities <sup>4</sup>		
18a	1501 Collateralization or Debt Service paid by the PHA	\$45,448.51	\$45,448.51
18b	9000 Collateralization or Debt Service paid Via System of Direct Payment		
19	1502 Contingency (may not exceed 8% of line 20)		
20	Amount of Annual Grant: (sum of line 2- 19)	\$729,115.00	\$729,115.00
21	Amount of Line 20 Related to LBP Activities		\$361,022.68
22	Amount of Line 20 Related to Section 504 Activities		
23	Amount of Line 20 Related to Security - Soft Costs		
24	Amount of Line 20 Related to Security - Hard Costs		
25	Amount of Line 20 Related to Energy Conservation Measures		

<b>Part I: Summary</b>		<b>Grant Type and Number</b> Capital Fund Program Grant No: CA30P04450115 Replacement Housing Factor		<b>FFY of Grant: 2015</b>
<b>PHA Name:</b> Yolo County Housing		<b>Grant No:</b> Date of CFFP:		<b>FFY of Grant Approval:</b> 2015
Type of Grant <input type="checkbox"/> Original Annual Statement <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 12/31/2016		<input checked="" type="checkbox"/> Revised Annual Statement (revision no: 3) <input type="checkbox"/> Final Performance and Evaluation Report		
<b>Summary by Development Account</b>		<b>Total Estimated Cost</b>		<b>Total Actual Cost<sup>1</sup></b>
		<b>Original</b>		<b>Obligated</b>
		<b>Revised<sup>2</sup></b>		<b>Expended</b>
<b>Signature of Executive Director</b>		<b>Signature of Public Housing Director</b>		<b>Date</b>

<sup>1</sup> To be completed for the Performance and Evaluation Report

<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement

<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.

<sup>4</sup> RHF funds shall be included here.



<b>Part II: Supporting Pages</b>		<b>Federal FY of Grant: 2015</b>						
<b>PHA Name: Yolo County Housing</b>		<b>Grant Type and Number</b>						
		Capital Fund Program Grant No: CA30P044501115 CFFP (Yes/No):						
		Replacement Housing Factor Grant No:						
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised <sup>1</sup>	Funds Obligated <sup>2</sup>	Funds Expended <sup>2</sup>	
	<b>Administration</b>							
PHA-Wide	Administrative costs related to the CFP	1410	LS	\$72,911.00	\$72,911.00	\$72,911.00	\$72,911.00	
	<b>Subtotal 1410</b>			<b>\$72,911.00</b>	<b>\$72,911.00</b>	<b>\$72,911.00</b>	<b>\$72,911.00</b>	
	<b>Fees and Costs</b>							
PHA-Wide	A&E Design Fee	1430	LS	\$55,904.07	\$0.00	\$0.00	\$0.00	
PHA-Wide	Capital Fund Program Update Fee	1430	LS	\$5,000.00	\$0.00	\$0.00	\$0.00	
	<b>Subtotal 1430</b>			<b>\$60,904.07</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	
	<b>Site Improvements</b>							
AMP044000002	Replace water well systems at El Rio Villa properties in Winters (Phase 2)	1450	2	\$364,028.42	\$459,249.48	\$91,157.16	\$253.09	
AMP044000001	ADA site improvements at Knight's Landing	1450	LS	\$0.00	\$0.00	\$0.00	\$0.00	
AMP044000001	ADA site improvements at Yolito	1450	LS	\$0.00	\$0.00	\$0.00	\$0.00	
AMP044000003	ADA site improvements at Riverbend Manor I and II	1450	LS	\$0.00	\$0.00	\$0.00	\$0.00	
AMP044000003	ADA site improvements at Las Casitas	1450	LS	\$0.00	\$0.00	\$0.00	\$0.00	
	<b>Subtotal 1450</b>			<b>\$364,028.42</b>	<b>\$459,249.48</b>	<b>\$91,157.16</b>	<b>\$253.09</b>	

<sup>1</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement

<sup>2</sup> To be completed for the Performance and Evaluation Report





**FY2014 CAPITAL FUND PROGRAM  
PERFORMANCE & EVALUATION REPORT**

Part I: Summary		PHA Name: Yolo County Housing	Grant Type and Number Capital Fund Program Grant No: CA30P04450114 Replacement Housing Factor	FFY of Grant: 2014
		Grant No: Date of CFFP: _____		FFY of Grant Approval: 2014
Type of Grant		<input checked="" type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 12/31/2016 <input type="checkbox"/> Revised Annual Statement (revision no: 5) <input type="checkbox"/> Performance and Evaluation Report for Period Ending: 12/31/2016 <input type="checkbox"/> Final Performance and Evaluation Report		
Line	Summary by Development Account	Total Estimated Cost	Total Actual Cost <sup>1</sup>	Expended
		Original	Revised <sup>2</sup>	Obligated
1	Total non-CFP Funds			
2	1406 Operations (may not exceed 20% of line 21) <sup>3</sup>	\$147,472.00	\$147,472.00	\$147,472.00
3	1408 Management Improvements	\$49,500.00	\$18,481.05	\$18,481.05
4	1410 Administration (may not exceed 10% of line 21)	\$71,060.00	\$71,060.00	\$71,060.00
5	1411 Audit			
6	1415 Liquidated Damages			
7	1430 Fees and Costs	\$87,443.32	\$51,041.80	\$51,041.80
8	1440 Site Acquisition			
9	1450 Site Improvement	\$21,077.68	\$88,522.16	\$21,077.58
10	1460 Dwelling Structures	\$85,050.00	\$85,025.99	\$85,025.99
11	1465.1 Dwelling Equipment - Nonexpendable	\$25,257.00	\$25,257.00	\$25,257.00
12	1470 Nondwelling Structures			
13	1475 Nondwelling Equipment	\$7,500.00	\$7,500.00	\$7,500.00
14	1485 Demolition			
15	1492 Moving to Work Demonstration			
16	1495.1 Relocation Costs			
17	1499 Development Activities <sup>4</sup>			
18a	1501 Collateralization or Debt Service paid by the PHA			
18b	9000 Collateralization or Debt Service paid Via System of Direct Payment	\$243,000.00	\$243,000.00	\$243,000.00
19	1502 Contingency (may not exceed 8% of line 20)			
20	Amount of Annual Grant: (sum of line 2- 19)	\$737,360.00	\$737,360.00	\$706,341.05
21	Amount of Line 20 Related to LBP Activities			
22	Amount of Line 20 Related to Section 504 Activities			
23	Amount of Line 20 Related to Security - Soft Costs			
24	Amount of Line 20 Related to Security - Hard Costs			
25	Amount of Line 20 Related to Energy Conservation Measures			

<b>Part I: Summary</b>		<b>Grant Type and Number</b> Capital Fund Program Grant No: CA30P04450114 Replacement Housing Factor		<b>FFY of Grant: 2014</b>
<b>PHA Name:</b> Yolo County Housing		Grant No: Date of CFFP: _____		<b>FFY of Grant Approval:</b> 2014
Type of Grant <input type="checkbox"/> Original Annual Statement <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 12/31/2016		<input checked="" type="checkbox"/> Revised Annual Statement (revision no: 5) <input type="checkbox"/> Final Performance and Evaluation Report		
<b>Line</b>	<b>Summary by Development Account</b>	<b>Total Estimated Cost</b>		<b>Total Actual Cost<sup>1</sup></b>
		<b>Original</b>	<b>Revised<sup>2</sup></b>	
				<b>Expended</b>
	<b>Signature of Executive Director</b>	<b>Date</b>	<b>Signature of Public Housing Director</b>	<b>Date</b>

<sup>1</sup> To be completed for the Performance and Evaluation Report  
<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement  
<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.  
<sup>4</sup> RHF funds shall be included here.

Part II: Supporting Pages										
PHA Name: Yolo County Housing			Grant Type and Number Capital Fund Program Grant No: CA30P04450114 CFFP (Yes/No):				Federal FY of Grant: 2014			
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work		
				Original	Revised <sup>1</sup>	Funds Obligated <sup>2</sup>	Funds Expended <sup>2</sup>			
	<b>Operations</b>									
PHA-Wide	Operations	1406	LS	\$147,472.00	\$147,472.00	\$147,472.00	\$147,472.00			
	<b>Subtotal 1406</b>									
	<b>Management Improvements</b>									
PHA-Wide	Resident Services Coordinator	1408	1	\$0.00	\$0.00	\$0.00	\$0.00			
PHA-Wide	Resident Services Coordinator Assistants	1408	1	\$0.00	\$0.00	\$0.00	\$0.00			
PHA-Wide	PHA Staff/Commissioner Training	1408	LS	\$17,500.00	\$5,739.25	\$5,739.25	\$5,739.25			
PHA-Wide	Resident Training	1408	LS	\$500.00	\$0.00	\$0.00	\$0.00			
PHA-Wide	Develop 5-Year Agency Plan/Update Policies	1408	LS	\$5,000.00	\$4,631.25	\$4,631.25	\$4,631.25			
PHA-Wide	Update Utility Allowances	1408	LS	\$3,500.00	\$800.00	\$800.00	\$800.00			
PHA-Wide	Update computer software system and provide training	1408	LS	\$23,000.00	\$6,711.55	\$6,711.55	\$6,711.55			
PHA-Wide	Other- No ID (Draw #9)	1408	LS	\$0.00	\$599.00	\$599.00	\$599.00			
	<b>Subtotal 1408</b>									

<sup>1</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement

<sup>2</sup> To be completed for the Performance and Evaluation Report

Annual Statement/Performance and Evaluation Report  
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2577-0226  
 Expires 6/30/2017

Part II: Supporting Pages									
PHA Name: Yolo County Housing					Federal FY of Grant: 2014				
Grant Type and Number Capital Fund Program Grant No: CA30P04450114 CFFP (Yes/No): Replacement Housing Factor Grant No:									
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work	
				Original	Revised <sup>1</sup>	Funds Obligated <sup>2</sup>	Funds Expended <sup>2</sup>		
	<b>Administration</b>								
PHA-Wide	Administrative costs related to the CFP	1410	LS	\$71,060.00	\$71,060.00	\$71,060.00	\$71,060.00		
	<b>Subtotal 1410</b>			<b>\$71,060.00</b>	<b>\$71,060.00</b>	<b>\$71,060.00</b>	<b>\$71,060.00</b>		
	<b>Fees and Costs</b>								
PHA-Wide	A&E Design Fee	1430	LS	\$82,443.32	\$47,636.80	\$47,636.80	\$47,636.80		
PHA-Wide	Capital Fund Program Update Fee	1430	LS	\$5,000.00	\$3,405.00	\$3,405.00	\$3,405.00		
	<b>Subtotal 1430</b>			<b>\$87,443.32</b>	<b>\$51,041.80</b>	<b>\$51,041.80</b>	<b>\$51,041.80</b>		
	<b>Site Improvements</b>								
AMP044000001	ADA site improvements at Knight's Landing	1450	LS	\$0.00	\$0.00	\$0.00	\$0.00		
AMP044000001	ADA site improvements at Yolito	1450	LS	\$0.00	\$0.00	\$0.00	\$0.00		
AMP044000003	ADA site improvements at El Rio Villa III	1450	LS	\$0.00	\$0.00	\$0.00	\$0.00		
AMP044000003	Parking and road improvements at El Rio Villa III	1450	LS	\$0.00	\$0.00	\$0.00	\$0.00		
AMP044000003	ADA site improvements at El Rio Villa IV	1450	LS	\$0.00	\$0.00	\$0.00	\$0.00		
	<b>(continued on next page)</b>								

<sup>1</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement

<sup>2</sup> To be completed for the Performance and Evaluation Report

Part II: Supporting Pages		Federal FY of Grant: 2014						
PHA Name: Yolo County Housing		Grant Type and Number Capital Fund Program Grant No: CA30P04450114 CFFP (Yes/No):						
Development Number Name/HA-Wide Activities		Replacement Housing Factor Grant No:						
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised <sup>1</sup>	Funds Obligated <sup>2</sup>	Funds Expended <sup>2</sup>	
	<b>Site Improvements (cont.)</b>							
AMP044000003	Parking and road improvements at El Rio Villa IV	1450	LS	\$0.00	\$0.00	\$0.00	\$0.00	
AMP044000002	Emergency repairs at east water well	1450	LS	\$21,077.58	\$21,077.58	\$21,077.58	\$21,077.58	
AMP044000002	Replace water well systems at El Rio Villa properties (Phase 1)	1450	2	\$0.00	\$67,444.58	\$0.00	\$0.00	
	<b>Subtotal 1430</b>			<b>\$21,077.58</b>	<b>\$88,522.16</b>	<b>\$21,077.58</b>	<b>\$21,077.58</b>	
	<b>Dwelling Structures</b>							
PHA-Wide	Replace smoke/CO2 detectors	1460		\$85,050.00	\$85,025.99	\$85,025.99	\$85,025.99	
	<b>Subtotal 1460</b>			<b>\$85,050.00</b>	<b>\$85,025.99</b>	<b>\$85,025.99</b>	<b>\$85,025.99</b>	
	<b>Dwelling Equipment</b>							
PHA-Wide	Replace ranges	1465.1	30	\$13,257.00	\$13,257.00	\$13,257.00	\$13,257.00	
PHA-Wide	Replace refrigerators	1465.1	20	\$12,000.00	\$12,000.00	\$12,000.00	\$12,000.00	
	<b>Subtotal 1465.1</b>			<b>\$25,257.00</b>	<b>\$25,257.00</b>	<b>\$25,257.00</b>	<b>\$25,257.00</b>	

<sup>1</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement

<sup>2</sup> To be completed for the Performance and Evaluation Report





**Yolo County Housing**  
**Meeting Date: 04/19/2017**

**12.**

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**Information**

**SUBJECT**

Review and Approve Revised Annual Meeting Calendar for 2017 (Baker)

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**Attachments**

Staff Report

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**Form Review**

Form Started By: Julie Dachtler  
Final Approval Date: 04/14/2017

Started On: 04/14/2017 04:20 PM



## Yolo County Housing

Lisa A. Baker, Chief Executive Officer

147 W. Main Street  
WOODLAND, CA 95695

Woodland: (530) 662-5428

Sacramento: (916) 444-8982

TTY: (800) 545-1833, ext. 626

**DATE:** April 19, 2017  
**TO:** YCH Housing Commission  
**FROM:** Lisa A. Baker, CEO  
**SUBJECT:** **Review and Approve Revised Meeting Schedule for 2017**

### **RECOMMENDED ACTIONS:**

Staff recommends that the Housing Commission Review and Approve the proposed revisions to the calendar for 2017.

### **BACKGROUND / DISCUSSION**

YCH is required to meet at regular times. According to the by-laws of the YCH at "Article III – Meetings," the Authority is required to hold an annual meeting. Staff proposes that the Commission select mutually agreeable dates for the meetings. Meetings have generally been held the 2<sup>nd</sup> or 3<sup>rd</sup> Wednesday of the month at 4 p.m.

Based on the foregoing, staff proposes the following draft calendar for the Commission's review. This is based on members' calendars. Meeting dates that do not show a clear quorum have two (2) alternatives for members to choose between. All meetings at 4 p.m.:

- May 24 or May 31
- June 28
- July 26
- August 16 or August 23 (This is the last available meeting for annual Certification for HUD)
- September 27
- October 26
- November – No Meeting
- December 6 or 20

**FISCAL IMPACT**

No fiscal impact. Meeting at regular times will keep YCH in compliance with the requirements of its funding partners and will allow YCH to conduct business and make required reporting submissions on a timely basis.

**CONCLUSION**

In accordance with the Authority's by-laws, current practice and the needs of YCH, staff proposes that the Housing Commission approve a meeting calendar for 2017.

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**Information**

**SUBJECT**

Review and Approve Resolution Authorizing Ground Lease and Approve Ground Lease for the Property located at 180 W. Beamer to Mercy New Hope L.P. for purposes of Constructing Approximately 80 New Units of Affordable Housing and Authorizing the CEO to Execute (Baker)

---

**Attachments**

Staff Report

Att. A. Resolution

Att. B. Ground Lease

Att. C. Secretary's Certification

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**Form Review**

Form Started By: Julie Dachtler

Started On: 04/14/2017 04:32 PM

Final Approval Date: 04/14/2017



## Yolo County Housing

Lisa A. Baker, Chief Executive Officer

147 W. Main Street  
WOODLAND, CA 95695

Woodland: (530) 662-5428

Sacramento: (916) 444-8982

TTY: (800) 545-1833, ext. 626

DATE: April 19, 2017  
TO: YCH Housing Commission  
FROM: Lisa A. Baker, CEO  
SUBJECT: **Review, Approve and Adopt Resolution Authorizing Ground Lease and Approve Ground Lease for the Property Located at 180 W. Beamer to Mercy New Hope L.P. for purposes of Constructing Approximately 80 New Units of Affordable Housing and Authorizing the CEO to Execute**

### **RECOMMENDED ACTIONS:**

That the Housing Commission:

1. Review, Approve and Adopt the Resolution; and
2. Review and Approve the Ground Lease; and
3. Authorize the Executive Director to Negotiate and Execute Any and All Necessary Documents and to Furnish all Materials Necessary to Accomplish the Activities of the Resolution.

### **BACKGROUND / DISCUSSION:**

180 W. Beamer is a proposed 80 units affordable complex located at the corner of Cottonwood and Beamer. It is the site of the former Peterson Hospital and, until recently, was occupied as a clinic by Communicare. YCH acquired the property for the purposes of development from the County. The County is currently in the process of completing the demolition, mitigation and initial soil grading prior to development. YCH proposes to lease to Mercy New Hope the site for \$99 years for \$1 for the proposed development and the proposed ground lease is included with this staff report.

YCH has been in partnership with the County and County Health and Human Services Agency (HHSA) for the development and will be using 20 Project Based Vouchers to house formerly homeless full service mental health clients. HHSA will be devoting MHSA funds to the construction. Per a joint selection process between YCH, New Hope and Yolo County HHSA, Mercy Housing was selected to be the development partner to New Hope for the project. In addition, it will have an additional 12 units for formerly homeless with case management from the County. The balance of units will be affordable family rentals.

YCH acquired the development site from the County pursuant to the Commission's approval in 2016. The property has been awarded tax credits, and will use a variety of funding sources, including Project Based Vouchers, MHP and MHSA funds. The project is expected

*Working together to provide quality affordable housing and community development services for all*

to close financing before the end of May and construction should begin by June 2017. Construction is anticipated to be complete by late 2018.

**FISCAL IMPACT:**

None at this time. If financing is not obtained, the final partnership will not be formed. In addition, YCH is not a development partner and there is no current risk for YCH.

**CONCLUSION:**

Staff has reviewed the proposed project in light of its obligations recommends that the Board adopt the Resolution and move forward with the ground lease.

