



March 2, 2005

Housing Authority and City Council
of the City of Sacramento
Sacramento, California

Honorable Members in Session:

**SUBJECT: TAX-EXEMPT BOND PROPOSAL AND AGENCY LOAN: SILVERADO
CREEK APARTMENTS**

LOCATION & COUNCIL DISTRICT

Southeast corner of Bruceville Road and Jacinto Road
District 8

RECOMMENDATION

Staff recommends adoption of the attached resolutions which take the following actions:

- authorizes the issuance by the Housing Authority of the City of Sacramento (Housing Authority) of not more than \$15,500,000 in tax-exempt mortgage revenue bonds to provide construction and permanent financing for the Silverado Creek Apartments project located within the City of Sacramento and to reimburse expenditures from the bond proceeds;
- authorizes an application to the California Debt Limit Allocation Committee (CDLAC) for allocation authority to issue the bonds;
- indicates that the City Council has conducted a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing related to the proposed acquisition, construction and permanent financing of the project;
- approves a commitment for a \$2,200,000 Agency loan to USA Properties Fund, Inc. for the Silverado Creek Apartments and authorize the execution of a loan commitment and related loan agreements with the terms contained in the loan commitment; and

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- authorize the budget transfer of \$1,200,000 from City Housing Trust Funds and \$1,000,000 from City HOME funds to the Silverado Creek Apartments project.

CONTACT PERSONS

Darren Bobrowsky, Development Services Director, 440-1310
Christine Weichert, Program Manager, 440-1353
Kelly Korver, Housing Finance Analyst, 440-1399 x1264

FOR COUNCIL MEETING OF March 15, 2005

SUMMARY

This report recommends approval of \$15,500,000 in tax-exempt mortgage revenue bonds and a \$2,200,000 Agency loan, funded from City HOME and Housing Trust Fund, for the construction and permanent financing for the Silverado Creek Apartments project. Associated with the bond financing is 1) adoption of an inducement resolution to indicate the Housing Authority's intent to issue mortgage revenue bonds; 2) holding a TEFRA public hearing; and 3) authorization of an application to CDLAC for authority to issue the bonds. These actions will not bind the Housing Authority to issue bonds until and unless all other necessary actions and approvals are taken or received in accordance with all applicable laws and to the satisfaction of the City Council. The hearing of this report by the City Council shall serve as the public hearing required under TEFRA.

COMMISSION ACTION

At its meeting March 2, 2005 the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolutions. The votes were as follows:

AYES: Burruss, Coriano, Gore, Harland, Hoag, Piatkowski, Simon, Stivers

NOES: None

ABSENT: Burns

BACKGROUND

USA Properties Fund, Inc., ("Developer") previously submitted an application for issuance of tax-exempt mortgage revenue bonds and Agency financing for the acquisition, construction and permanent financing of the Silverado Creek Apartment

630 I Street, Sacramento, California 95814

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project located at the southeast corner of Bruceville Road and Jacinto Road (a map is included as Attachment I). The proposed project is a 168-unit multi-family, mixed-income apartment complex in the North Laguna Creek community. The Developer applied to the Agency for the financing of 112 affordable units; the 56 market rate units were to be financed independently but managed and operated along with the affordable units. On June 29, 2004 the City Council approved a \$1.2 million Housing Trust Fund loan to USA properties and authorized the submittal of a bond application to the California Debt Limit Allocation Committee (CDLAC) for the construction of the 112 rent restricted units. Unfortunately, the 56 market rate units were unable to secure financing as a stand alone project.

Due to the inability of the market rate component of the Silverado Creek Apartments to obtain financing, the Agency is recommending changing the project's overall financing structure. It is now proposed that all 168 units apply to CDLAC for a tax exempt bond financing. As a result of this new financing structure there will be an increase the percentage of affordable units from 67 to 80 percent.

Upon execution of appropriate inclusionary housing agreements, the Silverado Creek Apartments will provide off-site inclusionary units for 39 very low income households for the JTS-The Meadows subdivision and 16 units for very low income households for the Sheldon Whitehouse subdivision in accordance with the City's Mixed Income Housing Ordinance. The project will also carry its own inclusionary housing requirement of 17 very low income units and nine low income units, which will be provided on site. Both the JTS and Sheldon Whitehouse inclusionary housing plans have been approved by the City Council. In June 2004, the zoning administrator of the City approved both the project level entitlements and the Inclusionary Housing Plan for the Silverado Creek Apartments.

Project Description

The Silverado Creek Apartments will be built on an 8.7 acre parcel in the North Laguna Creek neighborhood of the City. The project will include 12 two- and three-story residential buildings and a one-story central clubhouse. The buildings will be type V wood frame construction with exterior stucco finishes, concrete shingle roofs and double paned windows.

On site parking for the project will include a total of 304 spaces consisting of 41 garages, 168 carports and 95 open parking spaces. There will be bike lockers located throughout the property. Community amenities include a swimming pool, a tot lot play area, and a community building with a kitchen, fitness center, laundry room, and business center.

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All individual residential units will include pantries, dishwashers, central heating and air, garbage disposals, washer/dryer hook-ups and private patios or balconies with storage space.

Agency Financing

The Silverado Creek Apartments are proposed to be financed through the issuance of a series of in tax-exempt mortgage revenue bonds not to exceed \$15,500,000, private equity through the syndication of low-income housing tax credits and a \$2,200,000 Agency loan utilizing a previously approved \$1.2 million in City Housing Trust Funds and \$1 million in HOME funds. The project includes 63 units at affordable levels for households earning no more than 60 percent of the median income and an additional 72 units at affordable levels of no more than 50 percent AMI, all for a 55 year period. Payments of interest and principal on the Agency loan shall be deferred for the first 13 years with interest accruing at four percent simple interest. Starting in year 14 the outstanding principal and interest will be fully amortized over the next 12 years. A project's 30-year cash flow can be found in Attachment V. The draft commitment letter for Agency financing detailing the proposed Agency loan can be found on page 25.

In June 2004 the City Council approved a loan of \$1,200,000 for the construction of 112 affordable units within Silverado Creek. This staff report request an additional \$1,000,000 for a total of a \$2,200,000 loan. With the addition of 56 units being proposed along with the initial 112, the overall cost to the project has increased by \$8,000,000. In addition the bids received by USA Properties were higher than initially anticipated, due to a tight construction market and escalating material costs.

