

RESOLUTION No. 2018-01RDA

**A RESOLUTION AUTHORIZING THE EXECUTION OF LOAN DOCUMENTS
BETWEEN THE REDEVELOPMENT AGENCY OF MIDVALE CITY AND
APPLEWOOD HOMEOWNERS COOPERATIVE INC.**

WHEREAS, the Redevelopment Agency of Midvale City (“Agency”) was created to transact the business and exercise the powers provided for in the Utah Redevelopment Agencies Act; and

WHEREAS, twenty-percent of tax increment generated in the Bingham Junction and Jordan Bluffs Project Areas are contractually and statutorily required to fund affordable housing; and

WHEREAS, the Board of Directors of the Agency has established the City-Wide Housing Fund to support the development and retention of affordable housing in Midvale; and

WHEREAS, Applewood Homeowners Cooperative, Inc. has requested a \$100,000 loan from the Agency to partially financing their acquisition of the Applewood Manufactured Housing Community located at 150 West 7500 South, Midvale; and

WHEREAS, Applewood Homeowners Cooperative, Inc. has committed to provide affordable housing opportunities for Midvale residents; and

WHEREAS, the Agency supports the Applewood Homeowner Cooperative Inc.’s acquisition of the Applewood Manufactured Housing Community; and

WHEREAS, the Board of Directors of the Agency has determined that providing Applewood Homeowners Cooperative Inc.’s with a \$100,000 loan is necessary and appropriate to facilitate the purchase of the Applewood Manufactured Housing Community.

NOW THEREFORE BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF MIDVALE CITY, that the Board of Directors does hereby authorize the Chief Administrative Officer and Executive Director to execute a Loan Agreement, and other necessary loan documents, for the provision of a property acquisition loan to Applewood Homeowner’s Inc., subject to the Applewood Manufactured Housing Community Loan Term Sheet and such other terms and conditions as recommended by Agency’s legal counsel.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF MIDVALE CITY, STATE OF UTAH, this 2nd day of January, 2018.



Robert Hale
Chief Administrative Officer



Kane Loader
Executive Director

ATTEST:



Rori L. Andreason, MMC
Secretary



Voting by the Board:

Dustin Gettel
Paul Glover
Quinn Sperry
Paul Hunt
Bryant Brown

"Aye"

☒
☒
☒
☒
☒

"Nay"

☐
☐
☐
☐
☐

Applewood Manufacture Housing Community Loan
Term Sheet

Borrower:	Applewood Homeowners Cooperative Inc. (Borrower)
Lender:	Redevelopment Agency of Midvale City
Loan Amount:	\$100,000
Interest Rate:	1% Per Annum (Simple Interest), 14% Default Rate
Term:	30 Years
Security	Junior Lien – Third Position Deed of Trust
Annual Cash Flow Payments:	<ol style="list-style-type: none"> During the term of the loan, the Borrower shall make annual cash flow payments to the Lender. The cash flow payments (Agency Loan Cash Flow Payment) shall be calculated as follows: <ol style="list-style-type: none"> Income-Expenses-Debt Service = Surplus Cash Surplus Cash * 50% = Olene Walker Loan Cash Flow Payment (Surplus Cash – Olene Walker Loan Cash Flow Payment) * 25% = Agency Loan Cash Flow Payment The Agency Cash Flow Payment shall be limited to the lesser of \$3,000 or the balance of accrued interest on the Agency's loan. The payment shall be calculated based on data included in an annual financial audit provided by the Borrower. The annual payment shall be due 30 days following the review and approval of the cash flow statement by the Lender.
Balloon Payments:	All principal and interest shall be due and payable at the end of the term.
Reporting:	<ol style="list-style-type: none"> Borrower must provide the Lender with an audited financial statement on an annual basis. The audited financial statement shall be submitted to the Lender within 30 days of its completion. Borrower shall provide the Lender with an affordable housing report as described in the Affordable Housing Compliance Plan. The report shall be submitted at the same time as the audited financial statement.
Project Specific Terms:	<ol style="list-style-type: none"> Borrower shall not reduce lease rates below \$575 per month or make distributions, reimbursements, or rebates to property tenants or borrowers.

	<ol style="list-style-type: none"> 2. Lender shall only subordinate to liens from ROC USA Capital and Olene Walker Housing Loan Fund, which shall secure a maximum amount of \$4,950,000. 3. The Borrower shall have 120 days following the approval of this term sheet to close or the Lender's approval shall expire. 4. For the duration of the loan, the Borrower must comply with the Affordable Housing Compliance Plan. No changes may be made to the Affordable Housing Compliance Plan without written approval from the Lender. 5. Prior to closing Borrower shall provide lender with an appraisal, environmental site assessment (i.e. Phase I ESA), property conditions report, and ALTA survey. Closing shall be conditioned on the determination by Agency staff that these documents and the information they convey are acceptable. 6. Prior to closing, Borrower shall provide sufficient information to confirm that the Property is a legally conforming parcel.
Miscellaneous:	<ol style="list-style-type: none"> 1. Applewood Homeowners Cooperative Inc. shall provide a corporate guaranty with terms approved by the Lender's legal counsel. 2. Lender shall approve a copy of the properties Covenants, Conditions, and Restrictions. 3. The loan shall not be assumed by or assigned to any entity other than the Borrower. 4. The Lender may, at its discretion, transfer or assign its rights and interests under the loan to another entity. 5. All principal and interest shall be due and payable upon the sale or transfer of ownership from the Borrower to any other entity. 6. Borrower shall execute all loan documents deemed necessary by the Lender and its legal counsel. 7. Borrower shall provide evidence of insurance covering public liability, fire, and such other insurance in such amounts and with such coverage as deemed necessary by the Lender. 8. Failure by the Borrower to comply with all ongoing terms and conditions during the loan term will result in a default, which, if not cured

	<p>within the agreed to cure period, may result in the Lender initiating a non-judicial foreclosure.</p> <ol style="list-style-type: none"> 9. The Lender and legal counsel's review and approval of all matters pertaining to title, legality of the loan, and the legality, sufficiency, and the form and substance of all documents that are deemed reasonably necessary for the loan transaction. 10. Borrower shall pay closing costs. 11. Borrower shall provide Lender with Midvale issued businesses license and shall participate in the Midvale City's good land lord program. 12. Such other terms as recommended by the Lender's legal counsel.
--	---