

CITY LOAN COMMITMENT AGREEMENT

THIS CITY LOAN COMMITMENT AGREEMENT ("Commitment") is made and entered as of this ____ day of _____, 2017, by and between the City of Merced, a California Charter Municipal Corporation ("City") and Merced Gateway Investors II, a California Limited Partnership ("Borrower").

RECITALS

A. The City is a partner with the US Department of Housing and Urban Development in developing quality affordable housing development.

B. The Borrower proposes to develop fifty (50) units of quality affordable housing called the Gateway Terrace II Apartments which will be located at 13th and K Street in the City of Merced (hereinafter referred to as the "Project").

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants hereinafter recited, hereby agree as follows:

1. The City of Merced approves a contingent funding commitment for the Project for a loan from the following sources and in the following amounts:

- a. Fiscal Year 2016/17 Community Development Block Grant funds (B16-MC-06.0044, CFDA# - 14.218, Entitlement Grant): \$370,590; and
- b. Fiscal Year 2015/16 Community Housing Development Organization/HOME Investment Partnerships Program (B15-MC-06-0044, CFDA# - 14.239 HOME): \$150,000; and
- c. Fiscal Year 2016/17 Community Housing Development Organization/HOME Investment Partnerships Program (B16-MC-06-0044, CFDA# - 14.239 HOME): \$150,000; and
- d. Fiscal Year 2017/18 Community Housing Development Organization/HOME Investment Partnerships Program (B17-MC-06-0044, CFDA# - 14.239 HOME): \$214,410 and
- e. Fiscal Year 2017/18 Home Investment Partnerships Program (B17-MC-06-0044, CFDA# - 14.239 HOME); \$500,000.

2. The total loan amount to the Borrower is One Million Dollars Three Hundred Eight-Five Thousand Dollars (\$1,385,000). Each loan shall bear a three percent (3%) interest rate and shall be repaid by the Borrower as a fifty-five year deferred loan.

3. This Commitment shall require the subsequent preparation of a deed of trust and a regulatory agreement. Notwithstanding any language in this Agreement to the contrary, the Deed of Trust and Regulatory Agreement shall be required to be approved by the City, executed by the Borrower and recorded against the property on which the Project will be constructed prior to the City disbursing to the Borrower any of the funds referenced in the Agreement.

4. The Project shall be developed as described in Attachment 12, attached hereto. Attachment 12 consists of the preliminary Construction and Design Description for the proposed Project which describes Construction Design, Site Amenities, Unit Amenities, Affordability Period etc. for the Project. It is anticipated that there may be minor changes to the Project, but the Project shall be substantially the same as described in Attachment 12.

5. The Project shall comply with all applicable Federal, State and Local statutes, codes, regulation, ordinances and zoning requirements. The Project shall be well maintained with no broken glass, doors, exposed storage, sheets on windows, etc. All areas with landscaping shall be kept clean and be maintained at all times. No loitering shall be permissible except in common areas designated at a gathering area within the Project.

6. The person or persons executing this Agreement on behalf of the parties hereto warrants and represents that he/she/they has/have the authority to execute this Agreement on behalf of their entity and has/have the authority to bind their party to the performance of its obligations hereunder.

7. The funding for the Project is contingent on the City's actual receipt of funding from the US Department of Housing and Urban Development. The Project funding shall be solely provided from the funding sources outlined in Section 1 of this Commitment. In the event that the City's funding allocation from the US Department of Housing and Urban Development is less than the amount outlined and anticipated in Section 1 of this Commitment, the City will not fund the difference for the Project or provide any additional funding from its general fund or any other funding source. This Commitment is not intended to describe all of the requirements, term, conditions and documents necessary for the loan or construction of the project.

8. The loans identified in Section 1 of this Commitment for fiscal year 2015/2016, 2016/2017 and 2017/2018 shall be approved and individually executed by the City and shall be contingent on the funding being included within the City Housing Division's budget for the corresponding fiscal year. The loan amounts shall also be required to be identified in each of the corresponding US Department of Housing and Urban Development's Annual Action Plans prior to the execution of the loan agreements.

9. This Commitment expires on July 17, 2018, or at the start of construction, whichever occurs first.

10. This Agreement supersedes and replaces any and all prior Loan Commitment Agreements regarding the Gateway Terrace II project, including, but not limited to the prior Loan Commitment Agreement between the City of Merced and Central Valley Coalition for Affordable Housing dated August 15, 2016.

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

CITY OF MERCED
A California Charter Municipal
Corporation

BY: _____
City Manager

ATTEST:
STEVE CARRIGAN, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

APPROVED AS TO FORM:

BY: Kelly Fincher 7/12/17
City Attorney Date

ACCOUNT DATA:

BY: _____
Verified by Finance Officer

CENTRAL VALLEY COALITION
FOR AFFORDABLE HOUSING,
A Non-Profit Corporation

BY: _____
(Signature)

(Typed Name)

Its: _____
(Title)

Taxpayer I.D. No. 77-0242399

ADDRESS: 3351 "M" Street, Ste. 200
Merced, CA 95348

TELEPHONE: (209) 388-0782

FAX: _____

E-MAIL: _____

MERCED GATEWAY INVESTORS II,
A California Limited Partnership

BY: _____
(Signature)

(Typed Name)

Its: _____
(Title)

Taxpayer I.D. No. _____

ADDRESS: 3351 "M" Street, Ste. 200
Merced, CA 95348

TELEPHONE: (209) 388-0782

FAX: _____

E-MAIL: _____