Developer

USA Properties Fund, Inc. (the "Developer"), a privately owned real estate and development organization based in Roseville, has been in operation since 1981. Since 1985, the developer has developed and constructed or rehabilitated over 48 multi-family projects including over 6,500 units. Recent projects completed by the Developer in the Sacramento region include Terracina Gold Apartments (280 units), Terracina Meadows Apartments (156 units), Terracina Park Meadows (144 units) and Vintage Willow Creek Senior Apartments (184 units). USA Properties has a demonstrated knowledge and experience in the delivery of high quality projects.

USA Properties Fund will partner with the non-profit Riverside Charitable Corporation, based in Orange, California, to provide on-site resident services. Riverside is an experienced operator of affordable housing, and is a partner in several affordable projects in Sacramento, including the Terracina Gold Apartments and the Cottage Estates Apartments (also developed by USA Properties).

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Property Management

USA Properties Fund, Inc. retains ownership of its developments with the management undertaken by its subsidiary USA Multi-Family Management. USA Multi-Family Management currently manages all of the properties owned by USA Properties Fund, Inc. Agency staff has thoroughly reviewed the management plan, including daily operations, leasing procedures, maintenance, and eviction procedures, and has found that the proposed management company meets all Agency requirements for property management.

Bond Financing

As a public entity, the Housing Authority can issue tax-exempt bonds, the proceeds of which provide acquisition, construction, and permanent financing for multi-family housing projects. Because interest paid on the bonds is exempt from federal and state income tax, bondholders will accept a below-market yield from the bonds. These savings are, in turn, passed on to the project owner in the form of a below-market rate loan, with interest rates approximately one to two percent below prevailing market rates.

For the Silverado Creek Apartments project, these bonds are proposed to be privately placed through US Bank. US Bank will fund the bonds in three series: a short term construction series to be redeemed 24 months after issuance and two term series bonds for 30 years. The construction and permanent bond financing for the project will not exceed \$15,500,000. Because the bonds for Silverado Creek are proposed to be privately placed, they do not require credit enhancement, but will be issued pursuant to the approved private placement policy in accordance with the Agency's Mortgage Revenue Bond Program.

Low-income Set-aside Requirements

As a condition for receiving the benefits of this below-market rate financing, federal law requires that project units be set aside for targeted income groups for at least 15 years. The federal set-aside requirements are that: at least 20 percent of the project's total units are rented to households earning 50 percent or below of the area median income; or alternatively, 40 percent of project units are rented to households at or below 60 percent of area median. However, the terms of the Agency loan will require the Silverado Creek Apartment units be restricted for a period of 55 years per Agency policy.

State law further requires that monthly rents for the set-aside units be limited to 30 percent of the targeted group's monthly income, adjusted for household size. The project's set-aside requirements will be specified in a regulatory agreement between the Housing Authority and the developer, to be executed upon closing of the bond sale.

The proposed project financing for the project utilizes an Agency Housing Trust Fund loan, a HOME loan, and Low Income Housing Tax Credits in conjunction with the tax-

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exempt mortgage revenue bond issuance to finance this project. In addition, the Silverado Creek project will be providing inclusionary housing units under the City's Mixed Income Housing Ordinance for two off-site projects, requiring a greater number of very low income units that required by the funding sources. This combination of financing proposes to restrict 80 percent (135 units) of the units at affordability levels to households earning 60 percent or below the area median. The following chart summarizes the number, percentage, and length of the different affordability required by funding source for the project:

Silverado Creek Apartments

Unit Type	Percent of Units	Affordability Restrictions	Units	Regulatory Requirements
Agency Loan & Tax-exempt Bonds	43	Very Low (50%)	72	55 years
Agency Loan & LIHTC	38	Low (60%)	63	55 years
Market	19		33	
Total	100		168	

* LIHTC = Low Income Housing Tax Credits

Maximum rent and income limits for mortgage revenue bond, low-income housing tax credit, HOME and Housing Trust Fund programs can be found in Attachment VI.

State and Local Approval Process

The Housing Authority must apply for and receive authorization from CDLAC prior to issuing mortgage revenue bonds. Staff proposes to submit an application for consideration in March 2005. If approved, the bond authority to be drawn against CDLAC's 2005 volume cap on behalf of the Silverado Creek Apartments will be an amount not exceeding \$15,500,000.

Project Inducement

Prior to granting bond allocation, CDLAC will require that an "inducement" resolution be adopted by the entity proposing to issue the bonds. Inducement at this time will also allow the Developer to be reimbursed from bond issue proceeds for predevelopment and construction expenses that it has and will incur. Staff thus recommends that the City, acting as the Housing Authority, adopt a resolution to indicate its intent to issue bonds to finance the construction of the project. Adoption of the resolution will not bind the City to issue bonds until and unless all other necessary actions are taken in accordance with all applicable laws.

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FINANCIAL CONSIDERATIONS

The application of adopted mortgage revenue bond policies, which requires the payment in lieu of taxes, will result in a payment to the City of approximately \$18,000 per year from the Silverado Creek Apartments.

Adoption of the attached bond resolutions on pages 17-20 will not result in any direct financial impact to the City, Housing Authority, and/or SHRA. Repayment for the bond issues is solely the responsibility of the Project and Developer. The Developer will be responsible for payment of the CDLAC processing fee and posting of a one-half percent performance bond.

This report also authorizes a budget appropriation \$1,000,000 of City HOME funds in addition to the previously approved \$1,200,000 of City Housing Trust Funds, for the Silverado Creek Apartment project to fund the \$2,200,000 loan on the terms described above.

POLICY CONSIDERATIONS

The recommended actions are consistent with previously approved Mortgage Revenue Bond, Agency loan policy and the City's Mixed Income Housing Ordinance. Developer compliance with the regulatory agreement and the properties' physical condition will be monitored by the Agency on a regular basis.

ENVIRONMENTAL REVIEW

The potential environmental impacts of the development project were evaluated by the City of Sacramento, which prepared an Initial Study and issued a Negative Declaration, finding that the project will not have a significant adverse impact on the environment. The proposed actions set out in this staff report are exempt from further environmental review in reliance on the City's determination, and the CEQA Guidelines Section 15310 and the Agency's Environmental Procedures which provide that approval of loans and bond financing funding mechanisms are exempt from environmental review. An Environmental Assessment and Finding of No Significant Impact (FONSI) was prepared for the project to fulfill NEPA requirements for the HOME funding pursuant to 24 CFR Part 58. Therefore, no further environmental review is required.

