

**HACCSJ**  
**HOUSING AUTHORITY**  
COUNTY OF SAN JOAQUIN

**Peter W. Ragsdale**  
*Executive Director*

March 20, 2018

**BOARD OF COMMISSIONERS**

Greg Arnaudo, Commissioner  
Patricia Barrett, Commissioner  
Dale Cose, Chairperson  
Jon Mendelson, Second Vice Chairperson  
Martha Moore, First Vice Chairperson  
Lester Patrick, Commissioner  
Rudolph Willey, Commissioner

**Greg Arnaudo**  
*Commissioner*

RE: Special Meeting

**Patricia Barrett**  
*Commissioner*

Dear Commissioners:

**Dale Cose**  
*Chairperson*

At the order of the Chairperson of the Housing Authority, a Special Meeting of the Commissioners is hereby called for March 21, 2018, at 4:00 p.m., at the Alberta Jackson Administration Complex, 421 South El Dorado Street, Stockton, California, to conduct the following business:

**Jon Mendelson**  
*Second Vice Chairperson*

Call to Order.

**Martha Moore**  
*First Vice Chairperson*

Roll Call. Pledge of Allegiance.

**Lester Patrick**  
*Commissioner*

Approval of the Minutes: None

**Rudolph Willey**  
*Commissioner*

Recess

Convene Delta Community Developers Corp. Board of Directors Meeting

**Alan R. Coon**  
*General Counsel*

Approval of the Minutes: None

Information Items: None

Consent Items: None

**Action Items:** Consider Adopting a Resolution Authorizing DCDC Medici Artist Lofts to Be Admitted and Act As Co-Administrative General Partner of DFA Medici Associates LP and for the Execution and Delivery of Documents and Applications in Connection with the Formation and Composition of Entities and the Sale, Financing, Development and Operation of the Medici Artist Lofts and Providing for Other Related Matters.

448 S. Center Street  
PO Box 447  
Stockton, CA 95203

Adjournment.

(209) 460-5000  
FAX (209) 460-5100

Reconvene Housing Authority of the County of San Joaquin Board of Commissioners' Meeting.

**Executive Directors Report:** None

**Reports:** None

**Public Comments:** Resident representatives from Housing Authority owned properties and Members of the General Public.

**Information Items:** Update on the Escrow Close of Grand Canal Property (Administration Building) and other projects including Sierra Vista Phase I & II, Claremont Manor, Mourfield Apartments, Behavioral Health (current Admin. Building) and Cottage Village.

**Action Items:** None

**Consent Items:** None

**Written Communications:** None.

**Questions and Comments from Commissioners.**

**Closed Session:**

**Conference with Real Property Negotiators.** Government Code §54956.8. **Properties:** (Sierra Vista Phase II, shall be a part of APN 169-270-03. **Agency Negotiator:** Alan R. Coon. **Negotiating Parties:** Housing Authority of the County of San Joaquin and Real Estate Development Services (REDS) and tbd. **Under Negotiation:** Development, Financing, Construction and Partnership Related Agreements concerning Sierra Vista Rehabilitation – Phase II.

**Adjournment.**

Sincerely,

Connie Henderson  
Clerk of the Board

cc: Alan Coon

**DELTA COMMUNITY DEVELOPERS CORP.  
FOR DCDC MEDICI ARTIST LOFTS, LLC  
AND DFA MEDICO ARTS ASSOCIATES LP  
AUTHORIZING RESOLUTION**

RE: AUTHORIZATION TO BE ADMITTED AS AND ACT AS CO-ADMINISTRATIVE  
GENERAL PARTNER AND AUTHORIZE FINANCIAL CLOSING OF THE MEDICI  
ARTIST FLATS PROJECT

The undersigned Board of Directors of Delta Community Developers Corp. ("DCDC") and DCDC Medici Artist Lofts LLC, a California limited liability company ("DCDC MAL LLC") do hereby adopt the following resolution:

WHEREAS, DCDC is the sole member and manager of DCDC MAL LLC which was organized for purposes which are consistent with developing and operating low-income housing;

WHEREAS, DFA Development LLC, a California limited liability company ("DFA"), is the sole member and manager of DFA Medici LLC, formerly known as DFA Medico Arts LLC, a California limited liability company ("DFA LLC");

