



Citizen Housing and Community Development Committee

Citizen Housing and Community Development Committee
Tenth Street Place, 1010 10th Street, Room 2001
Modesto, California

Thursday, June 13, 2019 at 12:00 PM

Roll Call - Silent

Declaration of Conflict of Interest

Public Comment Period

Only interested persons in the audience may present these matters. Under State law, the Citizen's Housing and Community Development Committee may respond to matters being presented under the item only as follows:

- a) Briefly respond to statements made or questions raised.
- b) Ask a question for clarification
- c) Provide a reference to staff or other resources for factual information.
- d) Request staff to report back at a subsequent meeting.
- e) Finally, a Committee member or the Committee itself may take action to direct staff to place a matter of business on a future agenda.

Consent Items - Unless withdrawn from consent, items are approved at one time.

- .1. Consider approving minutes of the April 11, 2019 meeting.

Documents:

[04 11 2019 MINUTES.PDF](#)

New Business

- .1. Consider recommending the award of additional HOME Community Housing Development Organization (CHDO) funds in the amount of \$47,557 to Stanislaus County Affordable Housing Corporation (STANCO) for the completion of 522 E. Granger Avenue.

Documents:

[522 E.GRANGER. - ADDITION OF HOME FUNDS.PDF](#)
[ATTACHMENT 2 - AMENDED AND RESTATED PROMISSORY NOTE 522 E. GRANGER 6.6.19.PDF](#)

.2. Center for Human Services: Homeless Youth Access Center Presentation

Comments and Committee Reports

Matters Too Late for the Agenda

(These may be presented by members of the Citizens' Housing and Community Development Committee and staff upon determination by a majority vote that an emergency exists, as defined by State Law, or by a 2/3 vote that (1) there is a need to take immediate action, and (2) that the need for action came to the City's attention after the agenda was posted.)

Adjournment

Posted pursuant to Government Code Section 54954.2 on bulletin board at Tenth Street Place on

Name	Date	Time
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Notice: Copies of the agenda are on file at the Modesto-Stanislaus Library Reference Room located at 1500 "I" Street, Modesto or at the City of Modesto – Community Development Division, 1010 10th Street, Suite 4300, Modesto, California.

If you require a translator, please contact the Community Development Division office by email or 209-577-5211, no fewer than two business days prior to the workshop to make the necessary arrangements.

In compliance with the Americans with Disabilities Act (ADA), the City of Modesto does not discriminate against persons with disabilities and is an accessible facility. Any person with a disability who requires a modification or accommodation to be able to participate is asked to contact the Community Development Division by email or 209-577-5211, no fewer than two business days prior to the workshop to allow for reasonable arrangements.

Este documento puede traducirse al español bajo petición llamando al (209) 577-5211.



MINUTES

CITY OF MODESTO
CITIZENS' HOUSING & COMMUNITY DEVELOPMENT COMMITTEE
1010 10th Street, Modesto, CA 95354 Suite 2005
Modesto, California

Thursday, April 11, 2019 at 12:00 p.m.

The meeting was called to order by Chairperson Councilmember Kenoyer at 12:05 p.m.

ROLL CALL

- Members Present: Chairperson Councilmember Kenoyer, David Wright, Doug Parman, Julie Scherer, Councilmember Ah You (in at 12:30 p.m.), Hank Pollard.
- Members Absent: Philip Anselmo and Lisa Battista
- Staff Present: Robert Davalos, Heather Jones, Juan Gonzalez, and Jessica Narayan
- Public Present: Terri Spezzano, UC Merced; Liz Camilo, Opportunity Stanislaus; Katie Winders, Opportunity Stanislaus; Gavin Bruce, Opportunity Stanislaus; Dave White, Opportunity Stanislaus; Perfecto Munoz, West Modesto Collaborative; Jose Sabala, South Modesto Partnership.

DECLARATION OF CONFLICT OF INTEREST

David Wright declares a conflict for the Opportunity Stanislaus Micro-Enterprise Funding motion.

PUBLIC COMMENT PERIOD

CONSENT ITEMS – UNLESS WITHDRAWN FROM CONSENT, ITEMS ARE APPROVED AT ONE TIME.