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M/WBE CONSIDERATIONS

Minority and Women’s Business Enterprise requirements will be applied to all activities to the extent required by the federal funding.

Respectfully submitted,



ANNE M. MOORE
Executive Director

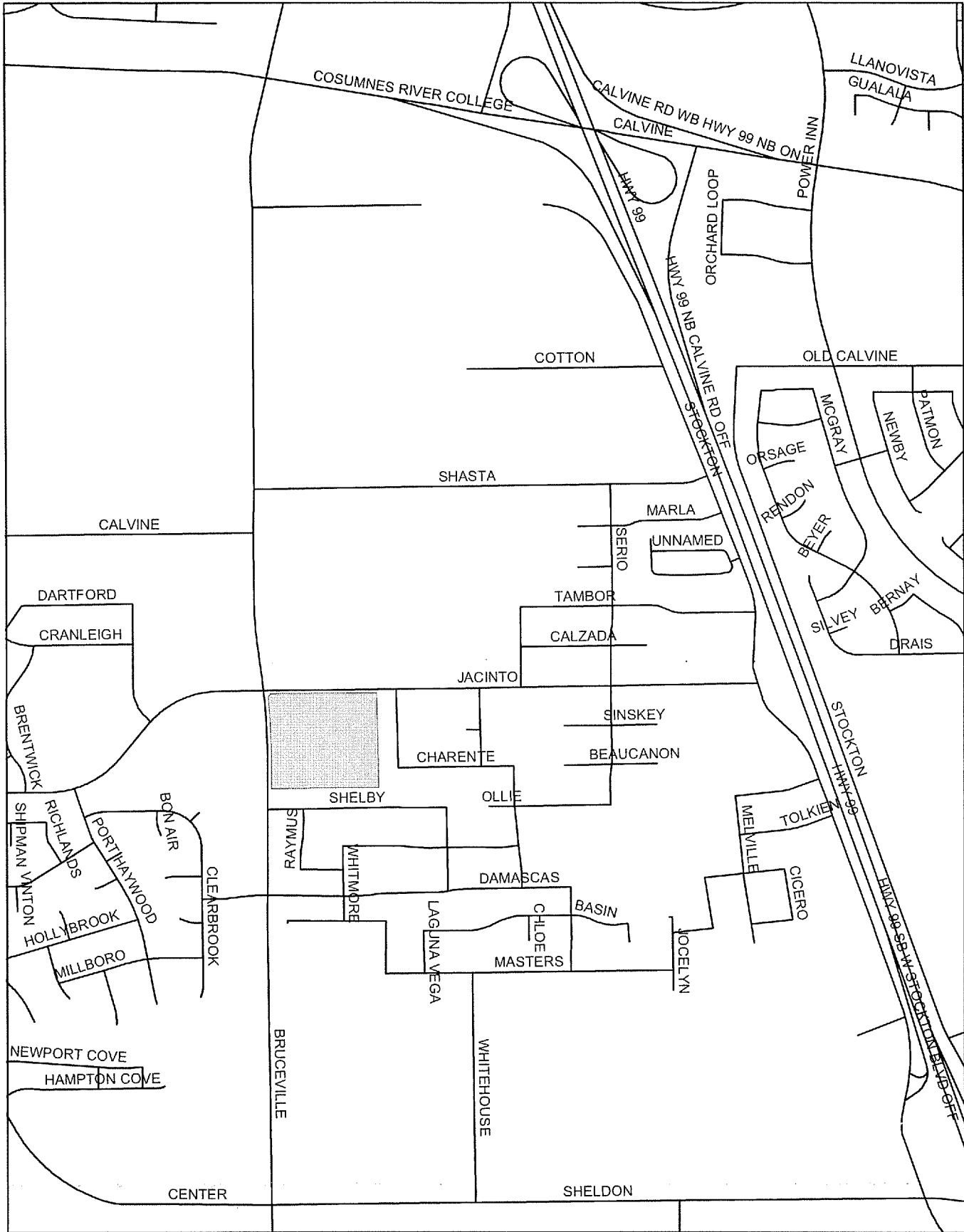
Transmittal approved,




ROBERT P. THOMAS
City Manager

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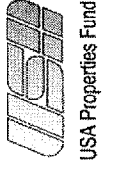
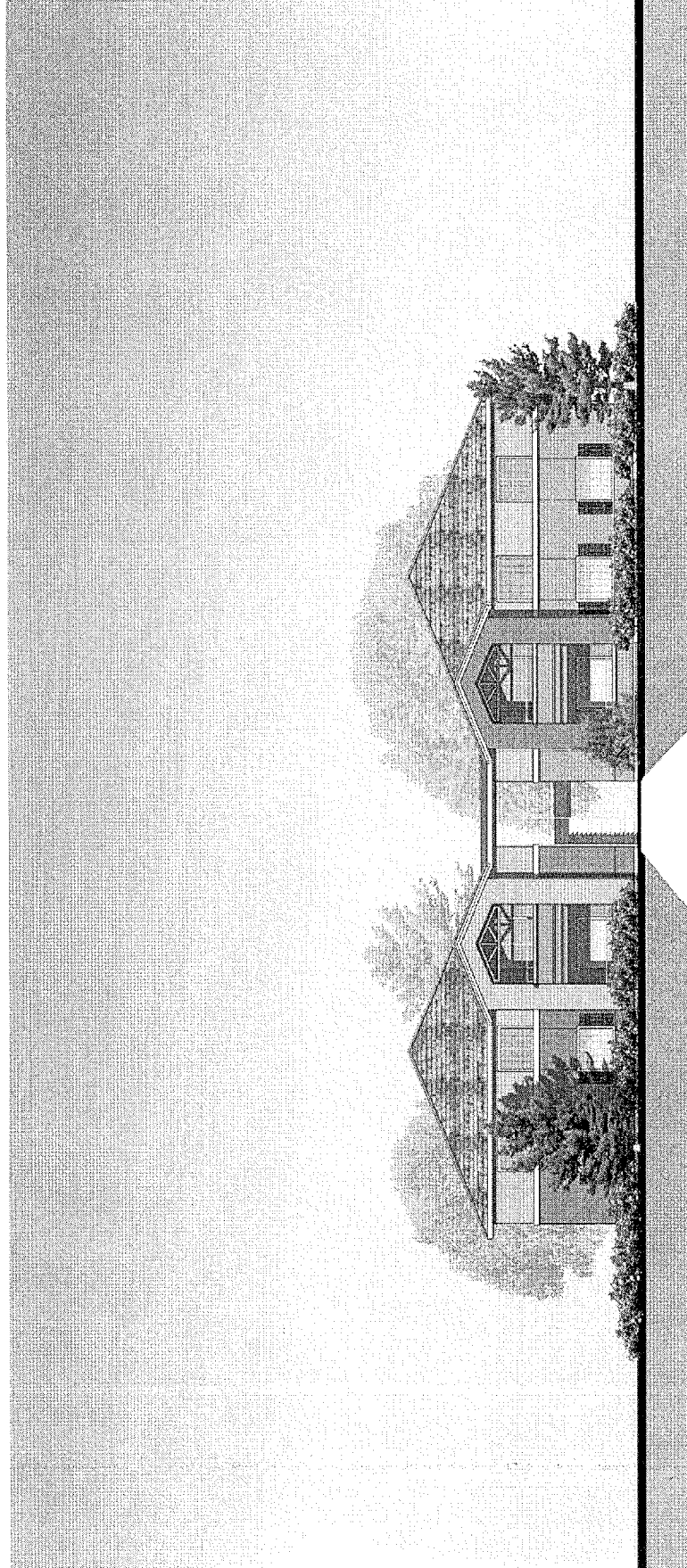