**Attachment:** Resolution and Ground Lease

**YOLO COUNTY HOUSING  
AUTHORIZING RESOLUTIONS & GRANTING OF AUTHORITY  
RE: LEASING OF 180 W. BEAMER STREET APARTMENTS PROJECT**

At a duly constituted meeting of the Board of Commissioners of Yolo County Housing (the “Agency”) which was held on April 19, 2017, the following resolutions were adopted:

WHEREAS, the Agency is the fee owner of the real property identified as Assessor’s Parcel Numbers 064-010-021-000 and 064-051-037-000 on Cottonwood Street, Woodland, California (the “Land”) upon which Mercy New Hope, L.P., a California limited partnership (the “Partnership”) will develop construct approximately 80 units of affordable housing on the Land, together with related amenities, parking, and other facilities, as further described in this Lease (collectively, the “Improvements” and together with the “Land”, collectively referred to as the “Project”);

WHEREAS, the Agency desires to lease the Land to the Partnership;

WHEREAS, the Board of Commissioners of the Agency deems it to be in the best interests of the Agency to lease the Land to the Partnership pursuant to the terms and conditions of a ground lease, and to enter into any and all documents required in connection with the leasing of the Land, including but not limited to a ground lease and any other documents necessary to consummate the leasing of the Land;

WHEREAS, the Board of Commissioners of the Agency deems it to be in the best interest of the Agency to assist the Partnership with the conduct of the Partnership’s transactions and to enter into any agreements with Mercy Housing California (and/or its affiliates) to provide guaranties, including but not limited to a contribution agreement and indemnities and any other agreements as are deemed necessary for the Partnership to obtain financing for the Project;

NOW, THEREFORE, BE IT RESOLVED: That the Agency shall lease the Land to the Partnership pursuant to the terms and conditions of a ground lease, and shall enter into any and all documents required in connection with the leasing of the Land and the acquisition of the Improvements, including but not limited to a ground lease, and any other documents necessary to consummate the leasing of the Land;

FURTHER RESOLVED: That the Agency shall assist the Partnership with the conduct of the Partnership’s transactions and shall enter into any agreements with Mercy Housing California (and/or its affiliates) to provide guaranties, including but not limited to a contribution agreement and indemnities and any other agreements as are deemed necessary for the Partnership to obtain financing for the Project;

FURTHER RESOLVED: That all actions taken in connection with the Project by any officer of the Agency prior to the date of these resolutions is hereby approved and ratified;

FURTHER RESOLVED: That any officer of the Agency, acting alone, in the Agency’s

sole capacity, shall be authorized and directed to execute any and all necessary documents, including but not limited to a ground lease, contribution agreement, and any other agreements and shall take any and all further actions necessary to consummate the activities described in this Resolution and Granting of Authority;

FURTHER RESOLVED: That the Secretary or any assistant or any other officer of the Agency is authorized to execute and certify any form of resolution required by any lender, regulator or other third party involved in the transaction, so long as the Chief Executive Officer or any other officer and counsel to the Agency determine that the substance of such resolutions does not materially conflict with the substance of this Resolution and Granting of Authority.

**CERTIFICATION**

The undersigned, Secretary of Yolo County Housing (the “Agency”) do hereby certify and declare that the foregoing is a full, true and correct copy of the resolution duly passed and adopted by the Board of Commissioners of the Agency at a meeting of the Board of Commissioners of the Agency duly and regularly called, noticed and held on April 19, 2017; that said resolutions are now in full force and effect; that there is no provision in the Bylaws of the Agency, limiting the powers of the Board of Commissioners of the Agency to pass the foregoing resolutions and that such resolutions are in conformity with the provisions of the Bylaws of the Agency.

IN TESTIMONY WHEREOF, I have hereunto set my hand as of \_\_\_\_\_,  
2017.

\_\_\_\_\_  
\_\_\_\_\_, Secretary

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**GROUND LEASE AGREEMENT**

THIS GROUND LEASE AGREEMENT (“Lease”) is entered into as of May \_\_, 2017 (“Effective Date”), by and between **The Housing Authority of the County of Yolo**, commonly known as **Yolo County Housing** (“Lessor”), and **Mercy New Hope, L.P.**, a California limited partnership (“Lessee”).

**RECITALS**

A. Lessor owns that certain real property located at 180 West Beamer Street, Woodland, California, as more specifically described on Exhibit A attached hereto (the “Leased Premises”).

B. Lessee, as consideration for the Lease, has agreed to construct approximately 80 units of affordable housing on the Leased Premises, together with a community building with office space, community space, kitchen, laundry facilities, a computer area, an outdoor terrace and parking (collectively, the “Improvements”).

C. Lessor desires to lease the Leased Premises to Lessee for a period of ninety-nine (99) years pursuant to the terms of this Lease.

NOW, THEREFORE, for and in consideration of the foregoing premises, the covenants, representations, warranties and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

**ARTICLE 1**  
**DEFINITIONS**

Section 1.1 Definitions. Capitalized terms which are referred to and utilized throughout this Lease are defined as follows:

Casualty: As defined in Article 11.

Closing: The date on which one or more Leasehold Mortgages securing one or more construction loans for the Improvements are recorded against Lessee’s Estate.

Event of Default: As described in Article 12.

Governmental Authorities: Any applicable federal, state or local governmental or quasi-governmental entities, subdivisions, agencies, authorities or instrumentalities having jurisdiction over the Leased Premises, the Improvements, Lessor or Lessee.

Hazardous Materials or Hazardous Substances: Any oil or any fraction thereof or petroleum products or “hazardous substance” as defined in Section 101(14) of CERCLA (42 U.S.C. Section 9601(14) or Section 25281(h) or 25316 of the California Health and Safety Code at such time; any “hazardous waste,” “infectious waste” or “hazardous material” as defined in Section 25117, 25117.5 or 25501(j) of the California Health and Safety Code at such time; any other waste, substance or material designated or regulated in any way as “toxic” or “hazardous” in the RCRA (42 U.S.C. Section 6901 et seq.), CERCLA Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.), Safe Drinking Water Act (42 U.S.C. Section 300(f) et seq.), Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.), Clean Air Act (42 U.S.C. Section 7401 et seq.), California Health and Safety Code (Section 25100 et seq., Section 39000 et seq.), or California Water Code (Section 13000 et seq.) at such time; and any additional wastes, substances or material which at such time are classified, considered or regulated as hazardous or toxic under any other present or future environmental or other similar laws relating to the Leased Premises, but excluding any substances or materials used in the construction, development, maintenance or operation of the Improvements, so long as the same are used in accordance with all applicable laws.

Hazardous Materials Law: All federal, state, and local laws, ordinances, regulations, orders and directives pertaining to Hazardous Materials in, on or under the Leased Premises or any portion thereof.

Impositions: All taxes including, without limitation, property taxes, assessments, water and sewer charges, charges for public utilities, excises, levies, license and permit fees and other charges that shall or may be assessed, levied or imposed during the Term by any Governmental Authorities upon the Leased Premises or any part thereof, including the buildings or improvements now or hereafter located thereon; provided, however, that the term “Impositions” shall not include any income tax, capital levy, estate, succession, inheritance, or similar taxes of Lessor, or any franchise tax imposed upon any owner of the fee of the Leased Premises, or any income, profits or revenue tax, assessment or charge imposed upon the rent or other benefit received by Lessor under this Lease by any Governmental Authorities. The term “Impositions” shall include any documentary transfer tax imposed on the execution of this Lease.

Improvements: The affordable rental housing complex to be developed on the Leased Premises, including, without limitation the following: parking, tenant related space and related ancillary facilities, office space, utilities, and landscaping, together with any and all replacements or substitutions therefor or modifications thereto.

Insurance Requirements: The requirements, whether now or hereafter in force, of any insurer or insurance carrier, any board of fire underwriters or any other company, bureau, organization or entity performing the same or similar functions, applicable to the Leased Premises and/or the Improvements, or any portion thereof, to the extent so applicable.

Investor: An entity or entities to be selected by the Lessee, in its sole and absolute discretion, as its investor limited partner(s), and its successors and assigns.

Lease Year: A calendar year.

Leased Premises: That certain real property described on Exhibit A attached hereto and made a part hereof, together with all rights, easements, licenses, privileges and appurtenances thereunto attaching or in any way belonging thereto.

Leasehold Mortgage: Any mortgage, deed of trust, security agreement or collateral assignment encumbering Lessee's Estate created hereunder as a leasehold mortgage lien.

Leasehold Mortgagee: The holder, mortgagee, grantee or secured party under any Leasehold Mortgage and their successors and assigns.

Legal Requirements: All laws, statutes, codes, ordinances, orders, rules, regulations and requirements of all Governmental Authorities and the appropriate agencies, officers, departments, boards and commissions thereof, whether now or hereafter in force, applicable to Lessor, Lessee, the Leased Premises, the Improvements, or any portion thereof, to the extent so applicable.

Lessee's Estate: Lessee's leasehold interest in the Leased Premises and fee interest in the Improvements pursuant to this Lease.

Lessor's Estate: Lessor's fee in the Leased Premises and reversionary interest in the Improvements.

Management Agent: The Person designated from time to time as "Management Agent" of all or any portion of the Improvements under any management agreement entered into from time to time with Lessee.

Memorandum of Lease. The memorandum of the Lease to be recorded against the Leased Premises in the official records of Yolo County in the form attached hereto as Exhibit B.

Net Condemnation Award: The net amounts owed or paid to the Parties or to which either of the Parties may be or become entitled by reason of any Taking or pursuant to any agreement with any condemning authority which has been made in settlement of any

proceeding relating to a Taking, less any costs and expenses incurred by the Parties in collecting such award or payment.

Party: Lessor or Lessee, as applicable. Lessor and Lessee shall be referred to collectively as the “Parties.”

Permits: All permits, licenses, easements and other authorizations required by any Governmental Authority with respect to activities to be performed under this Lease. Person: An individual, partnership, corporation, limited liability company, trust, unincorporated association, or other entity or association.

Project: The Lessee’s construction and operation of the Improvements on the Leased Premises.

Rent: As described in Section 4.1.

Residential Units: The approximately eighty (80) residential units to be developed as part of the Project, including a unit for the resident manager.

Taking: A taking during the Term of all or any part of the Leased Premises and/or the Improvements, or any interest therein or right accruing thereto, as a result of the exercise of the right of condemnation or eminent domain or a change in grade materially affecting the Leased Premises or any material part thereof. A conveyance in lieu of or in anticipation of the exercise of any such right of condemnation or eminent domain shall be considered a Taking. Any such Taking shall be deemed to have occurred upon the earlier to occur of (a) the date on which the property, right or interest so taken must be surrendered to the condemning authority, or (b) the date title vested in a condemning authority or other party pursuant to any Taking.

Tax Credit Eligible Tenant: A Tenant who will reside on a full-time, permanent basis in a Tax Credit Unit, and who is eligible to rent and occupy a qualified low-income dwelling unit under Section 42 of the Internal Revenue Code and any Legal Requirements of the State of California or TCAC relating to low income housing tax credits.

Tax Credit Units: The Residential Units to be constructed as part of the Improvements, not including one Residential Unit for a resident manager. The Tax Credit Units are to be restricted for occupancy during the “compliance period” and any “extended use period” (as such terms are defined in Section 42 of the Internal Revenue Code, as same may be amended from time to time) solely by Tax Credit Eligible Tenants.

Tax Credit Restrictive Covenant: The agreement with TCAC to be executed by Lessee and properly recorded in the land records of Yolo County, setting forth certain terms

and conditions under which the Project will be operated.

TCAC: The California Tax Credit Allocation Committee.

Tenant(s): Any tenant, sublessee or licensee of Lessee under any Tenant Lease(s).

Tenant Lease(s): Any lease, rental or license agreement entered into by Lessee with residents of the Residential Units.

Term: The term of this Lease, as described in Section 2.2.

Transfer: Any sale, assignment, transfer, conveyance, encumbrance, mortgage, or hypothecation, in any manner or form or any agreement to do any of the foregoing.

Section 1.2 Exhibits. The Exhibits referred to in this Agreement and attached hereto are:

- Exhibit A: Leased Premises
- Exhibit B: Memorandum of Lease

## ARTICLE 2 LEASE OF THE LEASED PREMISES

Section 2.1 Leased Premises. Subject to the terms of this Lease and in consideration of the covenants of payment and performance stipulated herein, Lessor has leased, demised and let, and by these presents does hereby lease, demise and let unto Lessee, and Lessee hereby leases and takes from Lessor, the Leased Premises.

Section 2.2 Term. Unless sooner terminated pursuant to the provisions of this Lease, this Lease shall continue in full force and effect for a term (“Term”), commencing on the Effective Date, and expiring at 5:00 p.m. on the ninety-ninth (99<sup>th</sup>) anniversary thereof.

Section 2.3 Use. Lessee shall, throughout the Term, use the Leased Premises only for the construction, development and operation of the Improvements and for no other purpose without the prior written consent of Lessor, which may be granted or withheld in Lessor’s sole and absolute discretion.

Section 2.4 Possession. Lessor agrees to and shall provide possession of the Leased Premises to Lessee as of the Effective Date. Lessor represents and warrants that the Leased Premises are subject only to the encumbrances listed in the Preliminary Report, issued by Fidelity National Title Company, Title No. FSSE-0101400823-CD, dated May \_\_, 2017, (“Title Report”).

Section 2.5 Memorandum of Lease. The Parties shall execute and acknowledge the Memorandum of Lease, in the form attached hereto as Exhibit B, which Lessee shall cause to be recorded at Lessee's expense substantially concurrently with the execution of this Lease. On termination of this Lease, Lessee shall execute and record a quitclaim deed in favor of the then-current owner of the Leased Premises.

ARTICLE 3  
CONSTRUCTION OF THE IMPROVEMENTS

Section 3.1 Plans/Construction.

(a) Approval of Initial Construction Plans: As of the Effective Date, Lessor has approved Lessee's final construction plans for the Improvements (the "Plans").

(b) Governmental Approvals: Lessee is subject to all building, planning, design and other plan review requirements that are otherwise applicable to the Project, including without limitation those requirements imposed by the City of Woodland. Lessee shall obtain all necessary governmental approvals necessary to construct and operate the Improvements in accordance with the Plans. If any governmental agency requires changes to the Plans, Lessee shall submit the Plans to Lessor for Lessor's review; Lessor shall have ten (10) business days following receipt of any revised plans to notify Lessee in writing of any reasonable objections or change requests, otherwise the revised Plans shall be deemed approved by Lessor.

(c) Construction: Lessee shall cause the commencement of construction of the Improvements and associated work within thirty (30) days following Lessee's receipt of all necessary governmental approvals of the Plans and issuance of the permits necessary to construct the Improvements. Prior to commencing construction, Lessee shall give Lessor at least ten (10) days' advance written notice of Lessee's intention to commence construction along with a then-current construction schedule. Lessee shall cause the Improvements to be constructed in material compliance with the Plans. Lessee shall cause the Improvements to be completed in material compliance with all plans and permits within twenty four (24) months following commencement of construction. Any and all Improvements constructed by or on behalf of Lessee shall be constructed in a good and worker-like manner, in compliance with all applicable Legal Requirements and permits/approvals, and any mitigation measures imposed under environmental reviews conducted under state or federal law.

(d) Changes to the Plans: Lessee shall not make any "substantial changes" to the final plans without the Lessor's prior approval according to the following process:

(i) Lessee shall submit the revised plans to Lessor, and Lessor shall

reasonably approve or disapprove such revised plans within ten (10) days of receipt. Such revised plans shall be deemed approved unless Lessor disapproves such plans in writing within such ten (10)-day period.

(ii) If Lessor disapproves the revised plans, Lessor shall state the specific reasons for such disapproval in written notice to Lessee, including the change(s) that the Lessor requests.

(iii) The process in this Subsection (d) shall continue until the revised plans have been approved by Lessor.

(iv) For purposes of this Subsection (d), “substantial changes” to the plans shall mean any one or more of the following:

- (1) Material changes in the layout, elevation design, functional utility, or square footage;
- (2) Material changes in the use of exterior finishing materials substantially affecting architectural appearance of functional use and operation;
- (3) Any change that reduces the effectiveness of any mitigation measure required for the review of the Project under the California Environmental Quality Act;
- (4) Material changes in quality of Project or landscaping materials;
- (5) Any change in public amenities;
- (6) Any changes requiring approval of, or any change required by, any city, county or state board, body, commission or officer; or
- (7) Any change that would preclude or materially reduce the ability to use the Project.

(e) As-Built Plans: Within sixty (60) days following the completion of the Improvements, Lessee shall provide Lessor with a copy of as-built drawings for the Improvements and associated work.

(f) Effect of Lessor Approval of Plans: No approval by Lessor of any drawings, plans, or specifications that are prepared in conjunction with construction of the Improvements will constitute a representation or warranty by Lessor as to the adequacy or sufficiency of such drawings, plans or specifications, or the improvements to which they relate, for any use purpose of condition, including conformity to any applicable codes or laws.

(g) Contractors: All contractors and their subcontractors performing any construction activities on the Leased Premises shall be properly licensed and in good standing. The Lessee's general contractor shall be required to furnish evidence of liability insurance, naming Lessor as an additional insured, in a minimum amount of \$2,000,000 per act or occurrence for bodily injury, death or property damage arising out of any act or omission occurring in connection with any construction activities, prior to undertaking any such activity. All contractors and subcontractors shall also be required to maintain worker's compensation insurance in limits required by law throughout the course of all construction activities. All contractors and subcontractors shall be required to maintain vehicle liability insurance for any and all vehicles hired or operated as part of any construction activities.

(h) Construction Contract: Lessee shall submit to Lessor the construction contract or contracts for the Project. Lessor's review of the construction contract(s) shall be only for determining its compliance with this Lease. Lessor shall make such determination within ten (10) business days after receipt of the contract(s), otherwise the contract(s) shall be deemed approved.

(i) Bonds. As a condition precedent to beginning construction of the Project, if required by the Lessor, the Lessee shall provide the Lessor a copy of a performance bond obtained by Lessee or Lessee's general contractor in favor of the Lessee as a named obligee, in form and amount as approved by the Lessor insuring the faithful completion of Lessee's obligations to develop the Project under the DDA, and a copy of a payment bond obtained by Lessee or Lessee's general contractor in favor of the Lessee as a named obligee, in form and amount as approved by the Lessor securing payment of all labor and material suppliers and subcontractors for the work as stated in the construction contract for the Project. If so required by the Lessor, the bonds shall be written with a surety listed reasonably acceptable to the Lessor. Lessee shall assure compliance with all requirements of the surety. Lessee shall permit no changes in the work to be performed by the general contractor and shall make no advance payments to the general contractor without prior written notice to the surety and the Lessor, if such change or payment could release the surety of its obligations under the bonds.

(j) Labor Standards. Lessee shall assure that construction of the Development is carried out in conformity with all applicable federal and/or state labor standards, which may include but are not limited to the payment of prevailing wages under the California Labor Code and/or the Davis Bacon Act. Lessee shall inform its general contractor of all such requirements, and shall require the general contractor to so notify its subcontractors and any materialmen. Lessee shall indemnify, hold harmless, and defend Lessor from all additional wages, benefits, fees, penalties, fines, legal fees, court costs, arbitration costs, and other costs arising from the improper application of state and/or federal prevailing wage laws to the

Development by Lessee or its general contractor or both of them.