1. Consider approving minutes of the February 14, 2019 meeting.

ACTION: Motion (David Wright/Julie Scherer; 4-0, Councilmember Ah You absent, Hank Pollard abstain) approving the minutes from February 14, 2019

NEW BUSINESS

1. Consider reviewing the City of Modesto Draft Program 2019-2020 Annual Action Plan and Forward to Council.

ACTION: Motion (Julie Scherer/Councilmember Ah You; 5-0, David Wright absent for conflict) awarding Opportunity Stanislaus \$100,000 in Community Development Block Grant funds for the Micro Enterprise project and forwarding a recommendation to the City Council.

Presentation: Robert Davalos presented the proposed utilities project.

ACTION: Motion (Councilmember Ah You /Julie Scherer; 6-0,) awarding Salvation Army \$100,000 in Community Development Block Grant funds and \$60,000 in Emergency Solutions Grant funds and forwarding a recommendation to the City Council.

ACTION: Motion (Julie Scherer /David Wright; 6-0,) approving the City of Modesto Draft Program Year 2019-2020 Annual Action Plan and forwarding a recommendation to the City Council.

COMMITTEE COMMENTS & REPORTS

Julie Scherer would like staff to continue to pursue affordable housing opportunities

MATTERS TOO LATE FOR THE AGENDA

(These may be presented by members of the Citizens' Housing and Community Development Committee and staff upon determination by a majority vote that an emergency exists, as defined by State Law, or by a 2/3 vote that (1) there is a need to take immediate action, and (2) that the need for action came to the City's attention after the agenda was posted.)

ADJOURNMENT

There being no further business, the meeting was adjourned at 1:09 p.m. by Chairperson Councilmember Kenoyer.

Respectfully submitted and approved by,

Jessica Narayan, Community Development Manager
Community and Economic Development Department



CITY OF MODESTO
COMMITTEE AGENDA REPORT

DATE OF MEETING:
June 13, 2019

Date: June 5, 2019

TO: Citizens' Housing & Community Development Committee
THROUGH: Jessica Narayan, Community Development Manager
SUBJECT: 522 E. Granger Ave – Addition of HOME CHDO Funds
CONTACT: Jessica Narayan, Community Development Manager
jnarayan@modestogov.com 209-577-5211

DESCRIPTION:

Consider recommending the award of additional HOME Community Housing Development Organization (CHDO) funds in the amount of \$47,557 to Stanislaus County Affordable Housing Corporation (STANCO) for the completion of 522 E. Granger Avenue.

STRATEGIC PLAN ELEMENT:

This item supports Strategic Commitment – Great Safe Neighborhoods: Increase collaboration with neighborhoods and school district(s) to achieve quality of life improvements, and safe neighborhoods through supporting community self-reliance, problem solving and public/private partnerships.

BACKGROUND:

The City of Modesto is an entitlement jurisdiction under the U.S. Department of Housing and Urban Development's (HUD) Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), and HOME Investment Partnerships (HOME) Programs. The intent is that these program funds are used to develop viable communities by promoting integrated approaches that provide decent housing, a suitable living environment, and expand economic opportunities for low and moderate income persons. From time to time, the City partners with local non-profit housing developers to advance these outlined program objectives.

On September 22, 2015, the City entered into a HOME Loan Agreement, as amended from time to time, in the amount of \$563,000, with Stanislaus County Affordable Housing Corporation (STANCO) whereby the City agreed to provide HOME funds for the conversion of an existing 1,572 square foot home to a community resource center and the addition of four one-bedroom, one bathroom apartments to house persons with serious mental illness who are homeless or at risk of homelessness, located at 522 E. Granger Avenue, Modesto CA 95350 (Project). In addition to HOME funds, this project obtained additional funding from Community Transitional Resources and State of California Housing Finance Agency/Stanislaus County Mental Health Services Act (MHSA) funds.

DISCUSSION:

The design process for this project was delayed due to a delay in the securing of State MHSA funds, which occurred June 2016. Construction documents were submitted to the City of Modesto in December 2016; contractor procurement was conducted in spring 2017; and the plan check review process was mostly completed in mid-2017, however, the City review and approval of the storm water treatment and detention requirements was not completed until December 2017. The Storm Water Licensing Agreement was executed in February 2018, and the final civil site plans were approved subsequently.