Legend

 Subject Site

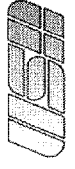
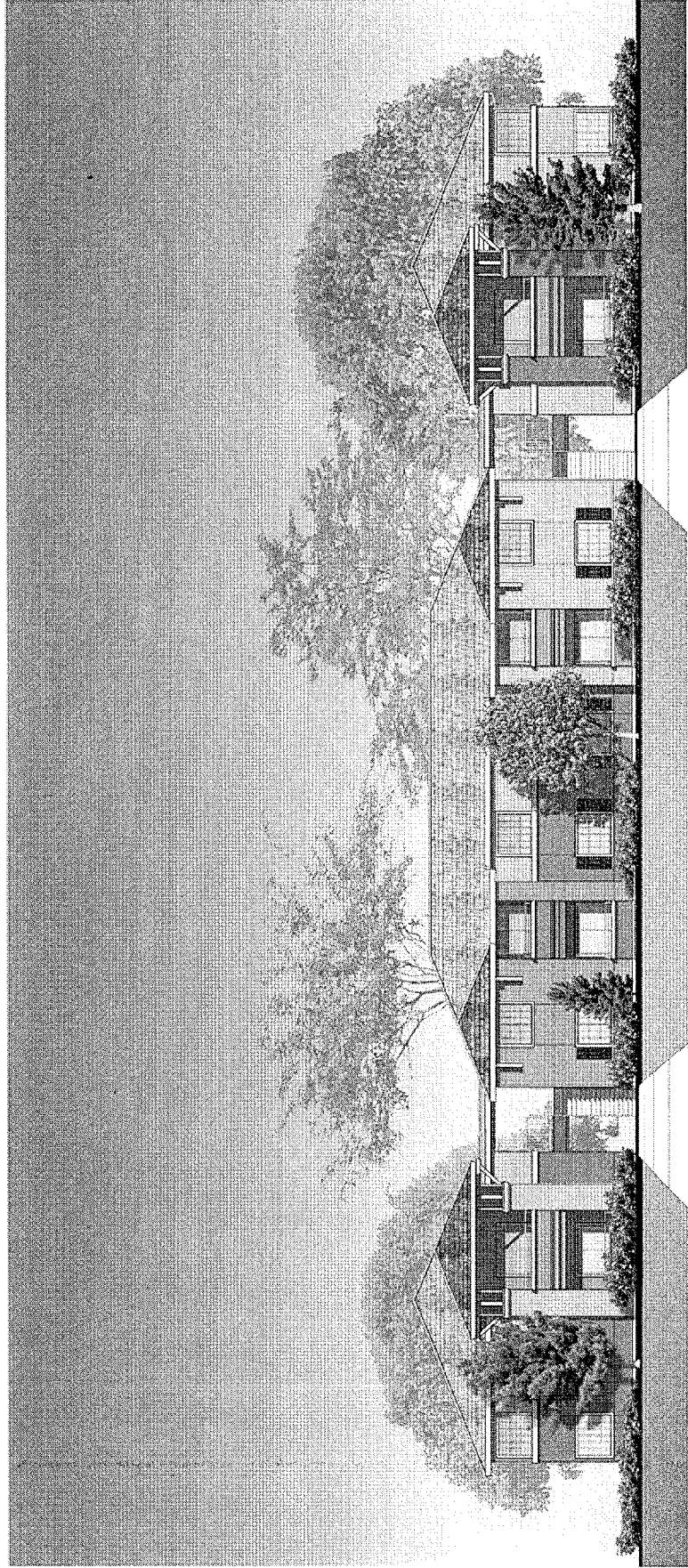