(k) Public Safety Protections. Lessee shall assure that all necessary steps are taken (including the erection of fences, barricades and warning devices) to protect its general contractor, subcontractors, and the public from the risk of injury arising out of Lessee's activities in connection with the Property, including without limitation, fire, or the failure, collapse or deterioration of any improvements or buildings.

(l) Public Improvements. Lessee shall, at Lessee's expense, undertake and complete any modification, construction, relocation or improvement of public facilities, improvements and utilities which are required for the development of the Property.

(m) Reports. During the course of construction of the Development, Lessee shall submit to Lessor a written report of the progress of construction as and when reasonably requested by Lessor, but no more often than once each calendar month.

(n) No Discrimination. Lessee shall not discriminate against any employee or applicant for employment because of sex, race, color, religion, ancestry, national origin, disability, medical condition, marital status, or sexual orientation. Lessee will take affirmative actions to ensure that applicants are employed, and that employees are treated during employment, without regard to their sex, race, color, religion, ancestry, national origin, disability, medical condition, marital status, or sexual orientation. Such actions shall include, but not limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Lessee agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided government agencies setting forth the provisions of this nondiscrimination clause.

Section 3.2 No Liens.

(a) Lessee shall not have any right, authority or power to bind Lessor, Lessor's Estate or any other interest of Lessor in the Leased Premises, for any claim for labor or material or for any other charge or expense, lien or security interest incurred in connection with the development, construction or operation of the Improvements or any change, alteration or addition thereto.

(b) Lessee shall promptly pay and discharge all claims for work or labor done, supplies furnished or services rendered at the request or on behalf of Lessee and shall keep the Leased Premises free and clear of all mechanics' and materialmen's liens in connection therewith. If any claim of lien is filed against the Leased Premises or a stop notice is served on Lessor or other third party in connection with the development, construction or operation

of the Improvements or any change, alteration or addition thereto, then Lessee shall, within thirty (30) days after such filing or service, either pay and fully discharge the lien or stop notice, effect the release of such lien or stop notice by delivering to Lessor a surety bond in sufficient form and amount, or provide Lessor with other assurance satisfactory to Lessor that the claim of lien or stop notice will be paid or discharged, provided that Lessor provides written notice of such claim of lien or stop notice to Lessee promptly upon receipt by Lessor.

(c) If Lessee fails to discharge any lien, encumbrance, charge, or claim in the manner required in this Section, then in addition to any other right or remedy, Lessor may (but shall be under no obligation to) discharge such lien, encumbrance, charge, or claim at Lessee's expense and, Lessee shall pay to Lessor as Additional Rent any such amounts expended by Lessor, together with interest thereon at the lesser of ten percent (10%) per annum or the maximum rate allowable by law, within thirty (30) days after written notice is received from Lessor of the amount expended. Alternately, Lessor may require Lessee to immediately deposit with Lessor the amount necessary to satisfy such lien or claim and any costs, pending resolution thereof. Lessor may, in its reasonable discretion, use such deposit to satisfy any claim or lien that is adversely determined against Lessee.

(d) Lessee shall file a valid notice of cessation or notice of completion upon cessation of construction on the Improvements for a continuous period of thirty (30) days or more, except in the event such cessation of construction is caused by adverse weather conditions, and shall take all other reasonable steps to forestall the assertion of claims of lien against the Leased Premises. Lessor shall have the right to post or keep posted on the Leased Premises, or in the immediate vicinity thereof, any notices of non-responsibility for any construction, alteration or repair of the Leased Premises by Lessee and, upon request of Lessor, Lessee shall post such notices on the Leased Premises on behalf of Lessor. Lessee authorizes Lessor, but without any obligation, to record any notices of completion or cessation of labor, or any other notice that Lessor deems necessary or desirable to protect its interest in the Leased Premises.

### Section 3.3 Permits, Licenses and Easements.

(a) Lessee shall be responsible, at its sole expense, for obtaining any and all Permits required for any construction or other work to be performed on the Leased Premises, and to grant or cause to be granted all permits, licenses, and other governmental authorizations that are necessary or helpful for electric, telephone, gas, cable television, water, sewer, drainage, access and such other public or private utilities or facilities as may be reasonably necessary or desirable in connection with the construction or operation of the Improvements.

(b) Lessee shall be entitled, without separate payment to Lessor for tap or

connection fees, to tap into the existing lines, facilities and systems of applicable electric, gas, cable, water, sewer, sewer treatment and other utilities serving the Leased Premises, provided that: (i) such utilities have adequate capacity to handle the additional load of the Leased Premises; (ii) Lessee furnishes proposed plans for such connections to Lessor for Lessor's review along with any additional information reasonably requested by Lessor; and (iii) Lessee remains responsible for payment of such fees therefor as are required by Yolo County or applicable utility provider.

(c) Lessor agrees to cooperate with Lessee, in Lessor's capacity as the fee owner of the Leased Premises, as reasonably requested and at no cost to Lessor, to assist Lessee to obtain the Permits and any waiver, reduction or deferral, as applicable, of all fees and other charges otherwise payable in connection with obtaining any Permits.

#### Section 3.4 Title to Improvements.

(a) During the Term. Lessor hereby grants to Lessee, without warranty express or implied, any right, title, or interest that Lessor has or may have in the Improvements now or hereafter located on the Leased Premises, which Improvements are and shall remain real property. Notwithstanding any provision in this Lease to the contrary, the Improvements and all alterations, additions, equipment and fixtures built, made or installed by Lessee in, on, under or to the Leased Premises or Improvements shall be the sole property of Lessee or its successors and/or assigns in fee until the expiration of the Term or other termination of this Lease; provided, however, that Lessee shall have no right to destroy, demolish or remove the Improvements except as specifically provided for in this Lease or as approved in writing by Lessor. It is the intent of the Parties hereto that this Lease shall create a constructive notice of severance of the Improvements from the Leased Premises without the necessity of a deed from Lessor after the Improvements have been constructed.

(b) After the Term. Except in connection with a foreclosure or acceptance by a Leasehold Mortgagee of a deed in lieu of foreclosure, upon the expiration of the Term or other termination of the Lease, the Improvements and all alterations, additions, equipment and fixtures built, made or installed by Lessee in, on, under or to the Leased Premises or Improvements shall be deemed to be and shall automatically become the property of Lessor, without cost or charge to Lessor. Lessor agrees that Lessee, at any time prior to the sixtieth (60th) day after the expiration or other termination of this Lease, may remove from the Leased Premises any and all equipment which Lessee has furnished for maintenance purposes or for the use of the Management Agent, provided that Lessee shall repair any physical damage to the Leased Premises caused by the removal of such equipment and property. Lessee agrees to execute, at the request of Lessor at the end of the Term, a quitclaim deed of the Improvements to Lessor to be recorded at Lessor's option and expense and any other documents that may be reasonably required by Lessor or Lessor's title

company to provide Lessor title to the Leased Premises and the Improvements free and clear of all monetary liens and monetary encumbrances not caused or agreed to by Lessor.

Section 3.5           Benefits of Improvements During Term. Lessor acknowledges and agrees that any and all depreciation, amortization and tax credits for federal or state tax purposes relating to the Improvements and any and all additions thereto, substitutions therefor, fixtures therein and other property relating thereto shall be deducted or credited exclusively to Lessee during the Term and for the tax years during which the Term begins and ends.

Section 3.6           Restrictions Applicable to Tax Credit Units. Lessee will cause all Tax Credit Units to be operated and maintained in accordance with the Tax Credit Restrictive Covenant, and Lessee shall so operate and maintain such Tax Credit Units for the term set forth in the Tax Credit Restrictive Covenant.

ARTICLE 4  
RENTS

Section 4.1           Ground Rent. In consideration of Lessor's agreement to lease the Premises to Lessee in accordance with this Lease, as of the Effective Date Lessee shall have paid to Lessor One Dollar (\$1.00) as capitalized rent for the entire Term (the "Up Front Lease Payment").

Section 4.2           Additional Rents. In addition to the Up Front Lease Payment specified in Section 4.1, any and all of the payments that Lessee is required to make hereunder to or for the benefit of Lessor shall be deemed to be "Additional Rents." All such Additional Rents shall be payable in accordance with the provisions of the Sections of this Lease specifying the payment of such Additional Rents. The Up Front Lease Payment specified in Section 4.1 and Additional Rents payable hereunder shall be deemed "Rents" reserved by Lessor, and any remedies now or hereafter given to Lessor under the laws of the State of California for collection of the Rents shall exist in favor of Lessor, in addition to any and all other remedies specified in this Lease.

Section 4.3           Payments. All Rents or other sums, if any, due Lessor hereunder shall be paid by Lessee to Lessor at the address of Lessor set forth hereinafter for notices, or to such other person and/or at such other address as Lessor may direct by written notice to Lessee, without notice or demand, and without abatement, deduction or set off.

ARTICLE 5  
TAXES AND OTHER IMPOSITIONS; UTILITIES

Section 5.1           Payment of Impositions. Prior to delinquency, Lessee will pay all of

the Impositions, except that if any Imposition that Lessee is obligated to pay in whole or in part is permitted by law to be paid in installments, Lessee may pay or cause to be paid such Imposition (or its proportionate part thereof) in installments prior to delinquency. Upon the written request of Lessor, Lessee shall exhibit and deliver to Lessor evidence satisfactory to Lessor of payment of all Impositions. During the first and last years of the Term, all Impositions that shall become payable during each calendar, fiscal, tax or Lease Year, as applicable, shall be ratably adjusted on a per diem basis between Lessor and Lessee in accordance with the respective portions of such calendar, fiscal, tax, assessment or Lease Year during the Term. If any special assessments are payable in installments, Lessee shall pay only those installments that are due and for which the delinquency date occurs during the Term for periods occurring during the Term, except that with respect to any special assessments levied or assessed in connection with the construction, operation, maintenance or management of the Improvements during the term of this Lease, Lessee shall, prior to termination or expiration of this Lease, pay the entire balance of any such special assessment that Lessee may have, under the terms of this Section 5.1, elected to pay in installments. The Parties acknowledge that Lessee intends to apply for an exemption for ad valorem taxes under Section 214(g) of the California Revenue and Taxation Code. Lessee acknowledges and agrees that none of the obligations of Lessee hereunder are conditioned on obtaining an exemption for ad valorem taxes under Section 214(g) of the California Revenue and Taxation Code.

Section 5.2                    Contested Taxes and Other Impositions.

(a)                    Lessee, at its sole cost and expense, in its own name or in the name of Lessor, may contest the validity or amount of any Imposition relating to all or any portion of the Leased Premises or the Improvements, in which event the payment thereof may be deferred during the pendency of such contest, if diligently prosecuted.

(b)                    As may be necessary or desirable, Lessor or Lessee, as applicable but at the sole cost and expense of Lessee, upon the request of the other Party, shall use its best reasonable efforts to assist in any such proceeding to contest the validity or amount of any Imposition.

Section 5.3                    Failure to Pay Impositions. If Lessee shall fail to pay any Impositions before the same become delinquent, or as otherwise required pursuant to Section 5.2, Lessor, at its election, may pay such Impositions (but shall not be obligated to pay same), together with any interest and penalties due thereon, and the amount so paid by Lessor, together with interest thereon at the lesser of ten percent (10%) per annum or the maximum rate allowable by law, shall be repayable to Lessor by Lessee within thirty (30) days of demand by Lessor.

Section 5.4                    Utilities. Lessee shall pay all utilities used, rendered or supplied upon

or in connection with the construction and operation of the Improvements, including, but not limited to, all charges for gas, electricity, light, heat or power, all telephone and other communications services, all water rents and sewer service charges, and all sanitation fees or charges levied or charged against the Leased Premises during the Term; provided, however, that Lessee shall have no responsibility hereunder for the payment of utilities supplied by the respective providers directly to Tenants for such Tenants' use in connection with the occupancy of their respective residential units.

## ARTICLE 6 INSURANCE

Section 6.1            Lessee's Insurance. Except as otherwise provided below, during the Term, Lessee shall keep and maintain in force, at no cost or expense to Lessor, the following insurance, all of which shall be provided by companies and/or agencies approved to do business in the State of California:

(a)                    Leased Premises Insurance. "All risk" insurance covering all risks of physical loss or damage to any of the Improvements, with liability limits of not less than one hundred percent (100%) of the "full replacement value" thereof, which insurance shall be provided by Lessee upon completion of construction. Such policies shall be broad form and shall include, but shall not be limited to, coverage for fire, extended coverage, vandalism, malicious mischief and storm. Perils customarily excluded from all risk insurance, e.g., earthquake and flood, may be excluded. The term "full replacement value" shall exclude the cost of excavation, foundations and footings.

(b)                    General Liability Insurance. Commercial general liability and, covering loss or damage resulting from accidents or occurrences on or about or in connection with the Leased Premises, the Improvements or any work, matters or things under, or in connection with, or related to this Lease, with personal injury, death and property damage combined single limit liability of not less than Two Million Dollars (\$2,000,000) and an aggregate limit of not less than Five Million Dollars (\$5,000,000). Coverage under any such comprehensive policy shall be broad form and shall include, but shall not be limited to, operations, contractual, elevators, , products and completed operations. .

(c)                    Automobile Liability Insurance. Automobile liability insurance covering loss or damage resulting from accidents involving the use of all owned, non-owned and hired vehicles. with combined single limit liability of not less One Million Dollars (\$1,000,000) for each accident or occurrence and an aggregate limit of not less than One Million Dollars (\$1,000,000).

(d)                    Workers' Compensation Insurance. Lessee shall carry or cause to be

carried Workers' Compensation insurance with limits as required by the State of California and Employer's Liability limits of \$1,000,000 for bodily injury by accident and \$1,000,000 per person and in the annual aggregate for bodily injury by disease covering all persons employed by Lessee in connection with the Improvements and with respect to whom death, bodily injury, or sickness insurance claims could be asserted against Lessor or Lessee.

(e) Builders' Risk Insurance. As of the commencement of and during the course of construction of the Improvements, Lessee shall provide builders' risk insurance for not less than the "full replacement value" for property damage insuring the interests of Lessor, Lessee and any contractors and subcontractors.

Section 6.2 General Requirements. All policies described in Section 6.1 shall include Lessee as a named insured. All policies described in Subsections 6.1(a), 6.1(b) and 6.1(e) shall include Lessor as an additional insured, as its interest may appear. All policies described in Section 6.1 shall contain (a) an agreement that such policies are primary and non-contributing with any insurance that may be carried by Lessor; (b) excepting workers' compensation insurance under Subsection 6.1(d), a waiver by the insurer of all rights of subrogation against Lessor and its authorized parties in connection with any loss or damage thereby insured against

Section 6.3 Evidence of Insurance. No later than the date on which particular insurance coverage is required by this Lease, Lessee shall provide Lessor with certificates of insurance for such coverage.

Section 6.4 Failure to Maintain. If Lessee fails to maintain any insurance required under this Lease, Lessor, at its election, may procure such insurance as may be necessary to comply with the requirements of this Lease (but shall not be obligated to procure same), and Lessee agrees to repay to Lessor as Additional Rent the cost of such insurance together with interest thereon at the lesser of ten percent (10%) per annum or the highest rate allowable by law.

Section 6.5 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII.

## ARTICLE 7 MAINTENANCE, ALTERATIONS, REPAIRS AND REPLACEMENTS

Section 7.1 Maintenance of Leased Premises.

During the Term of this Lease, Lessee shall, at its sole cost and expense, maintain the Leased Premises, all Improvements hereafter developed, and all appurtenances to the

Improvements, in good and safe order, condition and repair and in compliance with all Legal Requirements.

Section 7.2 Alterations to Improvements. Following construction of the Improvements, Lessee may make any additions, alterations or changes (“Alterations”) to the Improvements subject, to the following conditions:

(a) No Alterations shall be undertaken until Lessee shall have obtained all Permits and all required consents of any Leasehold Mortgage. Lessor agrees to cooperate with Lessee, in Lessor’s capacity as the fee owner of the Leased Premises, as reasonably requested and at no cost to Lessor, to assist Lessee to obtain the Permits;

(b) Any Alterations shall be performed in good and worker-like manner using new materials of the same or better quality as the original Improvements, and in compliance with all applicable Legal Requirements and all applicable Insurance Requirements; and

(c) No Alterations shall relive Lessee of its obligation to use the Leased Premises as required by Section 2.3.

Section 7.3 Indemnifications. Lessee hereby agrees to indemnify, protect, hold harmless and defend (by counsel reasonably satisfactory to Lessor) Lessor, its officers, directors, affiliates, agents and employees from and against any and all claims, losses, damages, liabilities, fines, penalties, charges, , including, but not limited to, reasonable attorney’s fees and expenses (collectively “Claims”), arising from or relating to Lessee’s activities under this Lease, and the construction, development, operation and management of the Improvements, except to the extent caused by the gross negligence or willful misconduct of Lessor, or any of its officers, directors, affiliates, agents or employees.

The indemnity obligations of Lessee in this Lease shall survive the termination or expiration of this Lease with respect to Claims arising prior to such termination or expiration.

## ARTICLE 8 PERMITTED MORTGAGES AND INVESTOR RIGHTS

Section 8.1 Right to Encumber.

(a) Lessee shall have the right during the Term to encumber, through a Leasehold Mortgage, all of Lessee’s Estate; provided, however, that any Leasehold Mortgage shall not

affect or become a lien upon, Lessor's Estate, and such Leasehold Mortgagee shall be subject to all of the rights and obligations of Lessor herein contained in this Lease, except as otherwise provided in this Lease.

(b) For purposes of this Lease, Lessor and Lessee acknowledge and agree that the construction lender for the Improvements and, along with their respective successors and assigns (each a "Leasehold Mortgagee"), are each a permitted Leasehold Mortgagee and all references to a "Leasehold Mortgagee" shall specifically include each Leasehold Mortgagee. All references to a Leasehold Mortgagee shall include any Deed of trust made by Lessee for the benefit of any Leasehold Mortgagee. For so long as any Leasehold Mortgagee is outstanding, Lessor shall not agree to any mutual termination or accept any surrender of this Lease without the prior written consent of the holders of Leasehold Mortgages then in effect. Notwithstanding anything to the contrary contained herein, a Leasehold Mortgagee shall be deemed to be a third-party beneficiary of this Lease.

Section 8.2 Notice to Leasehold Mortgagee. During any period in which a Leasehold Mortgagee is in place, Lessor shall give any such Leasehold Mortgagee of which Lessor has received written notice from Lessee a duplicate copy of all notices of default or other notices that Lessor may give to or serve in writing upon Lessee pursuant to the terms of this Lease. The address of the Leasehold Mortgagee originally designated in a Leasehold Mortgagee may be changed upon written notice delivered to Lessor in the manner specified in Section 18.9 hereinbelow. Lessor's failure to give any such notice to any such Leasehold Mortgagee shall not render such notice ineffective, nor shall any such failure constitute an Event of Default hereunder, nor otherwise excuse any default by Lessee.