The storm water requirements and other construction and materials costs increased during the course of project design, procurement, and final approval and resulted in significant increased construction costs. The increased project costs were offset in part by Federal Home Loan Bank AHP Grant funding in the amount of \$100,000 and additional CDBG funding from the City of Modesto in the amount of \$150,000 (awarded July 2018). The CDBG funding was programmatically directed to offset water conservation, landscaping and ADA requirements for the project.

By separating site improvements from the general construction activity, STANCO was able to attract additional bids for the project. In March 2018 STANCO received three separate proposals for construction work; two for site work and one bid for general construction services. The total modified project cost increased to \$1,778,000.00.

Project Status & Request for Additional Funds

The project is currently 55% complete. The following project components are pending completion: Utilities trenching (90% completed), plumbing (60% completed), flashing/sheet metal (59% completed), and electrical (50% completed).

Due to the unforeseen circumstances that delayed project construction, the project has endured significant cost increases in a current environment where construction costs and availability of construction trades are challenging in the current robust economy.

STANCO anticipates project costs will exceed the allocated cost contingency due to the following factors:

- Development impact fees were \$13,082 more than initially budgeted;
- Increased fire sprinkler system costs;
- Revised MID underground utility requirements
- Installation of bollards near transformer due MID pole relocation
- Projected cost increases for paving construction and materials due to significant rain and construction delays

Because of these circumstances, STANCO is requesting an additional amount of up to \$47,557 of HOME CHDO funds to allow the completion of the project.

The HOME program regulations allow additional funds to be added to a project that is not yet complete to allow project completion, as long as the total per unit HOME investment is less than the current maximum allowed. The current HOME maximum per-unit subsidy limit is \$168,600 for a one bedroom housing unit. The additional HOME commitment would bring the total HOME

subsidy from \$563,000 to \$610,557. If approved, the addition of the requested amount will not exceed the current HOME per unit subsidy limit.

If approved, the addition of HOME CHDO funds will take effect via the execution of an amendment to the HOME Loan Agreement and Promissory Note which are attached as Attachments 1 and 2 respectively.

FISCAL IMPACT:

The additional commitment would bring the total HOME commitment from \$563,000 to \$610,557. There is no impact to the General Fund.

RECOMMENDED COMMITTEE ACTION:

Staff Recommendations:

Motion approving the award of additional HOME Community Housing Development Organization (CHDO) funds in the amount of \$47,557 to Stanislaus County Affordable Housing Corporation (STANCO) for the completion of 522 E. Granger Avenue.

Prepared by:

Juan Gonzalez, Sr. Community Development Program Specialist

Submitted by:

Jessica Narayan, Community Development Manager

Attachments:

1. Amendment to the HOME Loan Agreement
2. Amended and Restated Promissory Note Secured by Deed of Trust

**AMENDED AND RESTATED PROMISSORY NOTE
SECURED BY DEED OF TRUST
(HOME Loan – 522 E. Granger)**

Modesto, California

\$610,557

_____, 2019

FOR VALUE RECEIVED, the undersigned, Stanislaus County Affordable Housing Corporation (“**Borrower**”), promises to pay to the City of Modesto, a California charter City (“**City**”), in lawful money of the United States, the principal sum of Six Hundred Ten Thousand Five Hundred Fifty Seven Dollars (\$610,557) or so much thereof as may be advanced by City pursuant to the Loan Agreement referred to below in accordance with the terms and conditions described herein.

This Amended and Restated Promissory Note Secured by Deed of Trust (this “**Amended and Restated Note**”) has been executed and delivered pursuant to and in accordance with the terms and conditions of the Fourth Amendment to HOME Loan Agreement dated as of the date hereof by and between Borrower and City (the “**Fourth Amendment**”), which modifies that certain HOME Loan Agreement dated September 22, 2015 by and between the City and Borrower (the “**Loan Agreement**”). This Amended and Restated Note is subject to the terms and conditions of the Loan Agreement as modified by the Fourth Amendment, which are by this reference incorporated herein and made a part hereof. Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Loan Agreement. This Amended and Restated Note shall supersede that that certain Amended and Restated Promissory Note Secured by Deed of Trust in the original principal sum of Five Hundred Sixty Three Thousand Dollars dated July 26, 2016.

This Amended and Restated Note is secured by that certain Deed of Trust with Assignment of Rents, Security Agreement, and Fixture Filing recorded on September 16, 2016 in the Official Records of Stanislaus County as Document No. 2016-71323 (the “**Deed of Trust**”).