WHEREAS, DFA LLC, as the initial administrative general partner, and DFA, as the initial limited partner, entered into a limited partnership known as DFA Medici Associates LP, formerly known as DFA Cottage Village Associates LP, a California limited partnership (the "Partnership"), with Riverside Charitable Corporation, a California nonprofit public benefit corporation ("RCC"), as the managing general partner;

WHEREAS, the Partnership entered into an amended and restated agreement of limited partnership (the "First Amended LPA") whereby (i) the name of the Partnership changed to DFA Medici Associates LP, (ii) RCC withdrew as managing general partner, (iii) RCC MGP LLC, a California limited liability company (the "RCC LLC"), was admitted as the managing general partner, (iv) CREA Medici Artist Lofts, LLC, a Delaware limited liability company ("CREA Medici" or the "Investor"), was admitted to the Partnership; and (v) the Partnership obtained a predevelopment loan from CREA, LLC ("CREA") in the amount of Three Hundred Thousand Dollars (\$300,000);

WHEREAS, Open Window Project, LLC, a California limited liability company ("Open Window") and the City of Stockton, a municipal corporation (the "City") entered into a development agreement (the "Development Agreement") pursuant to which Open Window would develop 43 parcels of land located in the City of Stockton (collectively, the "Open Window Project");

WHEREAS, the Partnership owns that certain parcel of land located at 242 North Sutter Street in the City of Stockton, in the State of California (the "Property"), which is part of the Open Window Project and is subject to the Development Agreement;

WHEREAS, the Partnership previously obtained fee ownership in the Property as DFA Medico Arts Associates LP, a California limited partnership, and will record a corrective grant deed to reflect its new name (the "Corrective Grant Deed");

WHEREAS, the Partnership will record a subdivision map (the "Subdivision Map") to subdivide the Property into a housing parcel (the "Housing Parcel") and two commercial parcels (collectively, the "Commercial Parcel");

WHEREAS, the Partnership will convey the Commercial Parcel to Stockton One, LLC, a California limited liability company ("Stockton One"), or its affiliate, and will enter into a grant deed, a preliminary change of ownership report, and any and all other documents necessary to convey the Commercial Parcel to Stockton One (the "Commercial Parcel Conveyance Documents");

WHEREAS, Open Window will assign the Development Agreement as to the Housing Parcel to the Partnership;

WHEREAS, the Partnership will assume the Development Agreement as to the Housing Parcel and will enter into a partial assignment of development agreement, and any and all other documents necessary for the Partnership to assume the Development Agreement as to the Housing Parcel (the "Assumption of Development Agreement Documents");

WHEREAS, the City previously provided a loan of HOME funds in the amount of Two Million Two Hundred Twenty-Five Thousand Dollars (\$2,225,000) to the Partnership to be used for the development of the Property (the "Original City Loan");

WHEREAS, in connection with the Original City Loan, the City recorded a deed of trust (the "City Deed of Trust") and a regulatory agreement (the "City Regulatory Agreement") against the Property;

WHEREAS, the City Deed of Trust and the City Regulatory Agreement will now be released as encumbrances on the Commercial Parcel;

WHEREAS, the Partnership will enter into a partial termination of regulatory agreement (the "Partial Termination of City Regulatory Agreement"), and any and all other documents necessary to assist with the release of the City Deed of Trust and the City Regulatory Agreement as to the Commercial Parcel;

WHEREAS, the Partnership will rehabilitate, own and operate twenty-seven (27) units of affordable multifamily rental housing, six (6) market-rate units, and one (1) manager's unit, and related facilities (the "Medici Project") on the Housing Parcel;

WHEREAS, DFA and DCDC will serve as co-developers of the Medici Project (collectively referred to herein in the singular as the "Developer"), and will enter into a development services agreement with the Partnership (the "Development Services Agreement");

WHEREAS, the development of the Medici Project will require that the Partnership enter into a declaration of covenants, conditions and restrictions providing for reciprocal easements, joint use and maintenance in connection with the Housing Parcel and the Commercial Parcel (the "Reciprocal Easement");

WHEREAS, the City has committed to providing the Partnership with an additional Seven Hundred Fifty Thousand Dollars (\$750,000) of Low- and Moderate Housing Fund funds for the development of the Medici Project (the "Additional City Funds");

WHEREAS, the Partnership will borrow the Additional City Funds and will enter into an amendment to loan agreement, promissory note, deed of trust, regulatory agreement (the "Amendment to City Loan Documents") and any and all other documents necessary for the Partnership to borrow the Additional City Funds;