Section 8.3 Right of Leasehold Mortgagee to Cure.

(a) Notwithstanding any default by Lessee under this Lease, Lessor shall have no right to terminate this Lease unless Lessor shall have given each Leasehold Mortgagee written notice of such default and such Leasehold Mortgagees shall have failed to remedy such default or acquire Lessee's Estate created by this Lease or commence foreclosure or other appropriate proceedings as set forth in, and within the time specified by, this Section.

(b) Any Leasehold Mortgagee which has an outstanding Leasehold Mortgagee shall have the right, but not the obligation, at any time to pay any or all of the rental due pursuant to the terms of this Lease, and do any other act or thing required of Lessee by the terms of this Lease, to prevent termination of this Lease. Each Leasehold Mortgagee shall have ninety (90) days after receipt of notice from Lessor describing such default to cure the default. All payments so made and all things so done shall be as effective to prevent a termination of this Lease as the same would have been if made and performed by Lessee instead of by Leasehold Mortgagees.

(c) In addition to the cure period provided in this Section 8.3 above, if the default is such that possession of the Leased Premises may be reasonably necessary to remedy the default, any Leasehold Mortgagee shall have a reasonable time (not to exceed ninety (90) days) after the expiration of such ninety (90) day period within which to remedy such default, provided that (i) such Leasehold Mortgagee shall have fully cured any default in the payment of any monetary obligations of Lessee under this Lease within such ninety (90) day period and shall continue to pay currently such monetary obligations when the same are due and (ii) such Leasehold Mortgagee shall have acquired Lessee's Estate hereunder or commenced foreclosure or other appropriate proceedings prior to or within such period, and shall be diligently prosecuting the same.

(d) Any default under this Lease which by its nature cannot, despite the diligent efforts of a Leasehold Mortgagee, be remedied by any Leasehold Mortgagee shall be deemed to be remedied if (i) within ninety (90) days after receiving written notice from Lessor describing the default, or prior thereto, any Leasehold Mortgagee shall have acquired Lessee's Estate or commenced foreclosure or other appropriate proceedings, (ii) Leasehold Mortgagee shall diligently prosecute any such proceedings to completion, (iii) Leasehold Mortgagee shall have fully cured any default in the payment of any monetary obligations of Lessee hereunder which does not require possession of the Leased Premises, and (iv) after gaining possession of the Leased Premises, the Leasehold Mortgagee shall cure all non-monetary defaults of Lessee hereunder capable of cure by Leasehold Mortgagee.

(e) If any Leasehold Mortgagee is prohibited, stayed or enjoined by any bankruptcy, insolvency or other judicial proceedings involving Lessee from commencing or prosecuting foreclosure or other appropriate proceedings, the times specified for commencing or prosecuting such foreclosure or other proceedings shall be extended for the period of such prohibition; provided that any Leasehold Mortgagee shall have fully cured any default in the payment of any monetary obligations of Lessee under this Lease and shall continue to pay currently such monetary obligations when the same fall due; provided, further, that such Leasehold Mortgagee shall not interfere with Lessor's efforts to seek compliance by Lessee with any non-monetary obligation under this Lease.

Section 8.4 Limitation on Liability of Leasehold Mortgagee. No Leasehold Mortgagee shall be or become liable to Lessor as an assignee of this Lease or otherwise unless it (a) takes possession of or title to the Leased Premises and any then-existing Improvements or assumes responsibility for operating the Project or (b) expressly assumes by written instrument executed by Lessor and Leasehold Mortgagee such liability (in which event the Leasehold Mortgagee's liability shall be limited to the period of time during which it is the owner of Lessee's Estate created hereby).

Section 8.5            Estoppel Certificates. Lessor and Lessee agree that at any time and from time to time upon not less than twenty (20) days' prior written notice by the other Party, or within twenty (20) days after receipt of written request from any Leasehold Mortgagee or Investor or a permitted assignee or other interested party, Lessor or Lessee will execute, acknowledge and deliver to the other Party or to such Leasehold Mortgagee or Investor a statement in writing certifying (a) that this Lease is unmodified and in full force and effect; (b) the date through which the Rents have been paid; and (c) that, to the knowledge of the certifier (if such be the case), there is no default, set-off, defense or other claim against Lessor or Lessee, as applicable, other than those, if any, so specified under the provisions of this Lease.

Section 8.6            Notification of Leasehold Mortgages. Lessee shall provide written notice to Lessor of the name and address of each Leasehold Mortgagee under this Lease. Failure of Lessee to so provide such information shall excuse Lessor from any obligations hereunder to provide notice to any such Leasehold Mortgagee.

Section 8.7            New Lease. In the event of the termination of this Lease prior to the expiration of the Term of this Lease due to a default of Lessee, by operation of law (except by eminent domain), or upon a foreclosure of Lessee's estate by a Leasehold Mortgagee or acceptance of a deed in lieu of foreclosure, Lessor, upon written request from any Leasehold Mortgagee, shall enter into a new lease with such holder or its designee in accordance with and upon the same terms and conditions as set forth herein, including, without limitation, the restrictions on the Residential Units being occupied by Tax Credit Eligible Households and the Tax Credit Restrictive Covenant. In this regard, in the event of the filing of a petition in bankruptcy by Lessee, and Lessee rejects this Lease under the then applicable provisions of the Bankruptcy Code, Lessor shall, upon the request of a Leasehold Mortgagee, affirm this Lease, and Lessor will enter into a new lease on the same terms and conditions set forth herein with such holder or its designee immediately upon Lessee's rejection of this Lease, provided that the Leasehold Mortgagee cures any and all defaults existing when it takes over the Leasehold Estate. In the event of the filing of a petition in bankruptcy by Lessor, and Lessor rejects this Lease and Lessee does not affirm it, a Leasehold Mortgagee will have the authority to affirm this Lease on behalf of Lessee and to keep the Lease in full force and effect.

Section 8.8            Rights of Investor. The Investor shall have the same notice and cure rights as any Leasehold Mortgagee except that the Investor shall have one hundred twenty (120) days after receipt of notice to cure the default for so long as it is a limited partner of Lessee. The address for any notices to same, as of the date hereof, is provided in Section 18.9.

Section 8.9            Non-Subordination of Fee. Nothing in this Lease shall be construed as

an agreement by Lessor to subordinate its fee interest in the Leased Premises or its right to rent payments hereunder or any other right of Lessor herein. Except as expressly set forth in this Section 8.9 or in Article 16, no Leasehold Mortgage shall impair Lessor's ability to enforce its rights and remedies under this Lease or provided by law. Lessor shall have no obligation to encumber or otherwise subordinate its fee interest in the Leased Premises or in this Lease to the interest of any Leasehold Mortgagee.

ARTICLE 9  
REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 9.1                    Representations, Warranties and Covenants of Lessee. As an inducement to Lessor to enter into and to proceed under this Lease, Lessee warrants and represents to Lessor as follows, which warranties, representations and covenants are true and correct as of the date of this Lease:

(a)                    Lessee has the right, power and authority to enter into this Lease and the right, power and authority to comply with the terms, obligations, provisions and conditions contained in this Lease, and all necessary action has been taken to bind Lessee to this Lease. The person(s) executing this Lease on behalf of Lessee are duly authorized to do so;

(b)                    the entry by Lessee into this Lease and the performance of all of the terms, provisions and conditions contained herein will not, or with the giving of notice or the passage of time, or both, would not, violate or cause a breach or default under any other agreements to which Lessee is a party or by which it is bound;

(c)                    Lessee (i) shall not cause or permit any Hazardous Materials to be placed, held, located or disposed of on, under or at the Leased Premises or any part thereof, except in commercially reasonable amounts used in the construction and operation of the Improvements and in accordance with Legal Requirements, and (ii) shall not cause or permit any Hazardous Materials contamination of the Leased Premises or any part thereof; provided, however, that Lessee shall not be in violation of this Subsection 9.1(c) or otherwise be liable or obligated hereunder, including under Section 9.2, for any of the foregoing to the extent occasioned by reason of the existence of soils, water or materials already located on the Leased Premises as of the Effective Date, including without limitation asbestos cement transit pipe and asbestos debris remaining in the soil following building demolition.

Section 9.2                    Hazardous Materials.

(a)                    Certain Covenants and Agreements. Lessee hereby covenants

and agrees that:

(1) Lessee shall not permit the Leased Premises or any portion thereof to be a site for the use, generation, treatment, manufacture, storage, disposal or transportation of Hazardous Materials or otherwise permit the presence of Hazardous Materials in, on or under the Leased Premises in violation of any Legal Requirement or Hazardous Materials Laws;

(2) Lessee shall keep and maintain the Leased Premises and each portion thereof in compliance with, and shall not cause or permit the Leased Premises or any portion thereof to be in violation of, any Hazardous Materials Laws;

(3) Upon receiving actual knowledge that the Leased Premises or any portion thereof is or may be in violation of Hazardous Materials Laws, Lessee shall immediately advise Lessor in writing of:

(A) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened against Lessee or the Leased Premises pursuant to any applicable Hazardous Materials Laws;

(B) any and all claims made or threatened by any third party against Lessee or the Leased Premises relating to damage, contribution, cost recovery, compensation, loss or injury resulting from any Hazardous Materials (the matters set forth in the foregoing clause (A) and this clause (B) are hereinafter referred to as "Hazardous Materials Claims");

(C) the presence of any Hazardous Materials in, on or under the Leased Premises in such quantities which require reporting to a government agency; or

(D) Lessee's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Leased Premises classified as "borderzone property" under the provisions of California Health and Safety Code, Sections 25220 *et seq.*, or any regulation adopted in accordance therewith, or to be otherwise subject to any restrictions on the ownership, occupancy, transferability or use of the Leased Premises under any Hazardous Materials Laws.

If Lessor reasonably determines that Lessee is not adequately responding to a Hazardous Material Claim or any condition in Sections 9.2(a)(3)(C) or (D), Lessor shall have the right to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any such Hazardous Materials Claims and to have its reasonable

attorney's fees in connection therewith paid by Lessee.

(4) Without Lessor's prior written consent, which shall not be unreasonably withheld or delayed, Lessee shall not take any remedial action in response to the presence of any Hazardous Materials on, under, or about the Leased Premises (other than in emergency situations or as required by governmental agencies having jurisdiction), nor enter into any settlement agreement, consent decree, or other compromise in respect to any Hazardous Materials Claims.

(b) Lessee Indemnity. Without limiting the generality of the indemnification set forth in Section 7.3 above, Lessee hereby agrees to indemnify, protect, hold harmless and defend (by counsel reasonably satisfactory to Lessor) Lessor, its directors, officers, agents, successors, assigns, agents and employees (the "Indemnitees") from and against any and all claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgements, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including, but not limited to, attorneys' fees and expenses), arising directly or indirectly, in whole or in part, out of:

(1) the failure of Lessee or any other person or entity on or after the Effective Date (or prior to the Effective Date if due to the negligence or willful misconduct of Lessee or any other person under the control of Lessee), to comply with any Hazardous Materials Law relating in any way whatsoever to the handling, treatment, presence, removal, storage, decontamination, cleanup, transportation or disposal of Hazardous Materials into, on, under or from the Leased Premises;

(2) any release or discharge of any Hazardous Materials into, on, under or from the Leased Premises, arising on or after the Effective Date, or the presence in, on, or under the Leased Premises of any Hazardous Materials that occurs on the Leased Premises after the Effective Date (or prior to the Effective Date if due to the negligence or willful misconduct of Lessee or any person under the control of Lessee); or

(3) any activity or omission of activity carried on or undertaken on or off the Leased Premises, on or after the Effective Date (or prior to the Effective Date if due to the negligence or willful misconduct of Lessee or any employees, agents, contractors or subcontractors of Lessee), and whether by Lessee or any employees, agents, contractors or subcontractors of Lessee or any successor in title that is related to Lessee occupying or present on the Leased Premises, in connection with the handling, treatment, removal, storage, decontamination, cleanup, transport or disposal of any Hazardous Materials located or present on or under the Leased Premises. Lessee's indemnity obligations as they pertain to activities occurring off the Leased Premises shall only extend to

activities performed by or arising from activities performed by Lessee or any employees, agents, contractors or subcontractors of Lessee.

The foregoing indemnity shall further apply to any residual contamination on or under the Leased Premises, or affecting any natural resources, and to any contamination of any property or natural resources arising in connection with the generation, use, handling, treatment, storage, transport or disposal of any such Hazardous Materials, and irrespective of whether any of such activities were or will be undertaken in accordance with Hazardous Materials Laws. The provisions of this subsection shall survive expiration of the Term or other termination of this Lease, and shall remain in full force and effect. This indemnity obligation shall not extend to any claim arising solely from Lessor's gross negligence or willful misconduct.

(c) Lessor Indemnity. Lessor hereby agrees to indemnify, protect, hold harmless and defend (by counsel reasonably satisfactory to Lessee) Lessee, its directors, officers, agents, successors, assigns, agents and employees from and against any and all claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgements, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including, but not limited to, attorneys' fees and expenses), to the extent arising out of:

(1) the failure of Lessor or any other person or entity before the Effective Date (or after the Effective Date if due to the gross negligence or willful misconduct of Lessor or any other person under the control of Lessor), to comply with any Hazardous Materials Law relating in any way whatsoever to the handling, treatment, presence, removal, storage, decontamination, cleanup, transportation or disposal of Hazardous Materials into, on, under or from the Leased Premises;

(2) any release or discharge of any Hazardous Materials into, on, under or from the Leased Premises, arising before the Effective Date, or the presence in, on, or under the Leased Premises of any Hazardous Materials that occurs on the Leased Premises before the Effective Date (or after the Effective Date if due to the gross negligence or willful misconduct of Lessor or any person under the control of Lessor); or

(3) any activity or omission of activity carried on or undertaken on or off the Leased Premises, before the Effective Date (or after the Effective Date if due to the gross negligence or willful misconduct of Lessor or any employees, agents, contractors or subcontractors of Lessor), and whether by Lessor or any employees, agents, contractors or subcontractors of Lessor, in connection with the handling, treatment, removal, storage, decontamination, cleanup, transport or disposal of any Hazardous Materials located or present on or under the Leased Premises. Lessor's indemnity obligations as they pertain to

activities occurring off the Leased Premises shall only extend to activities performed by or arising from activities performed by Lessor or any employees, agents, contractors or subcontractors of Lessor.

The foregoing indemnity shall further apply to any residual contamination on or under the Leased Premises, or affecting any natural resources, and to any contamination of any property or natural resources arising in connection with the generation, use, handling, treatment, storage, transport or disposal of any such Hazardous Materials, and irrespective of whether any of such activities were or will be undertaken in accordance with Hazardous Materials Laws. The provisions of this subsection shall survive expiration of the Term or other termination of this Lease, and shall remain in full force and effect. This indemnity obligation shall not extend to any claim to the extent arising from Lessee's negligence or willful misconduct.

(d) No Limitation. Lessee hereby acknowledges and agrees that Lessee's duties, obligations and liabilities under this Lease, including, without limitation, under subsection (b) above, are in no way limited or otherwise affected by any information Lessor may have concerning the Leased Premises and/or the presence on the Leased Premises of any Hazardous Materials, whether Lessor obtained such information from Lessee or from its own investigations.

Section 9.3 As-Is Conveyance.

(a) This Lease is made "AS IS," with no warranties or representations by Lessor concerning the condition of the Leased Premises, including the presence or absence of any Hazardous Materials. Lessee hereby agrees and acknowledges that: (i) neither Lessor, nor anyone acting for or on behalf of Lessor, has made any representation, statement, warranty or promise to Lessee concerning the development potential or condition of the Leased Premises; (ii) in entering into this Lease, Lessee has not relied on any representation, statement or warranty of Lessor, or anyone acting for or on behalf of Lessor, other than as may expressly be contained in writing in this Lease; (iii) all matters concerning the Leased Premises have been or shall be independently verified by Lessee and that Lessee shall purchase or lease the Leased Premises on Lessee's own prior examination thereof; and (iv) THAT LESSEE IS PURCHASING OR LEASING THE LEASED PREMISES, AS APPLICABLE, IN AN "AS IS" PHYSICAL CONDITION AND IN AN "AS IS" STATE OF REPAIR.

Section 9.4 Environmental Work. Lessee shall be responsible for performing the work of any investigation and remediation on the Leased Premises which may be required in order to develop the Leased Premises. The determination as to whether any such remediation is needed, and as to the scope and methodology thereof, shall be made, to the extent

applicable, by mutual agreement of Lessor, Lessee and the governmental agency with responsibility for monitoring such remediation. Lessee shall notify Lessor promptly upon discovery of any actionable levels of Hazardous Substances, and upon any release thereof, and shall consult with Lessor in order to establish the extent of remediation to be undertaken and the procedures by which remediation thereof shall take place. Lessee shall comply with, and shall cause its agents and contractors to comply with, all laws regarding the use, removal, storage, transportation, disposal and remediation of Hazardous Substances. The investigation and remediation work shall be carried out in accordance with all applicable laws (including Hazardous Materials Laws) and such other procedures and processes as may be described in this Lease.

ARTICLE 10  
EMINENT DOMAIN

Section 10.1            Termination of Lease. Lessor and Lessee agree that, in the event of a Taking such that Lessee reasonably determines that the Leased Premises or the Improvements cannot continue to be operated, at reasonable cost, for their then-current use, then, subject to the rights of Leasehold Mortgagees, this Lease shall, at Lessee's sole option, terminate as of the Taking Date.

Section 10.2            Continuation of Lease and Presumption of Restoration. Lessor and Lessee agree that, in the event of a Taking that does not result in the termination of this Lease pursuant to Section 10.1 above, this Lease shall continue in effect as to the remainder of the Leased Premises, and the Net Condemnation Award will be disbursed in accordance with Section 10.4 below to Lessee and/or any Leasehold Mortgagee, if the terms of the applicable Leasehold Mortgage so require, and shall be used so as to make the same a complete, unified and efficient operating unit as nearly as reasonably possible to the condition existing prior to the Taking, subject to any applicable requirements of the Leasehold Mortgagee.

Section 10.3            Temporary Taking. If there shall be a temporary Taking with respect to all or any part of the Leased Premises or of Lessee's interest in this Lease, then the Term shall not be reduced and Lessee shall continue to pay all Rents, Impositions and other charges required herein, without reduction or abatement thereof at the times herein specified; provided, however, that Lessee shall temporarily not be required to perform such obligations that Lessee is prevented from performing by reason of such temporary Taking.