1. PAYMENTS

1.1 TERM. The entire outstanding principal balance of this Amended and Restated Note, as well as all accrued interest and all other sums due hereunder, is due and payable no later than the fifty-fifth (55th) anniversary of the Completion Date (as defined in the Loan Agreement). This Amended and Restated Note is due and payable as set forth in Section 2.8 of the Loan Agreement.

1.2 INTEREST RATE. The outstanding principle balance of the Loan shall bear no interest, except that if an Event of Default occurs, interest will accrue on all amounts due under this Amended and Restated Note at the Default Rate until such Event of Default is cured by Borrower or waived in writing by City.

1.3 PREPAYMENT. Borrower may, without premium or penalty, at any time and from time to time, prepay all or any portion of the outstanding principal balance due under this Amended and Restated Note. Prepayments shall be applied first to any unpaid late charges and other costs and fees then due and then to principal. In no event shall any amount due under this Amended and Restated Note become subject to any rights of offset, deduction or counterclaim on the part of Borrower.

1.4 MANNER OF PAYMENT. All payments on this Amended and Restated Note shall be made to City at 1010 10th Street, 4th Floor, Modesto, California 95354, or such other place as City shall designate to Borrower in writing, or by wire transfer of immediately available funds to an account designated by City in writing.

2. DEFAULTS

2.1 EVENTS OF DEFAULT. The occurrence of any one or more of the following events shall constitute an event of default hereunder (“**Event of Default**”):

(a) If Borrower fails to pay when due the principal or interest payable under this Amended and Restated Note and such failure continues for ten (10) calendar days after City notifies Borrower thereof in writing.

(b) If any representation or warranty contained in the Loan Agreement or any certificate furnished in connection with the foregoing proves to have been false or misleading in any material adverse respect when made.

(c) If an Event of Default shall have been declared under the Loan Agreement, subject to the expiration of any applicable cure period set forth in such documents.

(d) If, pursuant to or within the meaning of the United States Bankruptcy Code or any other federal or state law relating to insolvency or relief of debtors (“**Bankruptcy Law**”), Borrower (i) commences a voluntary case or proceeding; (ii) consents to the entry of an order for relief against Borrower in an involuntary case; (iii) consents to the appointment of a trustee, receiver, assignee, liquidator or similar official for Borrower; (iv) makes an assignment for the benefit of its creditors; or (v) admits in writing its inability to pay its debts as they become due.

(e) If an event of default has been declared by the holder of any debt instrument secured by a mortgage or deed of trust on the Improvements or Borrower’s interest in the Property and such holder exercises a right to declare all amounts due under that debt instrument immediately due and payable, subject to the expiration of any applicable cure period set forth in such holder’s documents.

(f) If the Borrower fails to maintain insurance on the Property as required pursuant the Loan Agreement, and Borrower fails to cure such default within the time required.

(g) Borrower defaults in the performance of any term, provision, covenant or agreement contained in the Loan Agreement or the Deed of Trust.

(h) Borrower is in default of any term contained in any regulatory agreement between the City and Borrower and recorded on the Property.

2.2 REMEDIES. Upon the occurrence of an Event of Default hereunder, City may, at its option (i) by written notice to Borrower, declare the entire unpaid principal balance of this Amended and Restated Note and all sums due hereunder, immediately due and payable regardless of any prior forbearance, (ii) foreclose on the Property, (iii) exercise any and all rights and remedies available to it under applicable law, and (iv) exercise any and all rights and remedies available to City under this Amended and Restated Note, the Deed of Trust, and the Loan Agreement. Borrower shall pay all reasonable costs and expenses incurred by or on behalf of City including, without limitation, reasonable attorneys' fees, incurred in connection with City's enforcement of this Amended and Restated Note and the exercise of any or all of its rights and remedies hereunder.

3. MISCELLANEOUS

3.1 WAIVER. The rights and remedies of City under this Amended and Restated Note shall be cumulative and not alternative. No waiver by City of any right or remedy under this Amended and Restated Note shall be effective unless in writing signed by City. Neither the failure nor any delay in exercising any right, power or privilege under this Amended and Restated Note will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege by City will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. To the maximum extent permitted by applicable law (a) no claim or right of City arising out of this Amended and Restated Note can be discharged by City, in whole or in part, by a waiver or renunciation of the claim or right unless in a writing, signed by City; (b) no waiver that may be given by City will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on Borrower will be deemed to be a waiver of any obligation of Borrower or of the right of City to take further action without notice or demand as provided in this Amended and Restated Note. Borrower hereby waives presentment, demand, protest, notices of dishonor and of protest and all defenses and pleas on the grounds of any extension or extensions of the time of payment or of any due date under this Amended and Restated Note, in whole or in part, whether before or after maturity and with or without notice.