**Silverado Creek Apartments
Site Map⁽⁹⁾**



BUILDING TYPE A
March 16, 2016
 10000 10000 10000 10000

SILVERADO CREEK
 CITY OF SACRAMENTO, CA



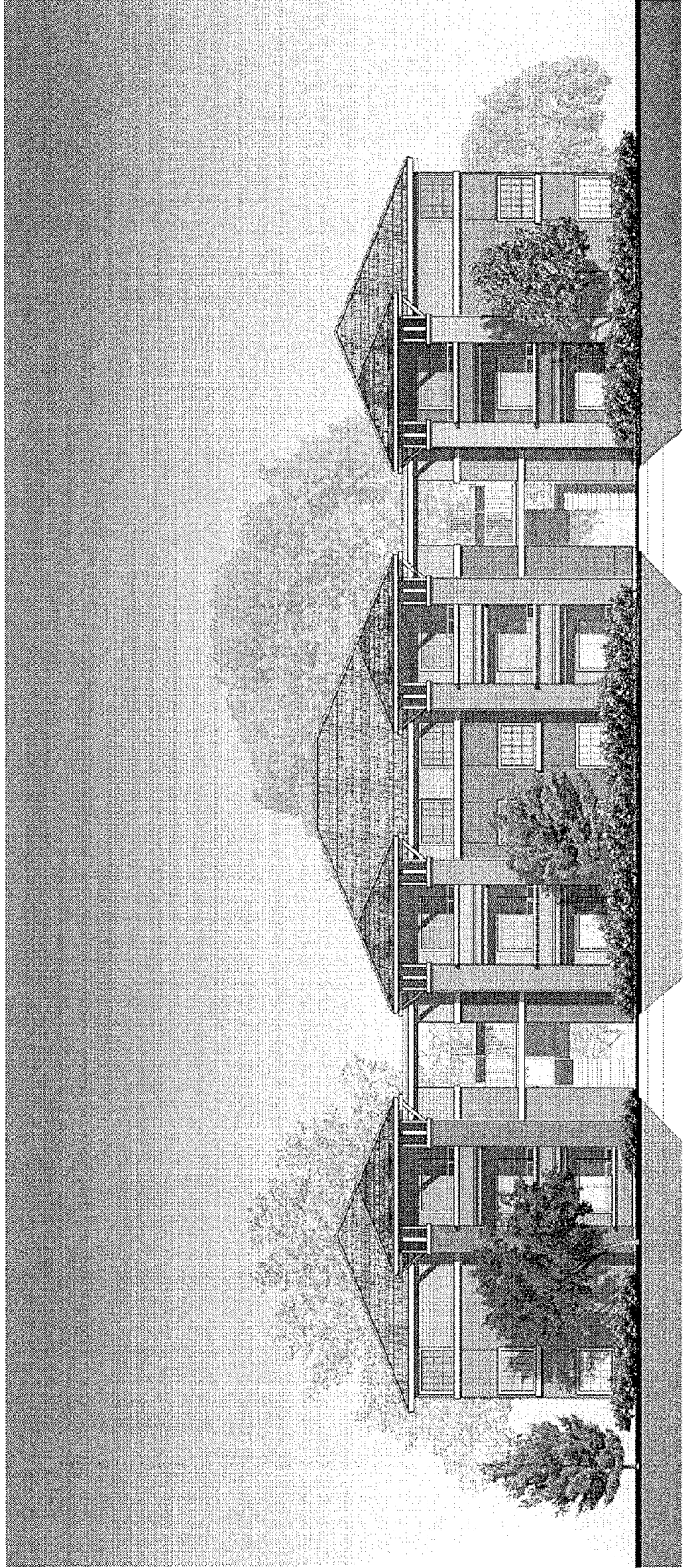
USA Properties Fund



kuchman
ARCHITECTS

BUILDING TYPE B
REVISED 2008 10/16/08/09

SILVERADO CREEK
CITY OF SACRAMENTO, CA



1000 J Street
Sacramento, CA 95811
Tel: 916.497.3400

BUILDING TYPE C

SILVERADO CREEK
CITY OF SACRAMENTO, CA

Silverado Creek Apartments - Budget and Unit Mix

Address	Southeast corner of Bruceville and Jacinto		
Number of Units	168		
Affordability	42% of units @ or below 50% of median income 38% of units @ or below 60% of median income 20% of units @ market rate		
Unit Mix and Rents	50% of Median	60% of Median	Market
1 BR / 1 BA	17	13	6
2 BR / 2 BA	39	25	20
3 BR / 2 BA	16	25	7
Square Footage			
1 BR	703		
2 BR	960, 1014		
3 BR	1127		
Resident Facilities	Clubhouse with kitchen, fitness center, business center and central laundry. Bike lockers, tot lot play area, and swimming pool.		
Sources	<i>Total</i>	<i>Per Unit</i>	<i>Per Square Foot</i>
Senior MRB	\$ 13,100,000	\$ 77,976	\$ 81.19
Tax Credit Equity	\$ 8,407,491	\$ 50,045	\$ 52.11
SHRA Loan	\$ 2,200,000	\$ 13,095	\$ 13.64
Deferred Contractor Fee	\$ 347,399	\$ 2,068	\$ 2.15
Developer Note	\$ 1,400,000	\$ 8,333	\$ 8.68
TOTAL SOURCES	\$ 25,454,890	\$ 151,517	\$ 157.77
Uses			
Off Site Improvements	\$ 822,292	\$ 4,895	\$ 5.10
Government Fees	\$ 1,551,353	\$ 9,234	\$ 9.62
Architecture, Engineering & Survey	\$ 540,500	\$ 3,217	\$ 3.35
Sitework	\$ 2,934,871	\$ 17,469	\$ 18.19
Residential Construction	\$ 13,029,310	\$ 77,555	\$ 80.76
Common Area	\$ 1,549,626	\$ 9,224	\$ 9.60
General Requirements	\$ 405,549	\$ 2,414	\$ 2.51
Contingency	\$ 916,105	\$ 5,453	\$ 5.68
Contractor Profit and Overhead	\$ 896,585	\$ 5,337	\$ 5.56
Rent Reserves	\$ 75,000	\$ 446	\$ 0.46
Studies	\$ 40,000	\$ 238	\$ 0.25
Promotion, Advertising & Sales Office	\$ 175,000	\$ 1,042	\$ 1.08
Tax Credit Fees, Loan Fees and Points	\$ 793,699	\$ 4,724	\$ 4.92
Escrow, Title, Legal & Accounting Fees	\$ 175,000	\$ 1,042	\$ 1.08
Taxes & Insurance	\$ 150,000	\$ 893	\$ 0.93
Developer Costs	\$ 1,400,000	\$ 8,333	\$ 8.68
TOTAL USES	\$ 25,454,890	\$ 151,517	\$ 157.77
Management / Operations			
Proposed Developer	USA Properties Fund, Inc.		
Property Management Company	USA Multi-Family Management		
Operations Budget (Total / Unit)	\$553,856	\$3,297	
Reserves (Total / Unit)	\$50,400	\$300	
Tax Credit Investor	To be determined		

