



Community Revitalization Community Development & Housing

Supriya Barrows
Deputy Executive Officer

Gary Hallen
Director

March 15, 2022

Arjun Nagarkatti, President
AMCAL Las Terrazas Fund, L.P.
c/o AMCAL Multi-Housing Inc.
30141 Agoura Rd., Suite 100
Agoura Hills, CA 91301

Re: Letter Agreement re: County HOME Loan Documents

Dear Mr. Nagarkatti:

San Bernardino County ("County") and AMCAL Las Terrazas Fund, L.P., a California limited partnership ("Borrower") are parties to (among other documents): (1) that certain HOME Investment Partnerships Act Loan Agreement, dated as of November 17, 2020, as such may be amended (the "HOME Loan Agreement"); and (2) that certain Regulatory Agreement and Declaration of Restrictive Covenants, dated as of November 17, 2020, as such may be amended (the "HOME Regulatory Agreement" and collectively with the HOME Loan Agreement, the "HOME Loan Documents") governing the use of the HOME Loan funds and operation of the one-hundred and twelve (112) units of affordable housing commonly referred to as Las Terrazas Apartments ("Development").

The County recently underwent a compliance review audit by the Department of Housing and Urban Development ("HUD") for the Development (IDIS activity 6986). This letter is intended to address Finding 5 of the HUD audit that requires the County to amend and submit to HUD its written agreements for IDIS activity 6986, to include all the required provisions outlined in the Report and summarized below:

1. The implementing regulations from 2 CFR 5.105(a)(1): Title VI of the Civil Rights act of 1964, Age Discrimination Act of 1975, and Section 504 of the Rehabilitation Act of 1973
2. The correct citation of 24 CFR 2424, and the inclusion of participants when citing requirements related to debarred, suspended, or ineligible contractors or participants
3. Disclosure requirements under 24 CFR 5.105(b)
4. Drug-free work requirements under 24 CFR 5.105(c)
5. Housing counseling requirements under 24 CFR 5.111

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6. Violence Against Women Act requirements under 24 CFR 92.359

The County and Borrower agree and acknowledge that the County HOME Loan Agreement and HOME Regulatory Agreement both require that the Borrower operate the Las Terrazas Housing Development in conformance with all requirements imposed on projects assisted with HOME Funds as contained in 42 U.S.C. Section 12701, et seq., 24 C.F.R. Part 92, and other implementing rules and regulations, as such may be amended or supplemented from time to time (see Section 2.3(d) of the HOME Loan Agreement and Section 4.2 of the HOME Regulatory Agreement).

The parties further agree and acknowledge that the references in the HOME Loan Agreement and HOME Regulatory Agreement are intended to be an all-inclusive requirement that the Borrower must adhere to, enabling the County to ensure that the project meets **all** HOME requirements, including but not limited to the nondiscrimination and equal opportunity; disclosure; debarred, suspended or ineligible contracts; drug-free work; housing counseling; and Violence Against Women Act. While the County believes that the catchall provisions makes clear to the Borrower that the Borrower must comply with all HOME requirements, even if not specifically outlined in the HOME Loan Documents, to adequately address all applicable concerns raised under the HUD audit Report, the County and the Borrower desire to enter into this "Letter Agreement with regards to HOME Loan Documents" to clarify the parties intent with regards to the requirements imposed under the HOME Loan Agreement and the HOME Regulatory Agreement.

By correspondence dated February 1, 2022, HUD has provided approval of the terms of this Letter Agreement and the terms shall become effective retroactive to the effective date of the HOME Loan Documents.

I. CLARIFICATION WITH REGARDS TO THE HOME LOAN AGREEMENT

The parties hereby agree and acknowledge that the following clarifications related to the HOME Loan Agreement conform to the parties understanding of how the HOME Loan Agreement is to be interpreted and implemented:

A. Notwithstanding anything to the contrary in the HOME Loan Agreement, the parties agree and acknowledge that for the Term of the HOME Loan Agreement, Section 2.3(d) shall be interpreted to mean that the Borrower shall comply with the applicable HOME Regulations, which shall specifically include the clarifications attached to this Letter Agreement as Exhibit A, and shall be incorporated therein by this reference, the Regulatory Agreement and this Letter Agreement in the use of the Loan funds.

B. Notwithstanding anything to the contrary in the HOME Loan Agreement, the parties agree and acknowledge that for the Term of the HOME Loan Agreement, Section 4.7 shall be interpreted to include the clarifications attached to this Letter Agreement as Exhibit A and shall be incorporated therein by this reference.

II. CLARIFICATION WITH REGARDS TO THE HOME REGULATORY AGREEMENT

The parties hereby agree and acknowledge that the following clarifications related to the HOME Regulatory Agreement conform to the parties understanding of how the HOME Regulatory Agreement is to be interpreted and implemented:

A. Notwithstanding anything to the contrary in the HOME Regulatory Agreement, the parties agree and acknowledge that for the Term of the HOME Regulatory Agreement, Section 4.2 shall be interpreted to mean that the Borrower's actions with respect to the Development shall at all times be in full conformity with: (a) all requirements imposed on projects assisted with HOME Funds as contained in 42 U.S.C. Section 12701, et seq., 24 C.F.R. Part 92, and other implementing rules and regulations, as such may be amended or supplemented from time to time, and shall specifically include the clarifications attached to this Letter Agreement as Exhibit A, and shall be incorporated therein by this reference; and (b) any other regulatory requirements imposed on Borrower.

III. MISCELLANEOUS PROVISIONS

The parties further agree and acknowledge that this Letter Agreement is declaratory of the existing intent of the parties and does not constitute a formal amendment of the HOME Loan Documents, as the material facts expressed in this Letter Agreement were previously agreed to by the parties under the original terms of the HOME Loan Documents.

Except as expressly clarified by this Letter Agreement, all other provisions of the HOME Loan Documents remain unmodified and continue in full force and effect.

This Letter Agreement may be executed in multiple originals, each of which is deemed to be an original, and may be signed in counterpart.

WHEREAS, this Letter Agreement has been entered into by the undersigned.

BORROWER:

AMCAL LAS TERRAZAS FUND, L.P., a California limited partnership

By: AMCAL FNMA LLC,
a California limited liability company,
its administrative general partner

By: AMCAL Multi-Housing Inc.,
a California corporation,
its manager

By: _____
Arjun Nagarkatti, President

Date: _____

By: Brandon Affordable Housing, LLC,
a California limited liability company,
its managing general partner

By: Las Palmas Foundation,
a California nonprofit public benefit corporation,
its manager

By: _____
Joseph M. Michaels, President

Date: _____

[Signature Page Continues]

COUNTY:

SAN BERNARDINO COUNTY, a political subdivision of the
State of California

By: _____

Curt Hagman, Chairman, Board of Supervisors

Date: _____

SIGNED AND CERTIFIED THAT A COPY OF THIS
DOCUMENT HAS BEEN DELIVERED TO THE
CHAIRMAN OF THE BOARD

Lynna Monell

Clerk of the Board of Supervisors

San Bernardino County

By: _____

Deputy

APPROVED AS TO LEGAL FORM:

Tom Bunton, County Counsel

By: _____

Suzanne Bryant, Deputy County Counsel

EXHIBIT A

REVISIONS TO HOME LOAN DOCUMENTS