3.2 NOTICES. Any notice required or permitted to be given hereunder shall be given in accordance with the Agreement.

3.3 SEVERABILITY. If any provision in this Amended and Restated Note is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Amended and Restated Note will remain in full force and effect. Any provision of this Amended and Restated Note held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

3.4 GOVERNING LAW; VENUE. This Amended and Restated Note shall be governed by the laws of the State of California without regard to principles of conflicts of laws. Venue shall be Stanislaus County, California.

3.5 PARTIES IN INTEREST. This Amended and Restated Note shall bind Borrower and its successors and assigns and shall accrue to the benefit of City and its successors and assigns.

3.6 SECTION HEADINGS, CONSTRUCTION. The headings of Sections in this Amended and Restated Note are provided for convenience only and will not affect its construction or interpretation.

3.7 RELATIONSHIP OF THE PARTIES. The relationship of Borrower and City under this Amended and Restated Note is solely that of borrower and lender, and the loan evidenced by this Amended and Restated Note will in no manner make City the partner or joint venturer of Borrower.

3.8 TIME IS OF THE ESSENCE. Time is of the essence with respect to every provision of this Amended and Restated Note.

3.9. JOINT AND SEVERAL OBLIGATIONS If this Amended and Restated Note is executed by more than one person as Borrower, the obligations of each shall be joint and several.

3.10 ASSIGNMENT BY LENDER; SUCCESSORS AND ASSIGNS. City may assign its rights to receive the proceeds under this Amended and Restated Note to any person, and upon notice to Borrower of such assignment, all payments shall be made to the assignee. The promises and agreements herein contained shall bind and inure to the benefit of, as applicable, the respective heirs, executors, administrators, successors and assigns of the parties; provided however, Borrower may not assign this Amended and Restated Note without City's written consent except in accordance with the Agreement or Deed of Trust.

3.11 Authority. The individual executing this Amended and Restated Note represent that they have the full right, capacity, power and authority to enter into this Amended and Restated Note and bind the Party they represent. Upon execution, this Amended and Restated Note shall be binding upon both parties.

Executed as of the date first written above.

BORROWER
STANISLAUS COUNTY AFFORDABLE HOUSING CORPORATION

By: _____

Title: _____

FOURTH AMENDMENT TO HOME LOAN AGREEMENT
(522 E. Granger)

THIS FOURTH AMENDMENT TO HOME LOAN AGREEMENT (this “**Amendment**”) is entered into as of _____, 2019 (the “**Effective Date**”), by and between the City of Modesto, a California charter city (the “**City**”) and Stanislaus County Affordable Housing Corporation (the “**Developer**”). The City and the Developer are collectively referred to herein as the “**Parties.**” Capitalized terms used in this Amendment and not defined herein have the meaning ascribed to them in the HOME Loan Agreement.

RECITALS

A. The City has received HOME Investment Partnership Act funds from the United States Department of Housing and Urban Development (“**HUD**”) pursuant to the Cranston-Gonzales National Housing Act of 1990 (“**HOME Funds**”). The HOME funds must be used by the City in accordance with 24. C.F.R. Part 92.

B. City and Developer entered into that certain HOME Loan Agreement dated September 22, 2015 as amended from time to time (the “**HOME Loan Agreement**”), whereby the City agreed to provide HOME Funds to the Developer in connection with the construction of approximately four (4) units of permanent, supportive housing in the City of Modesto (the “**Improvements**”).

C. The Home Loan Agreement is evidenced by that certain Amended and Restated Promissory Note Secured by Deed of Trust dated July 26, 2016, and secured by that certain Deed of Trust with Assignment of Rents, Security Agreement, and Fixture Filing recorded on September 16, 2016 in the Official Records of Stanislaus County as Document No. 2016-71323 (the “**Deed of Trust**”).

D. Due to unforeseen circumstances, and the Developer has determined that it needs additional funds in order to complete the construction of the Improvements.