Silverado Creek Apartments
Project Pro-forma

Unit Type	Number	Square Feet	Total Sq Feet	Monthly Rebt	Rent per Sq Foot	Total Mo. Rent	Annual Rent	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
1BR/1BA @ 50% AMI	17	703	11,951	\$553	\$0.79	\$9,401	\$112,812						
1BR/1BA @ 60% AMI	13	703	9,139	\$673	\$0.96	\$8,749	\$104,988						
1BR/1BA @ Market	6	703	4,218	\$850	\$1.21	\$5,100	\$61,200						
2BR/2BA @ 50% AMI	39	960	37,440	\$657	\$0.68	\$25,623	\$307,476						
2BR/2BA @ 60% AMI	9	960	8,640	\$801	\$0.83	\$7,209	\$86,508						
2BR/2BA @ 60% AMI	16	1,014	16,224	\$801	\$0.79	\$12,816	\$153,792						
2BR/2BA @ Market	12	1,014	12,168	\$1,075	\$1.06	\$12,900	\$154,800						
2BR/2BA @ Market	8	1,014	8,112	\$1,075	\$1.06	\$8,600	\$103,200						
3BR/2BA @ 50% AMI	16	1,127	18,032	\$752	\$0.67	\$12,032	\$144,384						
3BR/2BA @ 60% AMI	25	1,127	28,175	\$918	\$0.81	\$22,950	\$275,400						
3BR/2BA @ Market	7	1,127	7,889	\$1,175	\$1.04	\$8,225	\$98,700						
Total / Average	168	10,452	161,988	\$1,218	\$1.30	\$133,605	\$1,603,260						
Potential Gross Income	2.5%	9,543	1,603,260	1,643,342	1,684,425	1,726,536	1,769,699	2,002,252	2,265,364	2,563,052	2,899,858	3,280,923	
Misc. Income	2.5%	532	89,316	91,549	93,838	96,184	98,588	111,543	126,201	142,785	161,548	182,777	
Gross Annual Income		10,075	1,692,576	1,734,890	1,778,263	1,822,719	1,868,287	2,113,795	2,391,566	2,705,837	3,061,406	3,463,700	
Vacancy & Collection Loss	5.0%	504	84,629	86,745	88,913	91,136	93,414	105,690	119,578	135,292	153,070	173,185	
Effective Gross Income			1,607,947	1,648,146	1,689,350	1,731,583	1,774,873	2,008,106	2,271,987	2,570,545	2,908,336	3,290,515	
Operating Expenses	3.5%	2,750	462,000	478,170	494,906	512,228	530,156	629,659	747,837	888,196	1,054,898	1,252,888	
Social Services	3.5%	71	12,000	12,420	12,855	13,305	13,770	16,355	19,424	23,070	27,400	32,543	
Real Estate Taxes	2.0%	475	79,856	81,453	83,082	84,744	86,439	95,435	105,368	116,335	128,443	141,812	
Replacement Reserves	0.0%	300	50,400	50,400	50,400	50,400	50,400	50,400	50,400	50,400	50,400	50,400	
Total Expenses			604,256	622,443	641,243	660,676	680,765	791,849	923,029	1,078,001	1,261,141	1,477,642	
Net Operating Income			1,003,691	1,025,703	1,048,107	1,070,907	1,094,108	1,216,257	1,348,958	1,492,544	1,647,195	1,812,873	

Debt Service	Amount	Rate	Term
First Note	\$13,100,000	5.3%	30
Agency Loan	\$2,200,000	4.0%	
Total Debt Service			
Combined DCR	1.15	1.17	1.20
Developer Note Payments	70,000	80,000	90,000
Cash Available for Distribution	60,752	72,764	85,168
Accounting Fee	3,600	3,600	3,600
Other Partnership Expenses	5,000	5,000	5,000
PILOT Fee	18,090	18,090	18,090
Remaining Cash	34,062	46,074	58,478
SHRA Loan	\$2,200,000	4.0%	
Interest for Period	88,000	88,000	88,000
Payment	0	0	0
Accrued Interest	88,000	176,000	264,000
Principal Balance	2,200,000	2,200,000	2,200,000

MAXIMUM RENT AND INCOME RESTRICTIONS - 2005

Mortgage Revenue Bond Program
(Rents @ 50% of AMI less utility allowance)

Maximum Income Limits:	
Family Size	50% AMI Max. Income
1 person	\$ 22,450
2 person	\$ 25,650
3 person	\$ 28,850
4 person	\$ 32,050
5 person	\$ 34,600

Maximum Rent Limits:	
Unit Size	Gross Rent
1 Bedroom	\$ 601
2 Bedroom	\$ 721
3 Bedroom	\$ 833

4% Low-Income Housing Tax Credit Program
(Rents @ 60% of AMI less utility allowance)

Maximum Income Limits:	
Family Size	60% AMI Max. Income
1 person	\$ 26,940
2 person	\$ 30,780
3 person	\$ 34,620
4 person	\$ 38,460
5 person	\$ 41,520

Maximum Rent Limits:	
Unit Size	Gross Rent
1 Bedroom	\$ 721
2 Bedroom	\$ 865
3 Bedroom	\$ 999

HOME and Housing Trust Funds

(Rents @ 50% and 65% of AMI less utility allowance)

Maximum Income Limits:		(HOME & HTF)	
Family Size	Max. Income	60% AMI	
		(HOME only)	(HOME & HTF)
1 person	\$ 22,450	\$ 26,940	\$ 26,940
2 person	\$ 25,650	\$ 30,780	\$ 30,780
3 person	\$ 28,850	\$ 34,620	\$ 34,620
4 person	\$ 32,050	\$ 38,460	\$ 38,460
5 person	\$ 34,600	\$ 41,520	\$ 41,520

Maximum Rent Limits:	
Unit Size	Gross Rent
1 Bedroom	\$ 601
2 Bedroom	\$ 721
3 Bedroom	\$ 833

Maximum Rent Limits:	
Unit Size	Gross Rent (at 65% AMI)
1 Bedroom	\$ 759
2 Bedroom	\$ 915
3 Bedroom	\$ 1,049

RESOLUTION NO. _____

ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO

ON DATE OF _____

**DECLARING INTENTION TO REIMBURSE EXPENDITURES
FROM THE PROCEEDS OF TAX-EXEMPT OBLIGATIONS
AND DIRECTING CERTAIN ACTIONS**

WHEREAS, the Housing Authority of the City of Sacramento (the "Authority") intends to issue tax-exempt obligations (the "Obligations") for the purpose, among other things, of making a loan to USA Properties Fund, Inc., or a limited partnership or limited liability company related to or formed by USA Properties Fund, Inc. (the "Developer"), the proceeds of which shall be used by the Developer to finance the acquisition, construction and development of 168 units of multifamily housing facilities to be commonly known as the Silverado Creek Apartments and to be located at the Southeast corner of Bruceville Road and Jacinto Road, Sacramento, California. (the "Project"); and

WHEREAS, United States Income Tax Regulations section 1.103-18 provides generally that proceeds of tax-exempt debt are not deemed to be expended when such proceeds are used for reimbursement of expenditures made prior to the date of issuance of such debt unless certain procedures are followed, among which is a requirement that (with certain exceptions), prior to the payment of any such expenditure, the issuer must declare an intention to reimburse such expenditure; and

WHEREAS, it is in the public interest and for the public benefit that the Authority declare its official intent to reimburse the expenditures referenced herein;

BE IT RESOLVED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO:

Section 1. The Authority intends to issue the Obligations for the purpose of paying the costs of financing the acquisition, construction and development of the Project.