Section 10.4            Award. Prior to the Closing, if there is a Taking, whether whole or partial Lessor shall be entitled to receive and retain any Net Condemnation Award. After the Closing, subject to the rights of Leasehold Mortgagees to the extent expressly provided herein, if there is a Taking, whether whole or partial, Lessor and Lessee shall be entitled to receive and retain such separate awards and portions of lump sum awards as may be

allocated to their respective interests in any condemnation proceedings, or as may be otherwise agreed, taking into consideration the fact that Lessor's interest in the Leased Premises is limited to the land (exclusive of the Improvements), as encumbered by this Lease, and a reversionary interest in the Leased Premises upon the expiration of the Term. If the Leased Premises shall be restored as is contemplated in Section 10.2 above, Lessee shall be entitled to recover the costs and expenses incurred in such restoration out of any Net Condemnation Award. Thereafter, if the condemning authority does not make separate awards, the Parties agree that any Net Condemnation Award shall be distributed to each Leasehold Mortgagee in accordance with and pursuant to the lien priorities of each Leasehold Mortgagee's Leasehold Mortgage if such Taking occurs while a Leasehold Mortgagee's Leasehold Mortgage is in effect, and any remaining proceeds will be allocated on a proportionate basis between Lessor and Lessee. If the Parties are unable to agree as to the exact amount of such allocation and the Parties are unable to agree as to amounts that are to be allocated to the respective interests of each Party, then each Party shall select a neutral M.A.I. real estate appraiser ("Appraiser"). Each Appraiser shall separately determine the amount of the balance of the Net Condemnation Award that is to be allocated to the interests of each Party. If the percentage of the balance of the Net Condemnation Award each Appraiser allocates to Lessor (a) is within ten percent (10%) of each other, the two allocations shall be averaged, and such average shall be the final allocation of the Net Condemnation Award, or (b) is not within ten percent (10%) of each other, the two Appraisers shall then select a third Appraiser, who shall independently allocate the Net Condemnation Award between Lessor and Lessee, and the middle of such three allocations shall be the final allocation of the Net Condemnation Award.

Section 10.5            Joinder. If a Leasehold Mortgage exists, the Leasehold Mortgagees, to the extent permitted by law, shall be made a party to any Taking proceeding.

ARTICLE 11  
DAMAGE OR DESTRUCTION

Section 11.1            Damage or Destruction Improvements. Lessee shall give prompt written notice to Lessor after the occurrence of any fire, earthquake, act of God or other casualty to or in connection with the Leased Premises, the Improvements or any portion thereof for damage in excess of \$100,000 (a "Casualty"). Subject to Section 11.2 below, and the rights of any Leasehold Mortgagees, if during the Term the Improvements shall be damaged or destroyed by Casualty, Lessee shall repair or restore the Improvements, so long as Lessee determines, in its reasonable discretion, that it is feasible to do so, and in such event Lessee shall provide or cause to be provided sufficient additional funds which, when added to such insurance proceeds, will fully effect such repair or restoration. Upon the occurrence of any such Casualty, Lessee, promptly and with all due diligence, shall apply for and collect all applicable insurance proceeds recoverable with respect to such Casualty. In

the event that Lessee shall determine, subject to the rights of the Leasehold Mortgagees, by notice to Lessor given within thirty (30) days after receipt by Lessee of any such insurance proceeds, that it is not economically practical to restore the Improvements and/or the Leased Premises to substantially the same condition in which they existed prior to the occurrence of such Casualty, then Lessee may terminate this Lease as of a date that is not less than thirty (30) days after the date of such notice. If Lessee terminates this Lease pursuant to this Section 11.1, Lessee shall surrender possession of the Leased Premises and the Improvements to Lessor immediately and assign to Lessor (or, if same has already been received by Lessee, pay to Lessor) all of its right, title and interest in and to the proceeds from Lessee's insurance upon the Leased Premises, subject to the prior rights of any Leasehold Mortgagee as described in Section 11.3. Notwithstanding the foregoing, Lessor shall have the right to require Lessee to raze the Improvements and clear the debris, subject to the availability of insurance proceeds for such purpose, prior to surrendering possession of the Leased Premises.

Section 11.2            Damage or Destruction Near End of Term. If, during the last five (5) years of the Term, the Improvements shall be damaged by Casualty, then Lessee shall have the option, to be exercised within one hundred twenty (120) days after such Casualty:

(a)                    to repair or restore the Improvements as provided in this Article 11; or

(b)                    subject to the rights of Leasehold Mortgagees, to terminate this Lease by notice to Lessor, which termination shall be deemed to be effective as of the date of the Casualty. If Lessee terminates this Lease pursuant to this Section 11.2, Lessee shall surrender possession of the Leased Premises to Lessor immediately and assign to Lessor (or, if same has already been received by Lessee, pay to Lessor) all of its right, title and interest in and to the proceeds from Lessee's insurance upon the Leased Premises, subject to the prior rights of any Leasehold Mortgagee as described in Section 11.3.

Section 11.3            Distribution of Insurance Proceeds. In the event that insurance proceeds are not applied to restoration of the Improvements and this Lease is terminated pursuant to Sections 11.1 or 11.2 , the insurance proceeds received as the result of such Casualty shall first be distributed to each Leasehold Mortgagee in accordance with and pursuant to the lien priorities of each Leasehold Mortgagee's Leasehold Mortgage if such Casualty occurs while a Leasehold Mortgagee's Leasehold Mortgage is in effect, and then in accordance with Section 11.1.

## ARTICLE 12 EVENTS OF DEFAULT

Section 12.1 Events of Default. Each of the following shall be an “Event of Default” by Lessee hereunder:

(a) failure by Lessee to pay any Rent when due or to pay or cause to be paid any Impositions, insurance premiums or other liquidated sums of money herein stipulated to be paid by Lessee, if such failure shall continue for a period of fifteen (15) days after notice thereof has been given by Lessor to Lessee;

(b) failure by Lessee to perform or observe any of the provisions of this Lease stipulated in this Lease to be observed and performed by Lessee, if such failure shall continue for a period of thirty (30) days after written notice thereof has been given by Lessor to Lessee; provided, however, that if any such failure cannot reasonably be cured within such thirty (30) day period, then Lessor shall not have the right to terminate this Lease or Lessee's right to possession hereunder so long as Lessee promptly commences the curing of any such failure and thereafter proceeds in good faith and with due diligence to remedy and correct such failure within a reasonable period of time; provided, however, that such period shall not extend for more than one hundred twenty (120) days after the date of Lessor's written notice to Lessee;

(c) the failure of Lessee to cure, within the prescribed time period, any declaration of default by the holder of a Leasehold Mortgage on Lessee's Estate;

(d) the subjection of any right or interest of Lessee in this Lease to attachment, execution or other levy, or to seizure under legal process, if not released within sixty (60) days; provided that the foreclosure of any Leasehold Mortgage shall not be construed as an Event of Default within the meaning of this Subsection 12.1(d);

(e) the appointment of a receiver, not including receivership pursuant to any Leasehold Mortgage, to take possession of Lessee's Estate or the Project for any reason, if such receivership is not terminated, dismissed or vacated within ninety (90) days after the appointment of the receiver;

(f) the filing by Lessee of a petition for voluntary bankruptcy under the Bankruptcy Code of the United States or any similar law, state or Federal, now or hereafter in effect;

(g) the filing against Lessee of any involuntary proceedings under such Bankruptcy Code or similar law, if such proceedings have not been vacated or stayed within ninety (90) days of the date of filing;

(h) the appointment of a trustee or receiver for Lessee or for all or

the major part of the Leased Premises, in any involuntary proceeding, not including pursuant to any Leasehold Mortgage, or taking of jurisdiction by any court over all or the major part of the Leased Premises in any involuntary proceeding for the reorganization, dissolution, liquidation or winding up of Lessee, if such trustee or receiver shall not be discharged or such jurisdiction relinquished or vacated or stayed on appeal or otherwise stayed within ninety (90) days; or

(i) a general assignment by Lessee for the benefit of creditors or Lessee's admittance in writing of its insolvency or inability to pay its debts generally as they become due or Lessee's consent to the appointment of a receiver or trustee or liquidator for Lessee or the Leased Premises.

Section 12.2 Rights and Remedies.

(a) At any time after the occurrence of an Event of Default hereunder, and subject in all respects to (i) Lessor's rights to cure defaults by Lessee, (ii) the rights of any Leasehold Mortgagees, and (iii) the provisions of Section 12.3 of this Lease, Lessor may terminate this Lease by giving Lessee written notice thereof (with a copy of such notice to those Leasehold Mortgagees identified in accordance with Section 18.9), setting forth in such notice an effective date for termination (which must be at least thirty (30) days after the date of such notice), in which event this Lease and Lessee's Estate created hereby and all interest of Lessee and all parties claiming by, through or under Lessee shall automatically terminate upon the effective date for termination as set forth in such notice. In such event, Lessor, its agents or representatives, shall have the right, without further demand or notice, (i) to re-enter and take possession of the Leased Premises (including all Improvements) at any time from and after the effective termination date; and (ii) to exercise any other remedy given hereunder or now or hereafter existing at law or in equity, provided that Lessor shall not be entitled to disturb possession of any Tenants or others in possession pursuant to Tenant Leases with Lessee so long as such Tenants or others are not in default thereunder and attorn to Lessor as their lessor.

(b) Upon the exercise of Lessor's remedies pursuant to this Section 12.2, Lessee shall execute such releases, deeds and other instruments in recordable form as Lessor shall reasonably request in order to accurately set forth of record the then current status of Lessee's Estate and Lessee's rights hereunder.

Section 12.3 Deficiency Judgments. Lessor, for itself and for each and every succeeding owner of Lessor's Estate in the Leased Premises, agrees that it shall never be entitled to seek a personal judgment against Lessee or general or limited partners or lenders, and that upon any Event of Default hereunder, the rights of Lessor to enforce the obligations of Lessee, its successors or assigns, or to collect any judgment, shall be limited to the

termination of this Lease and of Lessee's Estate and the enforcement of any other rights and remedies specifically granted to Lessor hereunder, provided, however, that the limitations set forth in this Section 12.3 shall not be applicable to (a) fraud by Lessee, (b) misappropriation of any Net Condemnation Award or insurance proceeds by Lessee, or (c) misappropriation of any funds that Lessee now or hereafter holds or controls for the benefit of or otherwise belonging to Lessor.

Section 12.4                    Default by Lessor.

(a)                    Events of Default. Lessor shall be in default of this Lease if it fails to perform any provision of this Lease that it is obligated to perform or if any of Lessor's representations or warranties is untrue or becomes untrue in any material respect, and if the failure to perform or the failure of such representation or warranty is not cured within thirty (30) days after written notice of the default has been given to Lessor. If the default cannot reasonably be cured within thirty (30) days, Lessor shall not be in default of this Lease if Lessor commences to cure the default within such thirty-day period and diligently and in good faith continues to cure the default until completion.

(b)                    Right to Cure; Lessee's Remedies. Subject to Section 12.4(c) below, if Lessor shall have failed to cure a default by Lessor after expiration of the applicable time for cure of a particular default, Lessee, at its election, but without obligation therefor (i) may seek specific performance of any obligation of Lessor, after which Lessee shall retain, and may exercise and enforce, any and all rights that Lessee may have against Lessor as a result of such default, (ii) from time to time without releasing Lessor in whole or in part from the obligations to be performed by Lessor hereunder, may cure the default at Lessor's cost, (iii) may terminate this Lease, and/or (iv) may exercise any other remedy given hereunder or now or hereafter existing at law or in equity. Any reasonable costs incurred by Lessee in order to cure such a default by Lessor shall be due immediately from Lessor, together with interest, and may be offset against any amounts due from Lessee to Lessor.

(c)                    Limitation on Remedies. Notwithstanding any other provision of this Lease, Lessee agrees that it will look solely to the equity, estate, and property of Lessor in the Leased Premises for the collection of any judgment requiring the payment of money by Lessor; and Lessee understands and agrees that no other assets of Lessor or its officers, directors, or members shall be subject to levy, execution, or other process for the satisfaction of any such judgment or for the enforcement of any rights or remedies of Lessee.

Section 12.5                    Notices. Notices given by Lessor under Section 12.1 or by Lessee under Section 12.4 shall specify the alleged default and the applicable Lease provisions, and shall demand that Lessee or Lessor, as applicable, perform the appropriate provisions of this Lease within the applicable period of time for cure.

ARTICLE 13  
QUIET ENJOYMENT AND POSSESSION; INSPECTIONS

Section 13.1            Quiet Enjoyment. Lessor covenants and warrants that Lessee, upon payment of all sums herein provided and upon performance and observance of all of its covenants herein contained, shall peaceably and quietly have, hold, occupy, use and enjoy, and shall have the full, exclusive and unrestricted use and enjoyment of, all of the Leased Premises during the Term, subject only to the provisions of this Lease, the provisions of all Leasehold Mortgages, the encumbrances shown in the Title Report, and all applicable Legal Requirements.

Section 13.2            Lessor's Right of Inspection. Notwithstanding Section 13.1 above, Lessor, in person or through its agents, upon reasonable prior notice to Lessee, shall have the right, subject to the rights of Tenants, to enter upon the Leased Premises for purposes of reasonable inspections performed during reasonable business hours in order to assure compliance by Lessee with its obligations under this Lease; Lessor shall have immediate access to the Leased Premises in the event of an emergency where the giving of notice would be impractical.

ARTICLE 14  
VACATION OF LEASED PREMISES

Lessee covenants that upon the expiration or earlier termination of this Lease, Lessee will peaceably and quietly yield and surrender possession of the Leased Premises to Lessor. The foregoing, however, will be subject to the rights of Tenants or others in possession pursuant to Tenant Leases with Lessee, provided that such Tenants are not in default thereunder and attorn to Lessor as their lessor.

ARTICLE 15  
NON-MERGER

Except upon expiration of the Term or upon termination of this Lease pursuant to an express right of termination set forth herein, there shall be no merger of either this Lease or Lessee's Estate created hereunder with the fee estate of the Leased Premises or any part thereof by reason of the fact that the same person may acquire, own or hold, directly or indirectly, (a) this Lease, Lessee's Estate created hereunder or any interest in this Lease or Lessee's Estate (including the Improvements), and (b) the fee estate in the Leased Premises or any part thereof or any interest in such fee estate (including the Improvements), unless and until all persons, including any assignee of Lessor, having an interest in (i) this Lease or Lessee's Estate created hereunder, and (ii) the fee estate in the Leased Premises or any part thereof,

shall join in a written instrument effecting such merger and shall duly record the same.

ARTICLE 16  
ASSIGNMENTS AND TRANSFERS

Section 16.1            Consent Required. Except as expressly provided herein, Lessee shall not, without the prior written consent of Lessor, assign this Lease or any interest therein. Lessee shall obtain Lessor's written consent prior to granting any easements encumbering Lessor's Estate for the establishment, operation, and maintenance of utility services serving the Project, which consent shall not be unreasonably withheld.

Section 16.2            Limitations on Consent Requirement. Notwithstanding the foregoing:

(a)                    The consent of Lessor shall not be required for:

(1)                    a lease of any Residential Unit in the Project;

(2)                    the creation of any liens or encumbrances on Lessee's Estate including, without limitation, Leasehold Mortgagees, and transfer of the Leased Premises and Improvements to a Leasehold Mortgagee by foreclosure or deed-in-lieu of foreclosure (or the leasehold equivalent thereof), or to a third-party purchaser pursuant to a foreclosure sale (or the leasehold equivalent thereof);

(3)                    transfers of any limited partnership interest in Lessee to an investor pursuant to the tax credit syndication of the Project;

(4)                    the removal or replacement of Lessee's general partner in accordance with the Lessee's agreement of limited partnership;

(5)                    normal uses and encumbrances associated with the operation of the Leased Premises and Improvements; or

(6)                    Assignments, transfers or other transactions as authorized by Sections 16.4(b) and 16.5.

(e) transfers of any limited partnership or membership interest in Tenant to an investor pursuant to the tax credit syndication of the Project and transfers of any limited partner interest in Tenant to affiliates of Tenant's investor limited partner; or (f) the grant or exercise of an option agreement between Borrower and Borrower's general partner or manager or any of its affiliates in connection with the tax credit syndication of the Project where such

agreement has been previously approved in writing by the City.

(b) Any person to whom any Transfer is attempted without such consent shall have no claim, right or remedy whatsoever hereunder against Lessor, and Lessor shall have no duty to recognize any person claiming under or through the same.

Section 16.3 Subsequent Assignment. In cases where Lessor's consent is required, Lessor's consent to one assignment will not waive the requirement of its consent to any subsequent assignment.

Section 16.4 Procedure for Obtaining Lessor's Consent.

(a) Transfer Request. With respect to each Transfer requiring Lessor's consent hereunder, Lessee shall send to Lessor written request for Lessor's approval of the Transfer (a "Transfer Consent Request") specifying the name and address of the proposed transferee and its legal composition (if applicable). Each Transfer Request shall be accompanied by all of the following:

(1) An audited or certified financial statement of the proposed transferee for the two most recent calendar or fiscal years prepared in accordance with generally accepted accounting procedures by a certified public accounting firm sufficiently current and detailed to evaluate the proposed transferee's assets, liabilities and net worth and certified as true and correct by the proposed transferee;

(2) A description of the nature of the interest proposed to be transferred, the portion or portions of the Property affected by the Transfer, and the proposed effective date of such Transfer;

(3) A true and complete copy of the proposed assumption agreement described in Section 16.6;

(4) A complete history of the proposed transferee describing its background, its current real estate projects and location thereof, and the background of the principals or personnel to be involved in the development or operation of the portion of the Property subject to the Transfer and stating whether the proposed transferee ever filed for bankruptcy or had projects that were foreclosed;

(5) A description of all projects of the proposed transferee which during the past five (5) years have been the subject of substantial litigation; and

(6) Any such other information as reasonably requested by

Lessor within fifteen (15) days following the receipt of the above information, in order to make an informed decision whether or not to approve or disapprove the Transfer.

(b) Approval of Lessor. Within thirty (30) days following receipt of all the information referred to in Section 16.4(a), Lessor shall approve or disapprove a proposed transferee with respect to the information supplied which approval shall not be unreasonably withheld. If Lessor fails to give Lessee written notice of its approval or disapproval of the transferee within such thirty (30) day period, it shall be deemed to have approved the transferee. Notwithstanding anything to the contrary in this Lease, any Transfer by a foreclosing Leasehold Mortgagee, or a Transfer to U.S. Bancorp Community Development Corporation, or any affiliate controlled by either of them, shall not require Lessor's approval.

Section 16.5 Grant of Purchase Option. Notwithstanding anything to the contrary set forth in any other provision of this Lease, nothing shall prohibit (i) the granting of a purchase option to either general partner of Lessee to purchase Lessee's Estate as provided in the purchase option agreement, (ii) the granting of a right of first refusal to Mercy Housing California or any affiliate controlled by it, (iii) the exercise of such option or right of first refusal in accordance with its terms, and/or (iv) the assignment of this Lease to the entity that exercises such option or right of first refusal.

Section 16.6 Assumption Agreement and Release. No permitted Transfer shall be effective until any curable default hereunder shall have been cured and there shall have been delivered to Lessor an assumption agreement, executed by the transferor and the proposed transferee, whereby such transferee expressly assumes such obligations as arise and/or accrue at any time after such Transfer takes place; and whereby such transferee assumes liability for the lease obligations. The Parties agree that as a condition to any Transfer taking place the transferee shall deliver to Lessor representations and warranties confirming the accuracy of the information delivered to Lessor concerning its current financial condition and its outstanding or pending liabilities.

