

HMIOT LOAN AGREEMENT

by and between

COUNTY OF NEVADA

and

Regional Housing Authority

LOAN AGREEMENT

THIS LOAN AGREEMENT (this “Agreement”) is entered into as of May 12, 2020 (“Effective Date”), between County of Nevada (“Lender”) and Regional Housing Authority (“Borrower”). Borrower and Lender are hereinafter collectively referred to as the “Parties.”

A. The Borrower agrees to commit the herewith in funds to the development of the Cashin’s Field Apartment Development (“Project”), located within Nevada City, as outlined in Section E below and in conjunction with the Unsecured Promissory Note.

B. The Project will be required to work with local service providers and resources to market one (1) one-bedroom unit towards potential residents with severe mental illness that are homeless or at risk of homelessness.

C. The Borrower agrees to provide the above unit in accordance with those income and rent limitations set forth in the HUD Section 8 Voucher standards.

D. Should marketing efforts fail to find a potential severely mentally ill resident who is homeless or at risk of homelessness the Borrower shall have the ability to lease the unit to the next income qualified resident with County approval.

E. Borrower has agreed to assist with the purchase and development of an affordable housing project consisting of approximately 57 units on a certain parcel of real property identified as Assessor Parcel Number 005-290-026-000.

F. County has agreed to provide Homeless Mentally Ill Outreach and Treatment Program (“HMIOT Loan”) funding to Borrower in a total amount not to exceed Fifty Thousand dollars (\$50,000.00). County represents that no portion of the principal of the HMIOT Loan are derived from proceeds of issuance of tax-exempt bonds.

G. Concurrently herewith, Borrower shall execute an unsecured Promissory Note (“Note”) in the amount of Fifty Thousand dollars (\$50,000.00) to evidence the HMIOT Loan.

H. Commencing on the date of initial disbursement of all or a portion of HMIOT Loan proceeds and continuing through the date that all indebtedness and other amounts payable under this Agreement and the Note are paid in full, the interest on the HMIOT Loan shall bear interest at a simple rate of three percent (3%) per year.

I. All unpaid principal accrued and unpaid interest, and any other amounts payable under this Agreement shall be deferred for five (5) consecutive years commencing from the date the certificate of occupancy is issued for the Project. At the end of this time period all unpaid principal, accrued and unpaid interest, and any other amounts payable under this Agreement is due and payable

J. Upon the Borrower fulfilling the requirements of sections “A” through “C”, above, for at least five (5) consecutive years commencing from the date of initial occupancy all unpaid principal, accrued and unpaid interest on the HMIOT Loan will be forgiven. Should the HMIOT Loan not be forgiven, repayment of the HMIOT Loan shall be made in accordance with the terms of the Unsecured Promissory Note, which is incorporated herein and made part of this Agreement by this reference.


K. Should a certificate of occupancy not be issued on or before December 31, 2023, the HMIOT Loan funds shall be returned to the County of Nevada. This clause may be extended by mutual written amendment to this agreement by the Parties.

SIGNATURES ON NEXT PAGE

IN WITNESS WHEREOF, COUNTY and Borrower have executed this Agreement as of the date first above written.


COUNTY:

County of Nevada,

By: 
Mike Dent (May 20, 2020 09:37 PDT)
Mike Dent,
Director Housing and Community Services

BORROWER:

Regional Housing Authority

By: 
Gustavo Becerra (May 21, 2020 09:11 PDT)
Name: Gustavo Becerra,
Title: Executive Director