WHEREAS, Rabobank, N.A ("Rabobank") has committed to providing a construction and permanent loan to the Partnership in the approximate amount of Eight Million Dollars (\$8,000,000) (the "Rabobank Loan");

WHEREAS, the Partnership will borrow the Rabobank Loan, and is authorized to borrow an amount not to exceed Nine Million Dollars (\$9,000,000), and will enter into a loan agreement, a promissory note, a deed of trust, a subordination agreement, a payment guaranty, a completion guaranty, an environmental guaranty, an assignment of contracts, plans and specifications, an assignment of agreement to enter into housing payment contracts, a replacement reserve agreement, a disbursement request and authorization, certificates, and any and all other documents necessary to consummate the Rabobank Loan (the "Rabobank Loan Documents");

WHEREAS, the City and Open Window entered into a reimbursement agreement whereby the City agreed to provide up to Three Million Eight Hundred Thousand Dollars (\$3,800,000) in Downtown Infrastructure Infill Incentive Program funds (the "IIIR Funds") to Open Window as reimbursement for the cost of certain public improvements developed in connection with the Open Window Project;

WHEREAS, Open Window will (i) assign its rights and obligations as to the Medici Project to the Partnership and the RCC LLC, and (ii) reallocate the IIIR Funds in the approximate amount of \$400,000 to the Partnership and the RCC LLC for the development of the Medici Project (the "IIIR Grant");

WHEREAS, the Partnership will assume Open Window's rights and obligations as to the Medici Project and will accept the IIIR Grant, and will enter into a partial assignment of reimbursement agreement, a first amendment to reimbursement agreement, and any and all other documents necessary to borrow the IIIR Grant (the "IIIR Grant Documents");

WHEREAS, the Partnership may utilize additional sources of funding for the development of the Medici Project, including, but not limited to, deferred development fees, capital contributions, and any other miscellaneous sources of financing needed to develop and operate the Project (the "Additional Financing Sources"), and will enter into any documents necessary to secure the Additional Financing Sources;

WHEREAS, the Partnership will enter into a Housing Assistance Payments Contract (the "HAP Contract") with HACSJ whereby the Medici Project will receive twenty-seven (27) Project-Based Section 8 Vouchers (the "Section 8 Vouchers");

WHEREAS, the Partnership received a reservation of federal low income housing tax credits and solar tax credits (collectively, the "Tax Credits") from the California Tax Credit Allocation Committee as part of the financing for the Medici Project;

WHEREAS, in order to utilize the Tax Credits as well as solar tax credits, the Partnership will be syndicated pursuant to a second amended and restated partnership agreement (the "Second Amended LPA") wherein (i) the RCC LLC will continue to serve as the managing general partner, (ii) CREA Medici will continue to serve as the limited partner, (iii) DFA LLC will serve as co-administrative general partner, (iv) DCDC MAL LLC will be admitted as co-administrative general partner, and (v) CREA SLP will be admitted as the special limited partner (the "Special Limited Partner") and will make a capital contribution to Partnership in an amount not to exceed Ten Million Dollars (\$10,000,000) (the "Equity") (the Equity along with the Additional Financing Sources, IIR Grant, Rabobank Loan and Additional City Funds constitute the "Financing Sources");

WHEREAS, the Partnership, where applicable, will enter into the Second Amended LPA, , and any and all other documents necessary to utilize the Tax Credits, to admit the Special Limited Partner into the Partnership and to secure the Equity (collectively, the "Syndication Documents");

WHEREAS, the Board of Directors of DCDC authorized DCDC MAL LLC to participate in and act as the Co-Administrative General Partner in the Medici Project and various associated transactions on September 21, 2017 by Resolution No. 17-18 and the Board of Directors desires to provide further and supplemental authorization for transactions associated with the financial closing of the Project by this Resolution; and

WHEREAS, in this resolution when it states that DCDC is taking an action, the Board is authorizing such action on behalf of DCDC and deems such actions to be in the best interest of DCDC;

WHEREAS, in this resolution where it states that DCDC MAL LLC is taking an action, the Board is acting on behalf of DCDC MAL LLC as the sole member of DCDC MAL LLC and deems such actions to be in the best interest of DCDC MAL LLC;

WHEREAS, in this resolution where it states that the Partnership is taking an action, the Board is acting on behalf of DCDC as the sole member of DCDC MAL LLC in its capacity as the co-administrative general partner of the Partnership and deems such action to be in the best interest of the Partnership;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, by the Board of Directors of DCDC and DCDC MAL LLC meeting in a Special Meeting this 21st day of March 2018, that:

1. The resolutions authorized by Resolution 17-18 of the Corporation, dated September 21, 2017 are hereby incorporated by reference and affirmed, supplemented and modified as provided by this Resolution.

