

RESOLUTION 76-44

RESOLUTION AUTHORIZING COMMITMENT OF
FUNDS TO DEVELOPERS

WHEREAS, the California Housing Finance Agency staff has reviewed loan applications from certain housing sponsors and has recommended to the loan committee that certain loans be approved; and

WHEREAS, the loan committee has reviewed those loan applications and concurs in the recommendations of the staff; and

WHEREAS, based upon the recommendation of staff, the report of the loan committee and its review, the Board of Directors has determined that loan commitments be made to certain housing sponsors.

NOW, THEREFORE, BE IT ENACTED by the Board of Directors:

- (1) The Acting President of the California Housing Finance Agency is hereby authorized to transmit commitment letters, substantially in the form attached, to the following housing sponsors:

PROJECT NO.	DEV. NAME CITY	# UNITS	MORTGAGE AMOUNT
Webster Wood Apts.	Palo Alto	34	\$1,983,969

(based upon staff recommendations and loan committee approval)

- (2) The commitment letter shall specifically state that the commitment is subject to the Agency's ability to sell its bonds in an amount sufficient to fund the commitment.
- (3) The Acting President of the California Housing Finance Agency has the authority to modify the mortgage amount so stated in this resolution by an amount not to exceed 7 percent without further Board approval. All other changes, including changes in mortgage amount of more than 7 percent, must be submitted to this Board for approval.

*Approved 9/28/76
Quart House*

CALIFORNIA HOUSING FINANCE AGENCY

September 28, 1976

MO: _____
GC: _____
SVP: _____

Palo Alto Housing Corporation
467 Hamilton Avenue, #28
Palo Alto, California 94301

Attention: Mr. Hal N. Hudson,
President

Re: Commitment Letter
CHFA Development No. 75-22-N
Webster Wood Apartments
Palo Alto, California

Gentlemen:

Subject to the terms and conditions hereinafter set forth, the CHFA (hereinafter referred to as "Agency") hereby agrees to make a loan upon the terms hereinafter described to Palo Alto Housing Corporation (hereinafter referred to as "Borrower") for the acquisition, construction, and permanent financing of the above-identified development (hereinafter referred to as the "Development"). Said loan shall be secured by the real estate described in Request for Site Approval (CHFA-1) which is attached hereto and by this reference made a part hereof.

Subject to the terms and conditions hereinafter set forth, the Agency agrees to lend to Borrower the lesser sum of one million nine hundred eighty-three thousand nine hundred and sixty-nine dollars (\$1,983,969) or one hundred percent (100%) of the total development cost (as determined by Agency) upon the interest rate and fees and charges set forth in the attached "Application for Mortgage Financing".

For this non profit borrower there are no equity requirements.

For this non profit borrower there is no development cost escrow requirement.

The Agency agrees to make application to the U.S. Department of Housing and Urban Development (hereinafter referred to as "HUD") for a minimum of thirty-four (34) units of Section 8 assisted housing.

The term of the loan shall be as set forth in the attached application and the loan shall be repaid in approximately equal monthly installments of principal and interest, plus fees and charges and escrow payments. The aforesaid interest rate, fees and charges and escrow payments shall be adjusted from time to time pursuant to the terms of the Promissory Note, Deed of Trust and Regulatory Agreement.

1. Performance by Agency of its obligations under this Commitment Letter is expressly contingent upon: (i) approval by Agency and HUD of an Agreement to Enter into Housing Assistance Payments Contract in connection with the Development, between Borrower and Agency, pursuant to Section 8 of the U.S. Housing Act of 1937, enacted by the Housing and Community Development Act of 1974 and the regulations pertaining thereto set forth in the Code of Federal regulations, Title 24, Chapter VIII, Part 883, as published in the Federal Register on April 15, 1975; (ii) the Agency's ability to obtain funds with which to make the loan by public or private sale of its underlying notes or bonds at an interest rate not exceeding the Agency's statutory limitation; (iii) the terms and conditions set forth in the Zenovich-Moscone-Chacon Housing and Home Finance Act (hereinafter referred to as the "Act"); (iv) the rules, regulations and procedures of the Agency pursuant to the Act; (v) the terms and conditions set forth in the mortgage loan application (CHFA-3) enclosed herewith or hereinafter identified in the Commitment Letter; and (vi) all of the terms and conditions set forth below:
2. Affirmative Action. Prior to the date of Closing, a conference shall be held between Borrower, Agency's Field Services Officer, and Borrower's general contractor, for the purpose of discussing the affirmative action requirements of Agency. At the time of said conference it is expected that the general contractor and any subcontractors who have been selected shall provide an executed copy of an Affirmative Action Contract with the Agency which shall specify requirements in hiring, invitations to bid and subcontract awards. Further, Borrower shall furnish to Agency at said conference detailed plans for continued compliance with said affirmative action requirements.
3. No Personal Liability. No member, officer, agent or employee of Agency shall be liable personally concerning any matters arising out of or in relation to the undertakings or obligations set forth in this Commitment Letter.