Section 16.7 Sale by Lessor. Nothing contained in this Lease shall be deemed in any way to limit, restrict or otherwise affect the right of Lessor to sell, transfer, assign or convey all or any portion of the Lessor's Estate; provided, however, that in each such instance any such sale, transfer, assignment or conveyance shall be expressly subject to this Lease, and Lessee's other rights arising out of this Lease shall not be affected or disturbed in any way by any such sale, transfer, assignment or conveyance. Each covenant, agreement or obligation of Lessor under this Lease is intended to and shall constitute a covenant running with the title to the Property and shall be binding upon any subsequent owner of the Leased Premises. At such time as Lessor shall sell, transfer, assign or convey the entire right, title and estate of Lessor in the Property and in this Lease, all obligations and liability on the part

of Lessor arising under this Lease from and after the effective date of such sale, transfer, assignment or conveyance shall terminate as to Lessor, and thereupon all such liabilities and obligations shall be binding upon the transferee.

ARTICLE 17  
DISPUTE RESOLUTION

In the event of a dispute between the Parties regarding this Lease, the Parties shall endeavor to settle claims, disputes, or other matters in question by mediation in accordance with the rules of the American Arbitration Association currently in effect, unless the Parties mutually agree otherwise. Demand for mediation shall be filed in writing with the other Party to this Lease and with the American Arbitration Association. A demand for mediation shall be made within a reasonable time after the claim, dispute, or other matter in has arisen. In no event shall the demand for mediation be made after the date when institution of legal or equitable proceedings based on such claim, dispute or other matter in question would be barred by the applicable statute of limitations. The costs of the mediation shall be shared equally between the Parties. In the event any such dispute can not be resolved through mediation for a period of at least thirty (30) days, the Parties agree that arbitration shall constitute the sole remedy for the resolution of such dispute. Either of the Parties may submit such disputes for binding resolution to the American Arbitration Association, under its commercial arbitration rules. The arbitration shall be held in Oakland, California before a single arbitrator. If the Parties cannot agree on a single arbitrator within ten (10) days after the request of either Party, such arbitrator shall be appointed by the American Arbitration Association in accordance with its rules. The non-prevailing party or parties in such arbitration, as determined by the arbitrator, shall pay all costs associated with such arbitration, including the prevailing party's or parties' attorneys' fees. The arbitrator's decision shall be final and binding upon the Parties and judgment thereon may be entered in any court of competent jurisdiction

ARTICLE 18  
MISCELLANEOUS PROVISIONS

Section 18.1            Entire Agreement: Modifications. This Lease supersedes all prior discussions and agreements between the Parties with respect to the leasing of the Leased Premises. This Lease contains the sole and entire understanding between the Parties with respect to the leasing of the Leased Premises. This Lease may be amended by mutual agreement of the Parties, subject to any required prior written approval from Leasehold Mortgagees, provided that any such amendment must be in writing and signed by both Parties.

Section 18.2 Governing Law. This Lease, and the rights and obligations of the Parties hereunder, shall be governed by and construed in accordance with the laws of the State of California.

Section 18.3 Binding Effect. This Lease shall inure to the benefit of and be binding upon the Parties hereto, their heirs, successors, administrators, executors and permitted assigns.

Section 18.4 Severability. In the event any provision or portion of this Lease is held by any court of competent jurisdiction to be invalid or unenforceable, such holdings shall not affect the remainder hereof, and the remaining provisions shall continue in full force and effect to the same extent as would have been the case had such invalid or unenforceable provision or portion never been a part hereof, except to the extent the rights and obligations of the Parties have been materially altered by such unenforceability.

Section 18.5 Further Assurances. From and after the date of this Lease, Lessor and Lessee, at the request of the other Party, shall make, execute and deliver or obtain and deliver all such affidavits, deeds, certificates, resolutions and other instruments and documents, and shall do or cause to be done all such other things that either Party may reasonably require in order to effectuate the provisions and the intention of this Lease.

Section 18.6 Captions. All captions, headings, paragraphs, subparagraphs, letters and other reference captions are solely for the purpose of facilitating convenient reference to this Lease, shall not supplement, limit or otherwise vary the text of this Lease in any respect, and shall be wholly disregarded when interpreting the meaning of any terms or provisions hereof.

Section 18.7 Exhibits. Each exhibit referred to in this Lease is attached to this Lease and is incorporated into this Lease by reference.

Section 18.8 Rights Cumulative. Except as expressly limited by the terms of this Lease, all rights, powers and privileges conferred hereunder shall be cumulative and not restrictive of those provided at law or in equity.

Section 18.9 Notices. All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered or sent by registered or certified mail, postage prepaid, return receipt requested, or electronic mail, shall be deemed received upon (i) if personally delivered, the date of delivery to the address of the person to receive such notice, (ii) if mailed, three (3) business days after the date of posting by the United States post office, (iii) if delivered by overnight delivery, one (1) business day after mailing, and (iv) if given by electronic mail, when sent. Any notice, request, demand,

direction or other communication sent by electronic mail must be confirmed by letter mailed or delivered within three (3) business days of such electronic mail notice in accordance with subsection (i), (ii) or (iii).

To Lessor:                   The Housing Authority of the County of Yolo  
147 West Main Street  
Woodland, CA 95695  
Attn: Chief Executive Officer

To Lessee:                   Mercy New Hope, L.P.  
c/o Mercy Housing California  
1360 Mission Street, Suite 300  
San Francisco, California 94103  
Attn: Doug Shoemaker

and a copy to:             U.S. Bancorp Community Development Corporation  
1307 Washington Avenue, Suite 300  
Mail Code: SL MO RMCD  
St. Louis, MO 63103  
Attn.: Director of Asset Management

and to:                     Kutak Rock LLP  
1650 Farnam Street  
Omaha, NE 68102  
Attention: Jill H. Goldstein

and to:                     Gubb & Barshay, LLP  
505 14th Street, Suite 1050  
Oakland, CA94612  
Attention: Evan Gross

Additionally, Lessor shall provide copies of notices in accordance with this section to all Leasehold Mortgagees for which Lessee has provided to Lessor an address for notices.

Section 18.10             Counterparts. This lease may be executed in several counterparts, each of which shall be deemed an original, and all such counterparts together shall constitute one and the same agreement.

Section 18.11             Time of Essence. Time is of the essence in this Lease.

Section 18.12            Relationship of Parties. No relationship exists between Lessor and Lessee other than landlord and tenant. The Parties hereto expressly declare that, in connection with the activities and operations contemplated by this Lease, they are neither partners nor joint venturers, nor does a debtor-creditor, principal-agent or any other relationship except as aforesaid, exist between them.

IN WITNESS WHEREOF, the Parties have executed this Lease as Effective Date.

**LESSOR:**

**Yolo County Housing**

By: \_\_\_\_\_  
Lisa A. Baker, its Chief Executive Officer

**LESSEE:**

**Mercy New Hope, L.P.**, a California limited partnership

By: 20 North Cottonwood LLC,  
a California limited liability company,  
its managing general partner

By: Mercy Housing Calwest,  
a California nonprofit public benefit corporation, its sole  
member/manager

By: \_\_\_\_\_  
Title: \_\_\_\_\_

EXHIBIT A

LEASED PREMISES

All that certain real property situated in the County of Yolo, State of California, described as follows:

EXHIBIT B

Memorandum of Ground Lease  
(Attached)

RECORDING REQUESTED BY:

WHEN RECORDED MAIL TO:

Mail Tax Statements As Directed Above

(SPACE ABOVE THIS LINE FOR RECORDER’S USE)

**MEMORANDUM OF GROUND LEASE**

THIS MEMORANDUM OF GROUND LEASE (the “Memorandum”) is made as of \_\_\_\_\_, by and between **The Housing Authority of the County of Yolo**, a \_\_\_\_\_ (“Lessor”), and **Mercy New Hope, L.P.**, a California limited partnership (“Lessee”) with respect to that certain Ground Lease dated as of \_\_\_\_\_ (the “Lease”), between Lessor and Lessee.

Pursuant to the Lease, Lessor hereby leases to Lessee and Lessee leases from Lessor that certain real property, more particularly described in Exhibit A, attached hereto and incorporated herein, (the “Property”), and Lessor grants to Lessee all the improvements constructed or to be constructed on the Property for the term of the Lease which improvements are and shall remain real property.

The Lease commenced on \_\_\_\_\_ (the “Effective Date”), and shall terminate \_\_\_\_\_ years from the Effective Date, or sooner termination pursuant to the terms of the Lease.

This Memorandum shall incorporate herein all of the terms and provisions of the Lease as though fully set forth herein.

This Memorandum is solely for recording purposes and shall not be construed to alter, modify, amend or supplement the Lease, of which this is a memorandum.

IN WITNESS WHEREOF, the Parties have caused this Memorandum to be duly executed as of the date first above written.

**LESSOR:**

**Yolo County Housing**

By: \_\_\_\_\_  
Lisa A. Baker, its Chief Executive Officer

**LESSEE:**

**Mercy New Hope, L.P.**, a California limited partnership

By: 20 North Cottonwood LLC,  
a California limited liability company,  
its managing general partner

By: Mercy Housing Calwest,  
a California nonprofit public benefit corporation, its sole  
member/manager

By: \_\_\_\_\_  
Title: \_\_\_\_\_

[SIGNATURES MUST BE NOTARIZED]



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**SECRETARY’S CERTIFICATE/INCUMBENCY CERTIFICATE  
(YOLO COUNTY HOUSING)**

I, the undersigned, hereby certify that I am the duly elected Secretary of Yolo County Housing (the “Agency”), and that:

1. Attached hereto as Exhibit “A” is a correct and complete copy of certain resolutions which were duly adopted by the Board of Commissioners (the “Commissioners”) of the Agency by written consent and which resolutions: (i) have not been amended or supplemented in any respect and are in full force and effect on the date hereof; (ii) require no further Agency action or resolution or consent of the Commissioners to be effective; and (iii) are not inconsistent with the Agency’s Bylaws.
2. Attached hereto as Exhibit “B” is a correct and complete copy of the Resolution of the Board of Supervisors of the County of Yolo (the “Resolution”). The Resolution has not been amended or supplemented in any respect, and is in full force and effect on the date hereof.
3. Attached hereto as Exhibit “C” is a complete and correct copy of the Bylaws of the Agency, which are in full force and effect on the date hereof.
4. The persons named below hold offices of the Agency listed below and, pursuant to the attached resolutions, are authorized to execute and deliver certain documents on behalf of the Agency, and the signatures set forth below opposite each person’s name is such person’s genuine signature.

<u>NAME</u>	<u>OFFICE/POSITION</u>	<u>SIGNATURE</u>
_____	_____	_____

IN WITNESS WHEREOF, I have hereunto affixed my signature this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

By:  
Name:  
Title: Secretary

# **NEW HOPE COMMUNITY DEVELOPMENT CORPORATION**

## **AGENDA**

**April 19, 2017**



**NEW HOPE COMMUNITY DEVELOPMENT CORPORATION**

**BOARD OF SUPERVISORS CHAMBERS**  
625 COURT STREET, ROOM 206  
WOODLAND, CALIFORNIA 95695

LISA A. BAKER  
EXECUTIVE DIRECTOR

HOPE WELTON  
AGENCY COUNSEL

**Reminder: Please turn off cell phones.**

**4:00 P.M. CALL TO ORDER**

1. Consider approval of the agenda.
2. Public Comment: Opportunity for members of the public to address the New Hope Development Corporation on subjects not otherwise on the agenda relating to New Hope Development Corporation business. The Board reserves the right to impose a reasonable limit on time afforded to any topic or to any individual speaker.

**CONSENT AGENDA**

3. Approval of Minutes from the meeting of December 14, 2016
4. Appointment of Directors Karen Vanderford, Will Arnold and Angel Barajas
5. Review, Approve, and Accept the FY 2015-2016 Audit Report for New Hope Community Development Corporation (Gillette)

**REGULAR AGENDA**

6. Review and Approve Resolution Authorizing and Granting Authority for Leasing and Financing of 180 W. Beamer Street for Development of New Housing Units (Baker)
7. Review and Approve Resolution Granting Authority for Syndication of Mercy New Hope L.P. for the Property at 180 W. Beamer Street for Development of New Housing Units (Baker)
8. Authorize Executive Director to negotiate and finalize refinance of \$368,800 HCD loan at Cottonwood Meadows Senior Apartments (Gillette and Baker)

**ADJOURNMENT**

Next meeting is TBD

I declare under penalty of perjury that the foregoing agenda was posted April 14, 2017 by 5:00 p.m. at the following places:

- On the bulletin board at the east entrance of the Erwin W. Meier Administration Building, 625 Court Street, Woodland, California; and
- On the bulletin board outside the Board of Supervisors Chambers, Room 206 in the Erwin W. Meier Administration Building, 625 Court Street, Woodland, California; and
- On the bulletin board of Yolo County Housing, 147 West Main Street, Woodland, California.
- On the Yolo County website: [www.yolocounty.org](http://www.yolocounty.org).

**NOTICE**

If requested, this agenda can be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 and the Federal Rules and Regulations adopted in implementation thereof. Persons seeking an alternative format should contact the Clerk of the Board for further information. In addition, a person with a disability who requires a modification or accommodation, including auxiliary aids or services, in order to participate in a public meeting should telephone or otherwise contact the Clerk of the Board as soon as possible and at least 24 hours prior to the meeting. The Clerk of the Board may be reached at (530) 666-8195 or at the following address:

Clerk of the New Hope Development Corporation  
625 Court Street, Room 204  
Woodland, CA 95695

**New Hope**

**3.**

**Meeting Date:** 04/19/2017

---

**Information**

**SUBJECT**

Approval of Minutes from the meeting of December 14, 2016

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**Attachments**

Att. A. Minutes

---

**Form Review**

Form Started By: Julie Dachtler

Started On: 04/14/2017 04:56 PM

Final Approval Date: 04/14/2017

# New Hope Community Development Corporation Yolo County, California

December 14, 2016

## MINUTES

The New Hope Community Development Corporation met on the 14th day of December 2016, in regular session in its Chambers in the Erwin W. Meier Administration Building, 625 Court Street, Woodland, California at 4:00 p.m.

Present: Mark Johannessen; Karen Vanderford; Jennifer Wienecke-Friedman; Tom Stallard;  
Will Arnold

Absent: Helen Thomson

Staff Present: Lisa Baker, CEO  
Hope Welton, Agency Counsel  
Janis Holt, General Managing Director  
Julie Dachtler, Clerk

### 4:00 P.M. CALL TO ORDER

1. Consider approval of the agenda.

Minute Order No. 16-07: Approved agenda as submitted.

MOTION: Wienecke-Friedman. SECOND: Arnold. AYES: Arnold, Johannessen, Stallard,  
Vanderford, Wienecke-Friedman. ABSENT: Thomson.

2. Public Comment: Opportunity for members of the public to address the New Hope Development Corporation on subjects not otherwise on the agenda relating to New Hope Development Corporation business. The Board reserves the right to impose a reasonable limit on time afforded to any topic or to any individual speaker.

There was no public comment.

**CONSENT AGENDA**

Minute Order No. 16-08: Approved Consent Agenda Item No. 3.

MOTION: Stallard. SECOND: Wienecke-Friedman. AYES: Arnold, Johannessen, Stallard, Vanderford, Wienecke-Friedman. ABSENT: Thomson.

3. Approval of Minutes from the meeting of October 26, 2016

Approved the minutes for the meeting of October 26, 2016 on Consent.

**REGULAR AGENDA**

4. Review and Approve Proposed Rent Increase for Cottonwood Meadows

Minute Order No. 16-09: Approved recommended action.

MOTION: Arnold. SECOND: Stallard. AYES: Arnold, Johannessen, Stallard, Vanderford, Wienecke-Friedman. ABSENT: Thomson.

**ADJOURNMENT**

Next meeting to be determined

\_\_\_\_\_  
Mark Johannessen, Vice-President  
New Hope Community Development Corporation

\_\_\_\_\_  
Lisa Baker, Secretary to the  
New Hope Community Development Corporation

**New Hope**

**5.**

**Meeting Date:** 04/19/2017

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**Information**

**SUBJECT**

Review, Approve, and Accept the FY 2015-2016 Audit Report for New Hope Community Development Corporation (Gillette)

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**Attachments**

Staff Report

Att. A. Communication

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**Form Review**

Form Started By: Julie Dachtler

Started On: 04/14/2017 04:57 PM

Final Approval Date: 04/14/2017



## ***New Hope Community Development Corporation***

### **Lisa A. Baker, Executive Director**

147 W. Main Street  
WOODLAND, CA 95695

Woodland: (530) 662-5428  
Sacramento: (916) 444-8982  
TTY: (800) 545-1833, ext. 626

DATE: April 19, 2017  
TO: New Hope CDC Board of Commissioners  
FROM: James D. Gillette, Treasurer

SUBJECT: **Review, Approve, and Accept the FY 2015-2016 Audit Report for New Hope Community Development Corporation**

### **RECOMMENDATION:**

Staff recommends that the Board of Commissioners review, approve, and accept the FY 2015-2016 New Hope Community Development Corporation (NHCDC) audit reports.

### **BACKGROUND/DISCUSSION:**

NHCDC is a non-profit community development corporation designed to provide affordable housing, services and jobs and to help support the mission of YCH. To this end, NHCDC has owned two primary projects (Cottonwood Meadows Senior Apartments and a commercial property sold in 2007 on Kentucky Street in Woodland) and investments in three development deals (Cesar Chavez Plaza, Rochdale Grange, and Crosswood Apartments).

As noted in our February 19, 2015 staff report, the audit report now shows all the activities of NHCDC, rather than just focused on Cottonwood Senior Apartments. For clarity, notes to the financial statements and supplemental schedules have been added to highlight the development activities, as well as, segregate the different business activities of NHCDC.

*Working together to provide quality affordable housing and community development services for all*

New Hope CDC Board of Commissioners  
FY 2014-2015 Audit Report

Page 2

Staff presents the audit reports from our independent certified public accountant (CohnReznick LLP) for the fiscal year ended June 30, 2016. The auditors have issued an unqualified opinion on the financial statements. There are no findings.

The audit report is on record at the Clerk of the Board. Interested persons can review the report at either the Clerk of the Board at 625 Court Street, or at the office of YCH at 147 W. Main Street, Woodland, CA during normal business hours.

Staff wishes to thank the auditors for their conscientious approach during the audit process and for completing the work in a timely manner.

**Fiscal Impact:**

NHCDC had an overall decrease in net assets of \$321,438 during the year. The primary reasons for this increase where:

- Non-cash expenses:
  - Depreciation and amortization expense totaling \$205,762.
  - Inception to date adjustment to the pension liability (related to GASB 68) of \$27,150.
- Abnormally rough turnovers at Cottonwood Senior Apartments for a few units costing the property over \$26,000.
- Higher operational and repair costs related to roof leaks and carpet replacements of approximately \$30,000. Staff is working with the on onsite property manager on ways to improve operational efficiencies at the property in the future.
- Plus ongoing operational cost increases that necessitated the rental rate increase at Cottonwood Meadows approved at the December 14, 2016 board meeting.