Section 2. The Authority hereby declares that it reasonably expects that a portion of the proceeds of the Obligations will be used for reimbursement of expenditures for the acquisition, construction and development of the Project that are paid before the date of initial execution and delivery of the Obligations.

Section 3. The maximum amount of proceeds of the Obligations to be used for reimbursement of expenditures for the acquisition, construction and development of the Project that are paid before the date of initial execution and delivery of the Obligations is not to exceed \$15,500,000.

Section 4. The foregoing declaration is consistent with the budgetary and financial circumstances of the Authority in that there are no funds (other than proceeds of the Obligations) that are reasonably expected to be (i) reserved, (ii) allocated or (iii) otherwise set aside, on a long-term basis, by or on behalf of the Authority, or any public entity controlled by

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

the Authority, for the expenditures for the acquisition, construction and development of the Project that are expected to be reimbursed from the proceeds of the Obligations.

Section 5. The Developer shall be responsible for the payment of all present and future costs in connection with the issuance of the Obligations, including, but not limited to, any fees and expenses incurred by the Authority in anticipation of the issuance of the Obligations, the cost of printing any official statement, rating agency costs, bond counsel fees and expenses, underwriting discount and costs, trustee fees and expense, and the costs of printing the Obligations. The payment of the principal, redemption premium, if any, and purchase price of and interest on the Obligations shall be solely the responsibility of the Developer. The Obligations shall not constitute a debt or obligation of the Authority.

Section 6. The law firm of Jones Hall, A Professional Law Corporation, is hereby named as bond counsel to the Authority in connection with the issuance of the Obligations. The fees and expense of bond counsel and any financial advisor employed by the Authority in connection with the issuance of the Obligations are to be paid solely from the proceeds of the Obligations or directly by the Developer.

Section 7. The appropriate officers or staff of the Authority are hereby authorized, for and in the name of and on behalf of the Authority, to make an application to the California Debt Limit Allocation Committee for an allocation of private activity bonds for the financing of the Project.

Section 8. The adoption of this Resolution shall not obligate (i) the Authority to provide financing to the Developer for the acquisition, construction and development of the Project or to issue the Obligations for purposes of such financing; or (ii) the Authority, of or any department of the Authority or the City of Sacramento to approve any application or request for, or take any other action in connection with, any environmental, General Plan, zoning or any other permit or other action necessary for the acquisition, construction, development or operation of the Project.

Section 9. This resolution shall take effect immediately upon its adoption.

CHAIR

ATTEST:

SECRETARY

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

RESOLUTION NO. _____

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**APPROVING THE ISSUANCE
OF TAX-EXEMPT OBLIGATIONS
AND DIRECTING CERTAIN ACTIONS**

WHEREAS, the Housing Authority of the City of Sacramento (the "Issuer") intends to issue tax-exempt obligations in an amount not to exceed \$15,500,000 (the "Obligations") for the purpose, among other things, of making a loan to USA Properties Fund, Inc., or a limited partnership or limited liability company related to or formed by USA Properties Fund, Inc (the "Developer"), the proceeds of which shall be used by the Developer to finance the acquisition, construction and development of approximately 168 units of multifamily housing rental facilities to be known as the Silverado Creek Apartments and to be located at the Southeast corner of Bruceville Road and Jacinto Road, Sacramento, California (the "Project"); and

WHEREAS, the Issuer is authorized by Chapter 1 of Part 2 of Division 24 of the Health and Safety Code of the State of California to issue and sell revenue bonds for the purpose of financing the acquisition, construction and development of multifamily rental housing facilities to be occupied in part by very low income tenants; and

WHEREAS, in order for the Obligations to be considered "qualified exempt facility bonds" under Section 142(a) of the Internal Revenue Code of 1986, as amended (the "Code"), Section 147(f) of the Code requires that the "applicable elected representatives" of the area in which the Project is to be located hold a public hearing on and approve the issuance of the Obligations; and

WHEREAS, this City Council is the elected legislative body of the City of Sacramento (the "City"); and

WHEREAS, a notice of public hearing in a newspaper of general circulation in the City has been published, to the effect that a public hearing would be held by this City Council regarding the issuance of the Obligations by the Issuer and the nature and location of the Project; and

WHEREAS, this City Council held said public hearing on the published date, at which time an opportunity was provided to present arguments both for and against the issuance of such Bonds and the nature and location of the Project; and

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RESOLUTION NO.: _____

DATE ADOPTED: _____

WHEREAS, it is in the public interest and for the public benefit that the City approve the issuance and delivery of the Obligations for the purpose of financing the acquisition, construction and development of the Project;

WHEREAS, the City shall not have any liability for the repayment of the Obligations or any responsibility for the Project;

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO:

Section 1. The City hereby finds and determines that the foregoing recitals are true and correct.

Section 2. To express the City's consent to the issuance of the Obligations and for the purpose of fulfilling the requirement of Section 147(f) of the Code, the City hereby approves the issuance and delivery of the Obligations.

Section 3. This resolution shall take effect upon its adoption.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

(20)

RESOLUTION NO.: _____

DATE ADOPTED: _____

RESOLUTION NO. _____

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

SILVERADO CREEK APARTMENTS: APPROVAL OF \$2,200,000 DEVELOPMENT LOAN (HOME FUNDS & HOUSING TRUST FUND); EXECUTION OF LOAN COMMITMENT, LOAN AGREEMENT, AND RELATED DOCUMENTS WITH USA PROPERTY FUNDS, INC.; RELATED BUDGET AMENDMENT

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO:

Section 1: All of the evidence presented having been duly considered, the findings, including the environmental findings regarding this action, as stated in the staff report that accompanies this resolution, are approved.

Section 2: The Sacramento Housing and Redevelopment Agency is authorized to amend its budget to transfer One Million Two Hundred Thousand Dollars (\$1,200,000) from the City Housing Trust funds to the Silverado Creek Apartment project.

