



City of Salinas

COMMUNITY DEVELOPMENT DEPARTMENT

65 W. Alisal Street, 2nd Floor • Salinas, California 93901
(831) 758-7387 • (831) 775-4258 (Fax) • www.ci.salinas.ca.us

MidPen Housing Corporation
Elizabeth (Betsy) Nahas Wilson,
Director of Housing Development
275 Main Street, Suite 204
Watsonville, CA 95076

February 21, 2017

SUBJECT: City Funding Reservation Letter for 5-21 Soledad Street Salinas, CA 93901

Dear Ms. Wilson:

The City of Salinas has already awarded subject project with \$626,500 of City funds; City will also be reserving FY 17/18 and FY 18/19 CDBG funds and FY 18/19 HOME funds along with a Fee Deferral and land donation to provide construction and permanent financing for MidPen's proposed 90-unit development located at 21 Soledad St. The terms of the financing will be as follows:

Lender	City of Salinas: CDBG-HOME-Fee Deferral & Land Donation
Borrower	MidPen Housing Corporation 275 Main Street, Suite 204 Watsonville, CA 95076
Loan Amount	Up to \$3,409,000 (additional amount of Gap Financing needed)
Interest Rate	No more than 3%, simple
Payment Schedule	Interest and then principal to be paid from residual receipts
Term	30 years

The above funds are reserved for the proposed subject project. The FY 17/18 and FY 18/19 CDBG funds and FY 18/19 HOME funds are conditioned on the receipt by the City of such funds from HUD. The funds will be available at the earliest upon execution of the Grant Agreement's from HUD (anticipated between August and September 2017 and 2018).

Sincerely,

Ray E. Corpuz, Jr.
City Manager

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