**Conclusion:**

Staff recommends that the Board receive, approve, and accept the audit report as submitted.

**Attachments:**

- Financial Statements and Independent Auditor's Report
- Auditor's Communication With Those Charged with Governance

New Hope Community Development Corporation

June 30, 2016

March 22, 2017

Board of Directors of New Hope Community Development Corporation

The Auditor's Communication With Those Charged With Governance

This communication is being provided to you in connection with our audit of New Hope Community Development Corporation's 2016 financial statements. This communication reflects those matters that are, in our professional judgment, significant and relevant to the responsibilities of those charged with governance in overseeing the financial reporting process.

General

Those charged with governance

Those charged with governance means the person or persons with responsibility for overseeing the strategic direction of the entity and obligations related to the accountability of the entity. This includes overseeing the financial reporting process. In some cases, those charged with governance are responsible for approving the entity's financial statements (in other cases management has this responsibility). For entities with a board of directors, this term encompasses the term board of directors or audit committee used elsewhere in generally accepted auditing standards.

Management

Management means the person or persons responsible for achieving the objectives of the entity and who have the authority to establish policies and make decisions by which those objectives are to be pursued. Management is responsible for the financial statements, including designing, implementing, and maintaining effective internal control over financial reporting.

Where the general partner or managing member owns the management company we consider those charged with governance and management to be the same people. As a result, we would normally suggest that this form be provided to the person who signed our engagement letter with a request that it be shared with other owners as appropriate. However, as indicated below, it is not necessary to repeat previous communications. If those charged with governance are involved in managing the entity, this will be indicated below.

We are responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management with the oversight of those charged with governance are presented fairly, in all material respects, in conformity with the entity's financial reporting framework. These responsibilities have been communicated to you through our engagement letter.

Timing of the audit

We perform certain procedures at an interim date. These procedures include planning, risk assessment, obtaining and understanding of internal controls, tests of compliance, where applicable, and limited substantive tests. The bulk of our substantive procedures are performed at year end. The timing of the audit is discussed verbally with management in order to facilitate the audit. The exact procedures are not communicated to ensure the effectiveness is not compromised.

### Significant risks of material misstatement

Whenever we identify significant risks of material misstatement we extend our procedures. Our process for identification of risks of material misstatement include assessing fraud opportunities, internal controls, the accounting issues faced by the entity and the entity's expertise and experience relative to such issues. Such issues include such items as impairment, going concern considerations, recording the building cost following acquisition or cost certification, involuntary conversions, derivatives and changes in management companies. In the event one or more of these items is encountered we will be required to perform additional auditing procedures which will likely result in additional cost of the audit which cannot be avoided. When such additional auditing is required we will communicate such matters to you as part of our communication of significant matters encountered during the audit.

Our approach is to obtain an understanding of internal controls and to determine whether key internal controls that might affect our audit procedures have been implemented. We do not typically perform tests to determine the effectiveness of internal controls unless we are required to report on internal controls for regulatory purposes or we believe such tests will improve our efficiency.

### Materiality

We use a calculated materiality limit in designing the extent of our tests. This materiality limit takes into consideration to amount of total assets and total revenues of the entity. In planning our tests we use various thresholds based on a percentage of the calculated materiality.

### Internal audit function

It is our understanding that the entity does not have an internal audit function.

### Accounting practices

#### Existing accounting practices

We have no comments to make on existing practices.

#### Newly adopted accounting practices

No significant new accounting practices were adopted.

### Significant difficulties

No significant difficulties were encountered during the audit.

### Uncorrected misstatements

Schedule of uncorrected misstatements provided to management separately. None of the uncorrected misstatements were material in our judgment.

Disagreements with management

No disagreements with management occurred.

Other findings or issues

Other findings or issues that we wish to communicate are described below.

Material corrected misstatements

Adjustments provided to management.

Independence

Generally accepted auditing standards require independence for all audits. Relevant matters to consider in reaching a conclusion about independence include circumstances or relationships that create threats to auditor independence and the related safeguards that have been applied to eliminate those threats or reduce them to an acceptable level.

We have maintained our independence throughout the period under audit and during the course of performing our audit in accordance with the rules set forth by the AICPA. Where required, we have also met the independence requirements of any other regulatory bodies that have oversight of the audit function.

We may also perform non-audit services for the entity audited. However, such services have not impaired our independence with respect to the audit and our performance of such non-audit services have been previously communicated.

We have no other matters to communicate to you on independence.

Restricted use of communication

This communication is intended solely for the information and use of those charged with governance and, if appropriate, management and is not intended to be and should not be used by anyone other than those specified parties.

Questions or further discussion

If you have any questions or wish to discuss any matters communicated further please contact the representative below.

Ahamadou Alainchar Bocar, CPA

**2016 New Hope Community Development Corporation**

Year End: June 30, 2016

Unrecorded/Proposed Journal Entries

Date: 7/1/2015 To 6/30/2016

GF3.5

Prepared by LG 10/10/2016	Detail	Fairness AAB 11/2/2016
Partner	Concur	

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
5	6/30/2016	Fund Balance	400.2806.00.000.000	COTTON		27,210.00			
5	6/30/2016	Prior period adjustment - below the line	400.6010.01.000.000	COTTON			27,210.00		
		to pass on the PY GASB 68 amount expensed in CY							
						<b>27,210.00</b>	<b>27,210.00</b>		
<b>Net Income (Loss)</b>			<b>(313,700.00)</b>						

**New Hope**

**6.**

**Meeting Date:** 04/19/2017

---

**Information**

**SUBJECT**

Review and Approve Resolution Authorizing and Granting Authority for Leasing and Financing of 180 W. Beamer Street for Development of New Housing Units (Baker)

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**Attachments**

Staff Report

Att. A. Resolution

Att. B. Secretary Certification

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**Form Review**

Form Started By: Julie Dachtler

Started On: 04/14/2017 04:59 PM

Final Approval Date: 04/14/2017

# *New Hope Community Development Corporation*

Lisa A. Baker, Executive Director  
147 W. Main Street  
Woodland, CA 95695

Woodland: (530) 662-5428  
Sacramento: (916) 444-8982

## **MEMORANDUM**

**DATE:** April 19, 2017

**TO:** Board of Directors of New Hope Community Development Corporation

**FROM:** Lisa A. Baker, Executive Director

**SUBJECT:** **Review, Approve and Adopt Resolution Granting Authority for Syndication of Mercy New Hope L.P. for the Property at 180 W. Beamer Street for development of New Housing Units**

### **RECOMMENDED ACTION:**

That the Board of Directors:

1. Review, Approve and Adopt the Resolution; and
2. Authorize the Executive Director to Negotiate and Execute Any and All Necessary Documents and to Furnish all Materials Necessary to Accomplish the Activities of the Resolutions.

### **BACKGROUND/DISCUSSION:**

180 W. Beamer is a proposed 80 unit complex located at the corner of Cottonwood and Beamer Streets in Woodland, CA. The land is currently owned by YCH and is proposed to be leased to the Mercy New Hope partnership for development of the property. The land was acquired from the County of Yolo, who have demolished the original hospital and are currently in the final phase of demolition, mitigation and preparation.

New Hope Community Development Corporation would be a general partner in ownership of the project along with Mercy Housing and the tax credit syndicator. This proposed development is very similar in nature to the other tax credit properties completed by New Hope, primarily Cesar Chavez Plaza and Rochdale Grange.

### **FISCAL IMPACT:**

Failure to execute resolutions would mean that the project could not move forward.

### **CONCLUSION:**

*Working together to provide quality affordable housing and community development services for all*

It is recommended that the Board of Directors authorize the Resolutions.

**NEW HOPE COMMUNITY DEVELOPMENT CORPORATION  
CORPORATE & PARTNERSHIP  
AUTHORIZING RESOLUTIONS & GRANTING OF AUTHORITY  
RE: LEASING & FINANCING OF 180 W. BEAMER STREET APARTMENTS PROJECT**

At a duly constituted meeting of the Board of Directors of New Hope Community Development Corporation, a California nonprofit public benefit corporation (the “Corporation”) which was held on \_\_\_\_\_, 2017, the following resolutions were adopted:

WHEREAS, the Corporation will be the co-general partner of Mercy New Hope, L.P., a California limited partnership (the “Partnership”), together with 20 North Cottonwood LLC, a California limited liability company, as the managing general partner (the “Managing General Partner”);

WHEREAS, the Housing Authority of the County of Yolo (the “Authority”) is the fee owner of the real property identified as Assessor’s Parcel Numbers 064-010-021-000 and 064-051-037-000 on Cottonwood Street, Woodland, California (the “Land”) upon which the Partnership will develop construct approximately 80 units of affordable housing on the Land, together with related amenities, parking, and other facilities, as further described in this Lease (collectively, the “Improvements” and together with the “Land”, collectively referred to as the “Project”);

WHEREAS, the Authority desires to lease the Land to the Partnership;

WHEREAS, the Board of Directors of the Corporation, acting as the co-general partner of the Partnership, deems it to be in the best interests of the Partnership to lease the Land from the Authority pursuant to the terms and conditions of a ground lease, and to enter into any and all documents required in connection with the leasing of the Land, including but not limited to a ground lease and any other documents necessary to consummate the leasing of the Land;

WHEREAS, the Board of Directors of the Corporation, acting as the co-general partner of the Partnership, deems it to be in the best interest of the Partnership to borrow an amount not to exceed \$20,000,000 from U.S. Bank National Association (“US Bank Loan”) and to enter into any and all documents required in connection with said loan, including but not limited to loan agreements, promissory notes, deeds of trust and any other documents necessary to consummate the US Bank Loan;

WHEREAS, the Board of Directors of the Corporation deems it to be in the best interest of the Corporation to assist the Partnership with the conduct of the Partnership’s transactions and to enter into any and all documents with US Bank and/or Mercy Housing California, including but not limited to payment and completion guaranties and indemnities and any other agreements as are deemed necessary for the Partnership to obtain the US Bank Loan;

WHEREAS, the Board of Directors of the Corporation, acting as the co-general partner of the Partnership, deems it to be in the best interest of the Partnership to borrow an amount not

to exceed \$3,100,000 in MHSA program funds from the California Housing Finance Agency (“CalHFA MHSA Loan”) and to enter into any and all documents required in connection with said loan, including but not limited to loan agreements, promissory notes, deeds of trust, regulatory agreements and any other documents necessary to consummate the CalHFA MHSA Loan;

WHEREAS, the Board of Directors of the Corporation, acting as the co-general partner of the Partnership, deems it to be in the best interest of the Partnership to borrow the amount of \$2,598,920 in MHP program funds from the California Department of Housing and Community Development (“HCD MHP Loan”) and to enter into any and all documents required in connection with said loan, including but not limited to loan agreements, promissory notes, deeds of trust, regulatory agreements and any other documents necessary to consummate the HCD MHP Loan;

WHEREAS, the Board of Directors of the Corporation, acting as the co-general partner of the Partnership, deems it to be in the best interests of the Partnership to authorize the Managing General Partner of the Partnership, to be the sole signatory on behalf of the Partnership on any documents or agreements that are necessary to consummate the activities described in this Resolution and Granting of Authority;

NOW, THEREFORE, BE IT RESOLVED: That the Partnership shall lease the Land from the Authority pursuant to the terms and conditions of a ground lease, and shall enter into any and all documents required in connection with the leasing of the Land and the acquisition of the Improvements, including but not limited to a ground lease, and any other documents necessary to consummate the leasing of the Land;

FURTHER RESOLVED: That the Partnership shall borrow the US Bank Loan, the CalHFA MHSA Loan and the HCD MHP Loan and shall enter into any and all documents required in connection with said loans, including but not limited to loan agreements, promissory notes, deeds of trust, regulatory agreements and any other documents necessary to consummate the US Bank Loan, the CalHFA MHSA Loan and the HCD MHP Loan;

FURTHER RESOLVED: That the Corporation shall assist the Partnership with the conduct of the Partnership’s transactions and shall enter into any and all documents with US Bank and/or Mercy Housing California, including but not limited to payment and completion guaranties and indemnities and any other agreements as are deemed necessary for the Partnership to obtain the US Bank Loan;

FURTHER RESOLVED: That the Partnership shall authorize the Managing General Partner of the Partnership, to be the sole signatory on behalf of the Partnership any documents or agreements that are necessary to consummate the activities described in this Resolution and Granting of Authority;

FURTHER RESOLVED: That all actions taken in connection with the Project by any officer of the Corporation prior to the date of these resolutions is hereby approved and ratified;

FURTHER RESOLVED: That the Managing General Partner, acting alone, shall be authorized and directed to execute any and all necessary documents, including but not limited to a ground lease, assignments and assumption agreements, loan agreements, promissory notes, deeds of trust, regulatory agreements, and any other agreements and shall take any and all further actions necessary to consummate the activities described in this Resolution and Granting of Authority;

FURTHER RESOLVED: That the Secretary or any assistant or any other officer of the Corporation is authorized to execute and certify any form of resolution required by any lender, regulator or other third party involved in the transaction, so long as the Executive Director or any other officer and counsel to the Corporation determine that the substance of such resolutions does not materially conflict with the substance of this Resolution and Granting of Authority.

**CERTIFICATION**

The undersigned, Secretary of New Hope Community Development Corporation, a California nonprofit public benefit corporation (the "Corporation") do hereby certify and declare that the foregoing is a full, true and correct copy of the resolution duly passed and adopted by the Board of Directors of the Corporation at a meeting of the Board of Directors of the Corporation duly and regularly called, noticed and held on \_\_\_\_\_, 2017; that said resolutions are now in full force and effect; that there is no provision in the Articles of Incorporation or the Bylaws of the Corporation, limiting the powers of the Board of Directors of the Corporation to pass the foregoing resolutions and that such resolutions are in conformity with the provisions of the Articles of Incorporation and the Bylaws of the Corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand as of \_\_\_\_\_, 2017.

\_\_\_\_\_, Secretary

**SECRETARY’S CERTIFICATE/INCUMBENCY CERTIFICATE  
(NEW HOPE COMMUNITY DEVELOPMENT CORPORATION)**

I, the undersigned, hereby certify that I am the duly elected Secretary of New Hope Community Development Corporation, a California nonprofit public benefit corporation (the “Corporation”), and that:

1. Attached hereto as Exhibit “A” is a correct and complete copy of certain resolutions which were duly adopted by the Board of Directors (the “Directors”) of the Corporation by written consent and which resolutions: (i) have not been amended or supplemented in any respect and are in full force and effect on the date hereof; (ii) require no further Corporation action or resolution or consent of the Directors to be effective; and (iii) are not inconsistent with the Corporation’s Bylaws.

2. Attached hereto as Exhibit “B” are correct and complete copies of the Articles of Incorporation of the Corporation as filed with the Secretary of State of the State of California on April 13, 1999, as amended by an amendment filed on August 13, 2004 (collectively, the “Articles”). The Articles have not been amended or supplemented in any respect, and are in full force and effect on the date hereof.

3. Attached hereto as Exhibit “C” is a complete and correct copy of the Bylaws of the Corporation, which are in full force and effect on the date hereof.

4. The persons named below hold offices of the Corporation listed below and, pursuant to the attached resolutions, are authorized to execute and deliver certain documents on behalf of the Corporation, and the signatures set forth below opposite each person’s name is such person’s genuine signature.

<u>NAME</u>	<u>OFFICE/POSITION</u>	<u>SIGNATURE</u>
_____	_____	_____

IN WITNESS WHEREOF, I have hereunto affixed my signature this  
, 2017.

day of

By:  
Name:  
Title: Secretary

**New Hope**

7.

**Meeting Date:** 04/19/2017

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**Information**

**SUBJECT**

Review and Approve Resolution Granting Authority for Syndication of Mercy New Hope L.P. for the Property at 180 W. Beamer Street for Development of New Housing Units (Baker)

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**Attachments**

Staff Report

Att. A. Resolution

Att. C. Secretary's Certification

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**Form Review**

Form Started By: Julie Dachtler

Started On: 04/14/2017 05:02 PM

Final Approval Date: 04/14/2017

# *New Hope Community Development Corporation*

Lisa A. Baker, Executive Director  
147 W. Main Street  
Woodland, CA 95695

Woodland: (530) 662-5428  
Sacramento: (916) 444-8982

## **MEMORANDUM**

**DATE:** April 19, 2017

**TO:** Board of Directors of New Hope Community Development Corporation

**FROM:** Lisa A. Baker, Executive Director

**SUBJECT:** **Review, Approve and Adopt Resolution Granting Authority for Leasing and Financing of 180 W. Beamer Street for development of New Housing Units**

### **RECOMMENDED ACTION:**

That the Board of Directors:

1. Review, Approve and Adopt the Resolution; and
2. Authorize the Executive Director to Negotiate and Execute Any and All Necessary Documents and to Furnish all Materials Necessary to Accomplish the Activities of the Resolutions.

### **BACKGROUND/DISCUSSION:**

180 W. Beamer is a proposed 80 unit complex located at the corner of Cottonwood and Beamer Streets in Woodland, CA. The land is currently owned by YCH and is proposed to be leased to the Mercy New Hope partnership for development of the property. The land was acquired from the County of Yolo, who have demolished the original hospital and are currently in the final phase of demolition, mitigation and preparation.

New Hope Community Development Corporation would be a general partner in ownership of the project along with Mercy Housing and the tax credit syndicator. This proposed development is very similar in nature to the other tax credit properties completed by New Hope, primarily Cesar Chavez Plaza and Rochdale Grange.

As General partner, the Mercy New Hope partnership would be responsible for the leasing of the site from YCH and for compliance with the terms of development, financing and compliance. As part of the MOU already authorized by the Board of Directors previously, New Hope will have an ownership stake along with Mercy in the development. As such, New Hope will be responsible for a portion of the development guarantees of approximately 20%.

**FISCAL IMPACT:**

Failure to execute resolutions would mean that the project could not move forward. There is no financial risk to New Hope if the partnership does not get formed. The project currently has financing, which is expected to close by the end of May with construction beginning in either May or June. Mercy, as the developer, has the majority of responsibility for guarantees and for delivery of the project.

**CONCLUSION:**

It is recommended that the Board of Directors authorize the Resolution.