4. Documents and Other Showings. At least fifteen (15) days prior to the time Agency sets the Closing Date, Borrower shall deliver to Agency one (1) complete binder containing original copies and five (5) complete binders each of which shall contain conformed or original copies of each of the documents and other required showings hereinafter set forth in this paragraph 4, which documents shall have been executed in the manner indicated therein, all in such form and content as shall be acceptable to Agency.
- (a) Promissory Note;
 - (b) Construction and Permanent Deed of Trust securing payment of the Promissory Note which will constitute a valid first Deed of Trust upon the Real Estate when recorded;
 - (c) Regulatory Agreement
 - (d) Construction Loan Agreement;
 - (e) Security Agreement;
 - (f) Pledge Agreement;
 - (g) UCC Form 1;
 - (h) Partnership Agreement and recorded certificate of limited partnership, or Articles of Incorporation, if applicable;
 - (i) Affirmative Action Contract, as approved by Agency;
 - (j) Management and Marketing Agreement, including Affirmative Fair Housing Marketing Agreement;
 - (k) Construction Loan Escrow for ALTA Mortgage Policy;
 - (l) Construction Contract;
 - (m) Disclosure Letter from general contractor or contractor's counsel describing such litigation as may exist involving the general contractor;
 - (n) One Hundred Percent Payment and Performance Bonds issued by a company acceptable to Agency, in dual obligee form, naming Agency as obligee, or an irrevocable commercial Letter of Credit issued by a financial institution acceptable to Agency in an amount not less than ten percent (10%) of the amount of the Construction Contract for a term of not less than one and one-half (1½) times the construction period set forth in Construction Contract.
 - (o) Owner-Architect Agreement;
 - (p) Opinion Letter from California licensed engineer stating that proposed structures are not located in whole or in part in a flood plain or an earthquake area which would require the structure to be designed for earthquake resistance (where a project is located within such a Zone A structural analysis demonstrating the building's adequacy of design is to be submitted);
 - (q) Opinion Letter from Borrower's counsel that the Development can be constructed under existing or modified zoning ordinances;

- (r) Prepaid policies for all risk builder's risk completed value insurance, workmen's compensation insurance certificate, public liability and property damage insurance, rental value insurance, all in form, content and with companies satisfactory to Agency;
- (s) Pro Forma ALTA Mortgagee's title insurance policy (issued by a company acceptable to Agency and authorized to do business in the State of California) in the amount of the mortgage loan showing fee simple title to the Development in Borrower subject only to such exceptions as Agency and counsel may approve, assuring Agency that the Deed of Trust is a valid first Deed of Trust on the Real Estate when recorded, free and clear of all encumbrances which, in the opinion of Agency, would materially affect the value or usefulness of such Real Estate for the intended use thereof.
- (t) Survey of the Real Estate, certified to Agency, showing all on-site appurtenances and improvements, all matters of record (with each recorded document number indicated on the survey), all public and private streets, roads, ways, alleys, and other privileges for ingress to and egress from the Development, all water courses on the Development and showing no encroachments across boundary lines of the Real Estate or rights inconsistent with the proposed Development;
- (u) Building Permit accompanied by copy of plans and specifications signed and approved by local building inspector;
- (v) Driveway and curb cut permits;
- (w) Evidence of the availability of all utilities and fire protection necessary to service the Development, including water, sanitary and storm sewer, electric, gas and fire protection, in the form of letters from each respective utility company and/or the municipal entities having jurisdiction.
- (x) Agreement to Enter into Housing Assistance Payments Contract approved by HUD;
- (y) Soil test reports;
- (z) Any other documents necessary for the construction, use, or financing of the Development as required by Agency, its counsel or HUD.

5. Termination. If the documents and other showings set forth in paragraph 4 hereof are not delivered to Agency within one hundred twenty (120) days after the date of this Letter, this Commitment shall, at the election of Agency, become null and void and of no further force or effect. Agency or borrower may rescind this Commitment by giving the other party written notice of such rescission, unless otherwise extended in writing.
6. Assignment. This Commitment is not assignable by Borrower in whole or in part, without the prior written approval of the President of Agency.
7. Plans and Specifications. The Development is to be constructed in accordance with the Plans and Specifications approved in writing by the Agency's Design Officer.
8. Construction of the project shall not commence prior to the Closing Date.
9. Time for Acceptance. This Commitment shall not become effective unless Borrower accepts the same by: Executing the enclosed two copies of this Letter in the space indicated below and on page 1 of the attached application, and returning two copies of this Commitment Letter to be postmarked received within twenty (20) days from the date of this Letter.
10. Acknowledgment. By accepting this Commitment, Borrower acknowledges his receipt and review of each of the loan documents to be executed and delivered to Agency prior to the date of Closing, as hereinabove set forth.
11. Processing. The documents, exhibits and the showings required by this Commitment Letter shall be submitted to the Mortgage Officer assigned to coordinate processing of the Closing of this Development.
12. Survival of Obligations. The obligations of Borrower as set forth in this Commitment Letter shall survive the Closing and Borrower shall continue to cooperate with Agency and furnish any documents, exhibits or showings required herein.

13. Special Conditions:

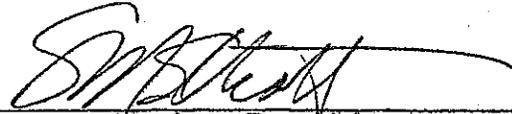
- (a) This Commitment is subject to the architectural conditions set forth in a letter of September 14, 1976, to Hal N. Hudson, President of the Palo Alto Housing Corporation, prepared by Ron Bedford, Design Officer.

This Agreement, together with the attachments and references hereto set forth all of the promises, agreements and understandings among the parties hereto with respect to the subject Development, and there are no promises, agreements, or understandings, oral or written expressed or implied among them other than as set forth or incorporated herein.

Very truly yours,

California Housing Finance Agency

By



Acting President

ACCEPTED by Borrower this _____ day of _____
19 ____.

(Title)