

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF
FRESNO, CALIFORNIA, APPROVING AN INTERFUND
LOAN AGREEMENT BETWEEN THE GENERAL FUND
AND THE LOW AND MODERATE INCOME HOUSING
ASSET FUND

WHEREAS, on December 3, 2009, the Council adopted the Taxpayer Protection Act, amended February 10, 2010, which provides in Article IV that borrowing between City funds requires a loan agreement with interest paid at the current investment pool rate and with a maximum repayment term of five years; and

WHEREAS, the City of Fresno on March 31, 2011, adopted the Reserve Management Act, which provides in Article VI that loans between the General Fund and another City fund require a loan agreement that shall be approved by majority vote of the Council; and

WHEREAS, Council now wishes to authorize an interfund loan from the General Fund to the Low and Moderate Income Housing Asset Fund for the purpose of providing funding to an affordable housing project at 1501 N. Blackstone Avenue.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Fresno as follows:

1. The Council approves the Interfund Loan Agreement attached in the form attached hereto as Exhibit A.
2. The Controller is authorized and directed to take all necessary actions to implement the Interfund Loan Agreement.

* * * * *

Date Adopted:
Date Approved:
Effective Date:
City Attorney Approval: _____

Resolution No. _____

STATE OF CALIFORNIA)
COUNTY OF FRESNO) ss.
CITY OF FRESNO)

I, YVONNE SPENCE, City Clerk of the City of Fresno, certify that the foregoing resolution was adopted by the Council of the City of Fresno, at a regular meeting held on the _____ day of _____, 2017.

AYES :
NOES :
ABSENT :
ABSTAIN :

Mayor Approval: _____, 2017
Mayor Approval/No Return: _____, 2017
Mayor Veto: _____, 2017
Council Override Vote: _____, 2017

YVONNE SPENCE, MMC
City Clerk

By: _____
Deputy

APPROVED AS TO FORM:
DOUGLAS T. SLOAN
City Attorney

By: _____
Katie Doerr [Date]
Chief Assistant City Attorney

Attachment: Exhibit A

KBD:ns [77472ns/kbd]

Exhibit A
INTERFUND LOAN AGREEMENT

This Loan Agreement (Agreement) is executed as of _____, 2017, between the City of Fresno Low and Moderate Income Housing Asset Fund (Fund No. _____) (Borrower) and the City of Fresno General Fund (Fund No. _____) (Lender). Lender agrees to lend to Borrower, and Borrower agrees to repay Lender the Principal Loan Amount, in accordance with the following:

1. **Purpose of the Loan:** To provide funds for use by the Borrower or its designee to provide funding to an affordable housing project at 1501 N. Blackstone Avenue., which is the subject of a First Amended and Restated Owner Participation Agreement (OPA) dated _____, 2017, between 1501 N. Blackstone, L.P., (Developer) and the Borrower.

2. **Effective Date.** The Effective Date of this Agreement shall be the date upon which the Borrower affirms the Developer has satisfied conditions precedent to Borrower's obligation to perform as set forth in the OPA. Monies will be transferred between funds on the Effective Date.

3. **Principal Loan Amount:** Six Hundred Thousand and no/100 Dollars (\$600,000). The loan will be recorded as receivable to the Lender and payable to the Borrower.

4. **Term of the Loan:** The term of this loan shall be four years, beginning on the Effective Date, and shall be repaid in full as of _____, 202__.

5. **Scheduled Payments.** Borrower shall make payments annually against principal and interest. The first payment shall commence on the date that is one year from the Effective Date of this Agreement. At a minimum, each annual scheduled payment shall equal the amount of any accrued interest through the date of payment, plus a principal payment equal to one-fourth (1/4) of the original principal amount. Payments will be credited first to interest then due, and then to principal. Borrower may make partial or complete payment of principal and accrued interest at any time before its due date and without any prepayment penalty.

6. **Source of Repayment.** Repayment shall be from project loan repayment proceeds, and/or loan repayment revenue pursuant to California Health & Safety Code section 34191.4(b), and shall be contingent upon receipt of funds sufficient to repay scheduled obligations under this Agreement when due.

7. **Rate of Interest.** Interest shall accrue at a rate equal to the City's Pooled Investment Rate, fixed monthly, calculated and accrued in the same manner that the City would otherwise earn interest on the funds if deposited and earning interest as a pooled investment. The City's Pooled Investment Rate effective on the date of this Note is 1.3489%. Loan interest will be recorded as revenue to the Lender and expenditure to Borrower.

8. **General Provisions.** This Agreement constitutes the full Agreement by and between the parties and no other representations have been made regarding the contents of this Agreement. This Agreement shall not be amended, modified, or altered in any respect unless such amendment, modification, or alteration has been reduced to writing and executed by both parties.

LENDER

BORROWER

Wilma Quan-Schechter, City Manager
City of Fresno

Marlene Murphey, Executive Director
City of Fresno in its capacity as Housing
Successor to the Redevelopment Agency
of the City of Fresno