E. There is a critical needs for permanent, supportive housing in the City of Modesto, and the City desires to provide additional HOME Funds to Developer in order to ensure that the Improvements are completed.

F. Pursuant to Section 8.3 of the HOME Loan Agreement, the City and the Developer now desire to amend the HOME Loan Agreement to increase the amount of the Loan by up to Forty Seven Thousand Five Hundred Fifty Seven Dollars (\$47,557), for a total Loan of not to exceed Six Hundred Ten Thousand Five Hundred Fifty Seven Dollars (\$610,557).

G. Developer shall execute a new Amended and Restated Promissory Note Secured by Deed of Trust to reflect the increased amount of the Loan, which shall be secured by the Deed of Trust.

H. The total amount of the HOME Funds to be provided to Developer for the Improvement does not exceed the current maximum per-unit HOME loan subsidy, as established by applicable regulations.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties to this Amendment agree as follows:

Section 1. Recitals. The above recitals are true and are incorporated into this Amendment by this reference.

Section 2. Amendment to Section 2.1 Loan. Section 2.1 of the HOME Loan Agreement is hereby amended as read as follows (~~strikethrough~~ is delete, *italics* is addition):

“Section 2.1 Loan.

(a) Subject to satisfaction of the conditions set forth in Article 2, as applicable, the City shall lend to the Developer the HOME Loan for the purposes set forth in Section 2.3 of this Agreement. The obligation to repay the HOME Loan shall be evidenced by the Note, in the form to be provided by the City. For the purposes of this Article 2, the HOME Loan will be disbursed in three (3) components:

(1) the “Acquisition Component” shall be a portion of the HOME Loan in the approximate amount of Two Hundred Thirty-Three Thousand Dollars (\$233,000) which shall be disbursed in accordance with the requirements of Section 2.6 below.

(2) the “Construction Component” shall be a portion of the HOME Loan in the approximate amount of *Three Hundred Sixteen Thousand Five Hundred Two Dollars (\$316,502)* ~~Two Hundred Seventy-Three Thousand Seven Hundred Dollars (\$273,700)~~ which shall be disbursed in accordance with the requirements of Section 2.6 below.

(3) the “Retention Component” shall be a portion of the HOME Loan in the approximate amount of *Sixty One Thousand Fifty Five Dollars (\$61,055)* ~~Fifty-Six Thousand Three Hundred Dollars (\$56,300)~~ or the balance of the HOME Loan, which shall be disbursed in accordance with the requirements of Section 2.7 below.

(b) The division of the HOME Loan between the Acquisition Component, the Construction Component, and the Retention Component may be readjusted by the City Manager, or the City Manager’s designee, without the need for formal amendment of this Agreement.”

Section 3. Subsection 2.7(a) of the HOME Loan Agreement is hereby amended as read as follows (~~strikethrough~~ is delete, *italics* is addition):

“Section 2.7 Conditions Precedent to Disbursement of Retention Component.

(a) The City shall not be obligated to disburse the final *Sixty One Thousand Fifty Five Dollars (\$61,055)* ~~Fifty Four Thousand Dollars (\$54,000)~~ of HOME Loan Funds which comprise the Retention Component of the HOME Loan unless the following conditions precedents are satisfied:”

Section 4. Subsection 5.1 of the HOME Loan Agreement is hereby amended as read as follows (~~strike through~~ is delete, *italics* is addition):

“Section 5.1 Match Requirement.

The Developer shall ensure that the HOME Loan is matched with a minimum of 25% of the loan amount which is equal to *One Hundred Fifty One Thousand Six Hundred Thirty Nine Dollars (\$152,639)* ~~One Hundred Thirty Five Thousands Dollars (\$135,000)~~, in other, non-federal sources, pursuant to and eligible under 24 CFR 92.220.”

Section 5. Except as set forth in this Amendment, the terms and conditions of the HOME Loan Agreement shall remain unchanged and in full force and effect.

SIGNATURES ON FOLLOWING PAGE

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

CITY OF MODESTO

By: _____
Joseph Lopez, City Manager

ATTEST:

By: _____
Stephanie Lopez, City Clerk

APPROVED AS TO FORM

By: _____
Adam U. Lindgren, City Attorney

STANISLAUS COUNTY AFFORDABLE HOUSING CORPORATION

By: _____

Title: _____