



# CITY OF ORANGE

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COMMUNITY DEVELOPMENT DEPARTMENT

[www.cityoforange.org](http://www.cityoforange.org)

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ADMINISTRATION  
(714) 744-7240  
Fax: (714) 744-7222

PLANNING DIVISION  
(714) 744-7220  
Fax: (714) 744-7222

BUILDING DIVISION  
(714) 744-7200  
Fax: (714) 744-7245

CODE ENFORCEMENT DIVISION  
(714) 744-7244  
Fax: (714) 744-7245

January 12, 2021

Mr. Eunice Bobert, Chief Executive Office  
Orange Housing Development Corporation  
414 East Chapman Avenue  
Orange, CA 92866

Re: Preliminary Award of HOME Funds to the Affordable Housing Project  
647 West Struck Avenue, Orange, California 92865

Dear Mr. Bobert:

On January 12, 2021, the City Council of Orange approved a preliminary award of HOME Investment Partnerships Program (HOME) funds in the amount of One Million and Six Hundred Thousand Dollars (\$1,600,000) for 62-unit affordable housing apartment complex (Project) to be constructed at 647 West Struck Avenue, Orange, California 92865. The Borrower will be a to-be-formed California limited partnership, whose managing general partner will be a California limited liability company whose sole member is Orange Housing Development Corporation, a California nonprofit public benefit corporation, whose developer general partner will be a California limited Liability company, whose sole member will be C& C Development Co., LLC, whose members are Todd R. Cottle and Jennifer N. Cottle Revocable Trust and the Cottle Family Trust, dated March 8, 1987. The funds will be reserved for the Project until March 31, 2022 for the purposes of completing the financing for the Project. The City must receive copies of firm commitments from all funding sources, including formal notification by the State of California for an award of low income housing tax credits on or before this date.

The HOME funds will be provided to the Borrower in the form of a non-recourse loan (HOME Loan) in the original principal amount of at least One Million Six Hundred Thousand Dollars (\$1,600,000), with interest at one-quarter percent (0.25%) per annum from the date of disbursement. The term of the HOME Loan will be 55 years. HOME Loan payments will be payable exclusively from 50% of annual residual receipts, which will be allocated on a pro rata basis to repayment of the HOME Loan and any other loans to the Project payable from residual receipts.

To receive the HOME Loan funds, Borrower must execute City loan documents evidencing and securing the HOME Loan in forms to be approved by the City Manager. No more than eleven (11) of the units in the Project will be designated as HOME units and the rents on those units will be restricted in conformance with the Federal regulations governing the HOME Program (24

CFR Part 92). The City Council has delegated to the City Manager all City approval rights over the HOME Loan documents.

The following are required in order to receive the HOME Loan fund:

1. Firm commitments from all financing sources, including reservation of low income tax credits and allocation, of tax-exempt bonds as well as funding from the City as set forth in the Affordable Housing Disposition, Development and Loan Agreement dated January 12, 2021 and commitments by investors, in sufficient amounts to complete the Project;
2. The Project must meet all applicable requirements of the HOME Program (24 CFR Part 92);
3. Completion of environmental review required under the National Environmental Policy Act and authority to use federal funds by HUD. Note that no activity may occur at the site that would adversely affect or would otherwise be choice limiting including the acquisition, demolition, construction or relocation of building or structure or otherwise making a physical change to the property (including moving dirt) until the authority to use federal funds has been provided;
4. Subsidy layering requirements have been met as defined by the U.S. Department of Housing and Urban Development (HUD);
5. A budget and schedule must be established and Borrower must certify that construction is ready to begin within 12 months; and
6. Execution of City's HOME Loan documents.

When all funding sources are secured, the City's Housing Analyst will work diligently toward obtaining approval and execution of City loans by the City Council.

If you have any questions, please call or email Suzan Ehdaie at (714)744-7211 or [sehdaie@cityoforange.org](mailto:sehdaie@cityoforange.org). Please acknowledge your consent to the foregoing terms and conditions by signing and returning a copy of this letter.

Sincerely,

Rick Otto  
City Manager

Orange Housing Development Corporation, on behalf of the Borrower, hereby acknowledges and agrees to all of the terms and conditions set forth in this letter.

By: \_\_\_\_\_  
Eunice Bobert, Chief Executive Office