**NEW HOPE COMMUNITY DEVELOPMENT CORPORATION  
CORPORATION, AND PARTNERSHIP  
GRANTING OF AUTHORITY AND AUTHORIZING RESOLUTIONS  
RE: SYNDICATION ACTIVITY OF MERCY NEW HOPE, L.P.**

At a duly constituted meeting of the Board of Directors of New Hope Community Development Corporation, a California nonprofit public benefit corporation (the “Corporation”), held on April 19, 2017, the following resolutions were adopted:

WHEREAS, 20 North Cottonwood LLC, a California limited liability company (the “Managing General Partner”) is the managing general partner of Mercy New Hope, L.P., a California limited partnership (the “Partnership”);

WHEREAS, the Board of Directors of the Corporation deems it to be in the best interests of the Corporation to obtain a 0.005% general partner interest in the Partnership and to enter into a first amended and restated agreement of limited partnership (the “Partnership Agreement”) and a Form LP-2 Certificate of Limited Partnership for the Partnership as the co-general partner, together with the Managing General Partner and U.S. Bancorp Community Development Corporation, its successors and assigns, as investor limited partner (the “Limited Partner”);

WHEREAS, the Board of Directors of the Corporation acting as the co-general partner of the Partnership, deems it to be in the best interests of the Partnership to transfer a 99.99% limited partner interest to the Limited Partner (the “Partnership Interests”);

WHEREAS, the Board of Directors of the Corporation, acting as the co-general partner of the Partnership, deems it to be in the best interests of the Partnership to enter into any and all agreements, including but not limited to a development services agreement, a partnership management agreement and any other types of agreements and to take any and all further actions necessary to syndicate the Partnership Interests;

WHEREAS, the Board of Directors of the Corporation, acting as the co-general partner of the Partnership, deems it to be in the best interests of the Partnership to authorize the Managing General Partner of the Partnership, to be the sole signatory on behalf of the Partnership on any documents or agreements that are necessary to consummate the activities described in this Resolution and Granting of Authority;

NOW, THEREFORE, BE IT RESOLVED: That the Corporation shall obtain a 0.005% general partner interest in the Partnership and shall enter into the Partnership Agreement and a Form LP-2 Certificate of Limited Partnership as the co-general partner, together with LLC, as the managing general partner and the Limited Partner;

FURTHER RESOLVED: That the Partnership shall transfer a 99.99% limited partner interest to the Limited Partner for capital contributions;

FURTHER RESOLVED: That the Partnership enter into any and all agreements, including but not limited to a development services agreement, a partnership management agreement and any other types of agreements and to take any and all further actions necessary to syndicate the Partnership Interests;

FURTHER RESOLVED: That the Partnership shall authorize the Managing General Partner of the Partnership, to be the sole signatory on behalf of the Partnership any documents or agreements that are necessary to consummate the activities described in this Resolution and Granting of Authority;

FURTHER RESOLVED: That all actions taken in connection with the syndication of the Partnership by any officer of the Corporation prior to the date of this Granting of Authority and Resolution is hereby approved and ratified;

FURTHER RESOLVED: That the Managing General Partner, acting alone, as the managing general partner of the Partnership, shall be authorized and directed to take any and all necessary actions, and execute any and all necessary documents, including but not limited to an amended and restated limited partnership agreement, a development services agreement, a partnership management agreement and any other types of agreements and to take any and all further actions necessary to syndicate the Partnership interests and consummate the activity contemplated in this Granting of Authority and Resolution; and

FURTHER RESOLVED: That the Secretary or any assistant or any other officer of the Corporation is authorized to execute and certify any form of resolution required by any lender, investor, regulator or other third party involved in the transaction, so long as the Executive Director or any other officer and counsel to the Corporation determine that the substance of such resolutions does not materially conflict with the substance of this Granting of Authority and Resolution.

**CERTIFICATION**

I, \_\_\_\_\_, Secretary of New Hope Housing Community Development Corporation (the "Corporation"), do hereby certify and declare that the foregoing is a full, true and correct copy of the resolution duly passed and adopted the Board of Directors of the Corporation, by written consent of the Corporation or at a meeting of the Board of Directors of the Corporation duly and regularly called, noticed and held on \_\_\_\_\_, 2017; that said resolutions are now in full force and effect; that there is no provision in the Articles of Incorporation or Bylaws of the Corporation, limiting the powers of the Board of Directors of the Corporation to pass the foregoing resolutions and that such resolutions are in conformity with the provisions of such Articles of Incorporation and Bylaws of the Corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand as of \_\_\_\_\_, 2017.

\_\_\_\_\_  
\_\_\_\_\_, Secretary

**SECRETARY’S CERTIFICATE/INCUMBENCY CERTIFICATE  
(NEW HOPE COMMUNITY DEVELOPMENT CORPORATION)**

I, the undersigned, hereby certify that I am the duly elected Secretary of New Hope Community Development Corporation, a California nonprofit public benefit corporation (the “Corporation”), and that:

1. Attached hereto as Exhibit “A” is a correct and complete copy of certain resolutions which were duly adopted by the Board of Directors (the “Directors”) of the Corporation by written consent and which resolutions: (i) have not been amended or supplemented in any respect and are in full force and effect on the date hereof; (ii) require no further Corporation action or resolution or consent of the Directors to be effective; and (iii) are not inconsistent with the Corporation’s Bylaws.
2. Attached hereto as Exhibit “B” are correct and complete copies of the Articles of Incorporation of the Corporation as filed with the Secretary of State of the State of California on April 13, 1999, as amended by an amendment filed on August 13, 2004 (collectively, the “Articles”). The Articles have not been amended or supplemented in any respect, and are in full force and effect on the date hereof.
3. Attached hereto as Exhibit “C” is a complete and correct copy of the Bylaws of the Corporation, which are in full force and effect on the date hereof.
4. The persons named below hold offices of the Corporation listed below and, pursuant to the attached resolutions, are authorized to execute and deliver certain documents on behalf of the Corporation, and the signatures set forth below opposite each person’s name is such person’s genuine signature.

<u>NAME</u>	<u>OFFICE/POSITION</u>	<u>SIGNATURE</u>
_____	_____	_____

IN WITNESS WHEREOF, I have hereunto affixed my signature this  
, 2017.

day of

By:  
Name:  
Title: Secretary

**New Hope**

8.

**Meeting Date:** 04/19/2017

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**Information**

**SUBJECT**

Authorize Executive Director to negotiate and finalize refinance of \$368,800 HCD loan at Cottonwood Meadows Senior Apartments (Gillette and Baker)

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**Attachments**

Staff Report

Att. A. EOI from First Northern Bank of Dixon

Att. B. Resolution

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**Form Review**

Form Started By: Julie Dachtler

Started On: 04/14/2017 05:04 PM

Final Approval Date: 04/14/2017



## ***New Hope Community Development Corporation***

### **Lisa A. Baker, Executive Director**

147 W. Main Street  
WOODLAND, CA 95695

Woodland: (530) 662-5428  
Sacramento: (916) 444-8982  
TTY: (800) 545-1833, ext. 626

DATE: April 19, 2017  
TO: New Hope CDC Board of Commissioners  
FROM: Lisa A. Baker, Executive Director  
PREPARED BY: James D. Gillette, Treasurer  
SUBJECT: **Authorize Executive Director to negotiate and finalize refinance of \$368,800 HCD loan at Cottonwood Meadows Senior Apartments**

### **RECOMMENDATION:**

Staff recommends that the Board of Commissioners authorize the Executive Director to finalize negotiations and execute documents related to the refinance of a loan in the amount of \$368,800 to the California Department of Housing and Community Development (HCD) for the property at Cottonwood Meadows Senior Apartments (Cottonwood) with First Northern Bank of Dixon (FNB).

### **BACKGROUND/DISCUSSION:**

The Cottonwood property is a 47-unit senior apartment complex in Woodland that is wholly owned by New Hope Community Development Corporation (NHCDC). This property currently operates under two regulatory agreements (one with YCH and the other with HCD) which restrict the rental rates and income amounts for tenants.

Current debt structure:

- First mortgage loan from FNB:
  - Maturity date: December 15, 2030
  - Principal balance as of March 15, 2017: \$1,527,536

*Working together to provide quality affordable housing and community development services for all*

New Hope CDC Board of Commissioners  
Cottonwood Refinance of HCD Loan

Page 2

- o Current interest rate: 3.13%
- o Monthly debt service payment: \$6,975
- o Balloon payment at maturity: \$933,551 (estimate)
  
- Acquisition and rehabilitation loan from HCD:
  - o Maturity date: January 30, 2017 (temporarily extended by HCD during loan refinance period)
  - o Principal balance as of March 15, 2017: \$368,800
  - o Current interest rate: 0.0%
  - o Monthly debt service payment: none, loan is due now
  - o Balloon payment at maturity: \$368,800
  - o Regulatory agreement with HCD which:
    - Restricts the income and rental rate amounts on 14 of the 47 units into two different sub-programs of restrictions. This agreement is set to expire the later of loan repayment or November 30, 2017.
    - Requires a separate financial audit of Cottonwood at an annual fee of \$10,000 plus staff time cost of \$8,000-10,000 per year.
    - Has additional reporting and other requirements for budgeting, rental compliance, and use of reserves, that require additional staff time at a cost of approximately \$5,000 per year.

In April 2016, Staff began working with HCD on options to address the \$368,800 loan that was set to mature in January 2017 while the bank debt was set to mature in December 2030. During this process, staff has explored the following scenarios:

1. Extend maturity with no other program changes:
  - a. Retains two separate RHCP rental and income restrictions with a related subsidy on 14 units.
  - b. Retains need for separate audit of Cottonwood plus other HCD compliance reporting.
  - c. HCD has informed staff that the current RHCP program is being phased out, so this scenario is not an option at this time.
2. Extend maturity with suggested HCD program changes:
  - a. Retains two separate RHCP rental and income restrictions with a related subsidy on 14 units with the existing tenants. As tenants turn over, two new rental and income restriction programs would be required that do not include any subsidy. This would essentially create 4 different rental and income restriction structures on 14 units until all of these units turnover, which will take many years.
  - b. Retains need for separate audit of Cottonwood plus other HCD compliance reporting for both the RHCP and the new replacement program.

- c. Even today, the final program is not clear - HCD has proposed a number of different concepts for the replacement RHCP program, but many of the details remain unclear.
3. Increase bank debt and pay off HCD loan:
  - a. HCD loan would be replaced with additional bank debt so the RHCP program would be removed, leaving the affordable housing regulatory agreement with YCH that restricts the income and rental rates on 33 units (including the 14 RHCP units).
  - b. The need for a separate audit and HCD compliance reporting is removed.
  - c. The regulatory agreement with HCD expires on November 30, 2017, rather than concurrent with repayment of the note that secures it. This would need to be corrected in order to meet the conditions of approval for the bank financing, which could require a further delay in paying off the HCD note until November 2017 if the regulatory agreement cannot end concurrent with the loan payoff.

FNB has tentatively agreed to provide replacement financing to the HCD loan under the following basic terms, which are similar to the terms on the existing first mortgage:

- Replacement loan from FNB (combine with first mortgage above for total debt):
  - Maturity date: December 15, 2030
  - Principal balance at close: \$368,800 (anticipated in May 2017)
  - Interest rate: 3.38% (adjusted every 5 years to Constant Maturity Treasury rate + 1.5%)
  - Monthly debt service payment: \$1,631
  - Balloon payment at maturity: \$247,342 (estimate)
  - Prepayment penalty if loan repaid in first 5 years
  - Loan fees: \$1,695
  - Appraisal fee: \$3,000
  - Conditions to close: Early termination of the HCD regulatory agreement set to expire on November 30, 2017

Staff is currently working with HCD in an effort to obtain approval for early termination of their regulatory agreement concurrent with paying off the HCD loan. If early termination of the HCD regulatory agreement is not achieved, then closing on the loan payoff will likely be delayed for 6 months (until December 2017) and a formal short-term extension of the existing HCD loan would be required from HCD.

As noted earlier, another regulatory agreement exists between YCH and NHCDC that restricts the rental rates and income levels for 33 (which includes the current 14 RHCP units) of the 47 units. This agreement would remain in place to ensure that the property continues to provide lower cost housing alternatives for the same 33 units. In addition,

21 of the 33 current tenants have Housing Vouchers for additional rental assistance provided through the HCV program.

**Fiscal Impact:**

The fiscal impact of this change would be to trade the compliance costs (\$20,000-\$25,000 per year) for the additional annual interest cost (\$12,000 per year, declining over time as principal is repaid) to FNB, for a net annual savings of over \$8,000 per year. Since most of this savings is related to staff time, it would allow this property to be run more efficiently with a simpler rent structure to minimize confusion for tenants and minimize chances for error.

A rental rate increase was approved at the December 14, 2016 board meeting. That approval also allowed for internal subsidy to be created to ensure that tenants were not displaced due to rental increases. The internal subsidy outlined at that meeting may need to be modified slightly depending on the outcome and timing of this refinancing, but the cost of this program should remain about the same.

This simpler structure would also facilitate various opportunities to fund future capital improvements and further improve the property in the long term to reposition it for the future.

**Conclusion:**

Staff recommends that the Board of Commissioners authorize the Executive Director to finalize negotiations and execute documents related to the refinance of \$368,800 HCD loan at Cottonwood.

**Attachments:**

- Expression of Interest (EOI) from First Northern Bank of Dixon
- New Hope CDC Board of Commissioners Resolution



April 5, 2017

## FIRST NORTHERN BANK

Jim Gillette  
New Hope CDC  
147 W. Main St.  
Woodland CA 95695

Dear Jim,

In response to your loan request, First Northern Bank ("Bank") is pleased to offer New Hope Community Development Corporation ("Borrower") an Expression of Interest (EOI) for the following credit facility and its primary terms, it being understood that additional information and/or terms may be required by us before the final loan approval and documentation is signed. **Please note this is not a commitment to lend.** The financing structure and primary terms are as follows:

### **Commercial Real Estate Term Loan**

Loan Amount:	\$368,800.
Purpose:	Refinance of existing HCD loan.
Interest Rate:	Tax Exempt Financing using the Five-year Constant Maturity Treasury rate (index) plus 1.50% (margin). This index is defined as the "Weekly Average Yield on U.S. Treasuries Securities, adjusted to a Constant Maturity of 5 years. The initial rate will be the fixed rate, based on the index and margin, at the time loan documents are drawn. The interest rate will have a floor rate of the initial rate less .05%. <u>If loan documents were ordered today the rate would be 3.38%.</u> The rate will adjust every five years to the then 5 year CMT + 1.50% and remain fixed for the following five years until the next rate adjustment.
Term:	Maturity of December 15, 2030.
Repayment:	162 monthly installments of principal and interest of approximately \$1,630 based on a 30 year amortization schedule (Estimated initial interest rate of 3.38%). Loan payments will be re-amortized with any interest rate change.
Loan Fee:	\$1,200 plus \$495 documentation fee.
Prepayment:	Borrower may pay up to 20% of the principal balance per year without a prepayment penalty. Years 1-5, a fee will be charged if the loan principal is paid in excess of 20% per year. The charge will be 5% for year 1; 4% for year 2; 3% for year 3; 2% for year 4; and 1% for year 5. No prepayment penalty after year 5.
Collateral:	Second Deed of Trust on the land and improvements located at 120 N. Cottonwood St., Woodland CA 95695. The aggregate of the loan amounts (\$1,893,774 including our 1 <sup>st</sup> Deed loan of \$1,524,974) divided by the

Yolo-Solano Loan Team, 508 Second St. #104, Davis CA 95616, (530) 297-2062

current appraised value of the collateral shall not exceed 70% (minimum appraised value of about \$2,700,000).

- Guarantees: None.
- Title Insurance: An ALTA extended loan coverage title policy and endorsements the Bank may require for the amount of the loan, subject only to those liens, easements and restrictions approved by the Bank.
- Collateral Insurance: Flood (if applicable), fire, lightning and extended coverage for the maximum insurable amount on all real and personal property taken as collateral, naming the Bank as Loss Payee and providing that the interests of the Bank shall not be impaired or invalidated by an act of negligence of the owner/insured.
- Appraisal: An appraisal acceptable to the Bank on the collateral property would be required to be completed prior to funding the loan. The real property collateral must be appraised by an appraiser acceptable to us, using appraisal methods and standards acceptable to us. In addition, an outside 2<sup>nd</sup> party review of the appraisal shall be required.
- Environmental: No new requirements.
- Financial Covenants: During the respective terms of these credits, Borrower shall be required to maintain the following financial covenant, which shall be further defined in the loan documents and measured annually as of the Borrower's fiscal year end, as indicated:
- Minimum DSCR of 1.25, measured annually at FYE starting 6/30/2018.  
Debt Service Coverage Ratio (DSCR) is EBITDA (Net Income plus Total Interest, Taxes, Depreciation and Amortization) divided by Total Debt Service (Principal and Interest on all loans).
- Reporting Requirements: In-house financial statements, tax returns, and operating budget of Borrower. Annual rent roll for the collateral property.
- Other Conditions: All restrictions from the HCD Regulatory Agreement to be removed. Monthly automatic payment from a Bank deposit account will be required.
- Needed To Continue:** Check in the amount of \$3,000 payable to First Northern Bank to be deposited and credited towards appraisal expense.
- Other Fees: Additional expenses may include any fees and expenses incurred by the Bank in connection with processing, underwriting or closing of the loan. Expenses may include, without limitation, appraisal fees, environmental and seismic reporting fees, title and escrow fees, legal fees and any other out-of-pocket expenses incurred by the Bank.

This Expression of Interest may not be limited to the above terms and conditions. Additional terms and conditions may apply at final approval and there may be other documentation required from you during the underwriting of your loan request.

If you choose to accept this Expression of Interest, please sign and return to us the enclosed copy of this letter, along with the deposit, on or before May 5, 2017. **This Expression of Interest is not a commitment to lend.** A final loan commitment, should we choose to issue one, is subject to Bank's formal approval of this request after it has been fully underwritten and may be subject to additional terms, conditions and requirements, as may be provided in our loan documents or required by Bank or our counsel. Our commitment would also be conditioned on there not having occurred, by the time we are to advance funds, an event of default relating to any agreement for the loan or an event which, with the giving of notice or lapse of time, or both, would constitute such an event of default.

Thank you for choosing First Northern Bank to finance this loan request. We look forward to working with you in completing this loan request.

Sincerely,



\_\_\_\_\_  
Carol Landry, SVP/Team Leader

-----  
Accepted and agreed to this \_\_\_\_ day of \_\_\_\_\_, 2017.

**BORROWER:**

\_\_\_\_\_  
New Hope Community Development Corporation

**NEW HOPE COMMUNITY DEVELOPMENT CORPORATION  
RESOLUTION NO.**

**RESOLUTION AUTHORIZING LISA A. BAKER TO OBTAIN CREDIT ON BEHALF OF THE NEW HOPE  
COMMUNITY DEVELOPMENT CORPORATION FROM FIRST NORTHERN BANK OF DIXON IN THE  
FORM OF A NEW SECURED LOAN**

**WHEREAS**, the New Hope Community Development Corporation, acting through its Board of Commissioners, wishes to obtain an additional secured loan for the Cottonwood Meadows Senior Apartments.

**NOW, THEREFORE, BE IT RESOLVED**, the Board of Commissioners of the New Hope Community Development Corporation hereby grants Lisa A. Baker permission to obtain credit with First Northern Bank of Dixon for a new loan secured by the Cottonwood Meadows Senior Apartments property on behalf of the New Hope Community Development Corporation.

PASSED AND ADOPTED this 19th day of April, 2017 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Mark Johannessen, Chair  
NHCDC Board of Commissioners

Attest:

Julie Dachtler, Clerk  
NHCDC Board of Commissioners