2. DCDC MAL LLC acting as the Co-Administrative General Partner, on behalf of itself and on behalf of the Partnership, is authorized and empowered to execute, seal, acknowledge, and deliver any and all loan documents or other documents evidencing the Financing Sources and any other instruments, documents, agreements, or certifications that may at any time or from time to time be required in connection with their respective loans.

3. DCDC MAL LLC acting as the Co-Administrative General Partner is authorized to be admitted into the Partnership and further authorized to execute, seal, acknowledge and deliver any and all documents, including without limitation the Second Amended LPA, required by the Investor in connection with the Investor's low income housing tax credit equity investment in the Partnership.

4. DCDC is authorized and empowered to enter into the Development Services Agreement.

4. The Executive Director of DCDC on behalf of DCDC and DCDC MAL LLC acting as the Co-Administrative General Partner for itself and on behalf of the Partnership is hereby authorized, empowered and directed to execute such documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution, including but not limited to other security agreements, financing statements, notices, requests, demands, directions, consents, approvals, waivers, acceptances, appointments, applications, certificates, agreements, supplements, amendments, further assurances or other instruments or communications. Further, the execution and delivery by the officers of any such documents in the form as so executed and delivered is hereby approved, ratified and confirmed.

5. The Executive Director of DCDC is hereby authorized, empowered and directed to take any and all such related or ancillary actions necessary and appropriate to achieve the foregoing purposes including refinements to the terms and documents set forth in this resolution as may be reasonably determined by Executive Director. Any action by the Executive Director, officers, or any person or persons designated and authorized so to act by the DCDC or DCDC MAL LLC acting as the Co-Administrative General Partner to do and perform, or cause to be done and performed, in name and on behalf of DCDC or DCDC MAL LLC acting as the Co-Administrative General Partner in furtherance of the purposes hereunder is hereby approved, ratified and confirmed.

6. The execution and delivery by DCDC or DCDC MAL LLC acting as the Co-Administrative General Partner of any of the aforesaid agreements, documents and instruments authorized hereunder and the taking by the DCDC or its officers of any acts in any way related to the transactions contemplated hereunder, and such other agreements, documents and instruments shall be conclusive evidence of his approval thereof and of his or her authority to execute and deliver such agreements, documents and instruments and to take and perform such acts in the name and on behalf of DCDC or DCDC MAL LLC acting as the Co-Administrative General Partner.

7. The Partnership, DFA, DFA LLC, RCC LLC, CREA Medici and their successors and assigns are hereby authorized to rely upon these resolutions, and upon any certificate of any officer of the CDCDC with respect thereto until receipt of actual written notice of the revocation thereof, and may conclusively presume that the persons designated as Executive Director or the Officers of DCDC in any certificates signed by any Officer of DCDC continue to hold office until actual receipt of a certificate from the Secretary of DCDC to the contrary.

Upon motion duly made and unanimously accepted, adopted, approved and enacted this \_\_\_ day of March 2017 at Stockton, California by a vote of \_\_\_ yeas and \_\_\_ nays:

ROLL CALL:

AYES:

NOES:

ABSTAIN:

ABSENT:

IN WITNESS HEREOF, the undersigned of the respective Boards have executed this action by unanimous written consent as of \_\_\_\_\_, 2018.

Delta Community Developers Corp.

By: \_\_\_\_\_  
Dale Cose, Board Chairperson

DCDC Medici Artist Lofts, LLC

By: \_\_\_\_\_  
Peter W. Ragsdale, Manager



**Subject:** Update on the Escrow Close of Grand Canal Property and other projects.

**Background Information:**

Executive Director Ragsdale will provide a verbal update at the meeting.

**Recommended Action:** N/A

**Other Options:** N/A

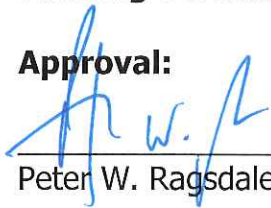
**Fiscal Impact:** N/A

**Attachments:** N/A

**Prepared by:** Connie Henderson, Executive Assistant/Clerk of the Board

**Funding Certification:** N/A

**Approval:**



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Peter W. Ragsdale, Executive Director