Section 3: The Sacramento Housing and Redevelopment Agency is authorized to amend its budget to transfer Eight Hundred Thousand Dollars (\$1,000,000) from the City HOME funds to the Silverado Creek Apartment project.

Section 4: The Loan Commitment, attached to and incorporated in this resolution by this reference, for the financing of the Silverado Creek Apartments project ("Loan") is approved and the Sacramento Housing and Redevelopment Agency is authorized to execute and transmit the Loan Commitment to USA Properties Fund, Inc. Subject to the satisfaction of conditions in the Loan Commitment, a the Sacramento Housing and Redevelopment Agency is authorized to prepare and execute any and all documents required for the making of the Loan (including without limitation the documents necessary for the use of the allocated funds and the documents necessary to make and reasonably administer the Loan); provided, however that:

- (a) The Loan shall be made on the terms set out in the Loan Commitment and the staff report that accompanies this resolution; and
- (b) Agency Counsel shall prepare the Loan documents in accordance with the Loan Commitment and the staff report that accompanies this resolution; and in accordance with all applicable laws, regulations and policies regarding the making of the Loan and the use of the allocated funds.

FOR CITY CLERK USE ONLY

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DATE ADOPTED: _____

Section 5: The Sacramento Housing and Redevelopment Agency is authorized to execute the Loan Commitment and to execute the Loan documents in a form approved by the Agency Counsel and to enter into other agreements, execute other documents, and perform other actions necessary to fulfill the intent of the staff report that accompanies this resolution, the Loan Commitment and to ensure proper repayment of Agency funds, including without limitation, subordination, extensions and restructuring of payments, all as approved by Agency Counsel.

Section 6: The Sacramento Housing and Redevelopment Agency is authorized to make technical amendments to said agreements and documents with the approval of Agency Counsel, which amendments are in accordance with the Loan Commitment, with Agency policy, with this resolution, with good legal practices for the making of such a loan, and with the staff report that accompanies this resolution.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____
DATE ADOPTED: _____

Date: March 15, 2005

USA Properties Fund, Inc.
2440 Professional Drive, Suite 100
Roseville, CA 95661
Attn: Geoff Brown

RE: Conditional funding commitment, Silverado Creek Apartments

Dear Mr. Brown.:

On behalf of the Sacramento Housing and Redevelopment Agency ("Agency"), we are pleased to advise you of its commitment of construction and permanent loan funds ("Loan") from the City Housing Trust Fund and City HOME funds for the purpose of financing the acquisition, development and permanent financing of that certain real property located at the southeast corner of Bruceville and Jacinto Roads, Sacramento California ("Property"). Agency's decision is based on your application, and all representations and information supplied by you to it. If these representations and information change in a material manner without written approval of Agency, this commitment is void. Agency's obligation to make the Loan is subject to satisfaction of all the following terms and conditions and Borrower's execution of documentation that is in a form and in substance satisfactory to the Agency.

The Loan shall be made on standard Agency loan documents. No loan terms not in this funding commitment and the attached loan document forms shall be included in the final loan documents without additional environmental review and governing board approval. In the event of any discrepancies between terms stated in this commitment and the loan documents, the terms stated in the loan commitment letter shall be deemed to be terms of this commitment.

Unless otherwise agreed in writing by the Agency in exercise of its absolute discretion, the following shall be considered conditions to Agency approval of a financing commitment. The Agency may, in exercise of its absolute discretion, modify its requirements upon written notice to Borrower given at least sixty days prior to close of escrow for the Property.

This commitment will expire September 15, 2005.

1. **PROJECT DESCRIPTION:** The project is the construction of a 168 unit multi-family apartment complex. A total of 72 units will be affordable to families earning less than 50 percent of the area median income and an additional 63 units will be affordable to families earning less than 60 percent of the area median income.

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2. BORROWER: The name of the Borrower for the Loan is USA Properties Fund, Inc., or a limited liability company or limited partnership to be formed by USA Properties Fund, Inc..
3. PURPOSE OF LOAN: The Loan is to be used by Borrower solely to pay the costs of construction and permanent financing or for such other purposes as Agency expressly agrees to in the loan agreement for the Loan, and such other agreements as may be generally required by the Agency for the use of funding source for the Loan.
4. PRINCIPAL AMOUNT: The combined principal amount of the Loan will be the lesser of (a) Two Million Two Hundred Thousand Dollars (\$2,200,000), or (b) an amount to be determined prior to close of the Loan based on a project budget approved by Agency. However, the combined indebtedness of the Property must not exceed ninety percent of the appraised value.
5. TERM OF LOAN: The unpaid balance of the Loan will be all due and payable in month 312.
6. INTEREST RATE: The Loan will bear interest at four Percent (4%) per annum. Interest shall be calculated on the basis of a 365-day year and actual days elapsed.
7. AMORTIZATION AND MONTHLY PAYMENTS: The Loan shall be amortized over 312 months. Payments shall be applied first to outstanding interest accrued and unpaid and then to principal. Interest and principal payments shall be deferred from the date of the loan for 144 months. Beginning in month 145, monthly installments shall be made according to the following schedule:

Months 145-156	\$13,333 per month
Months 157-168	\$15,417 per month
Months 169-180	\$17,500 per month
Months 181-192	\$20,833 per month
Months 193-204	\$22,500 per month
Months 205-216	\$24,167 per month
Months 217-228	\$26,667 per month
Months 229-240	\$28,750 per month
Months 241-252	\$30,417 per month
Months 253-264	\$32,500 per month
Months 265-276	\$34,167 per month
Months 277-288	\$36,667 per month
Months 289-300	\$39,167 per month
Months 301-312	\$9,599 per month

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8. SOURCE OF LOAN FUNDS: Agency is making the Loan from the following sources of funds, and the Loan is subject to all requirements related to the use of such, whether Agency requirements or otherwise: \$1,200,00 City Housing Trust Funds and \$1,000,000 City HOME funds. This Loan is conditioned upon Borrower's acceptance of Agency's requirements and conditions related to such lending programs and funding sources, including among others, the required forms of agreements for the Loan; the requirements for covenants, conditions and restrictions upon the Property; and insurance and indemnity requirements.

Borrower acknowledges that, as a condition of the Agency's making of the Loan, the Property will be subject to restrictions on future sales and rentals which may result in less income to Borrower than could otherwise be realized, and that such restrictions run with the land, and during their operational term, will bind all successors in interest.

_____ (Borrower Initial)

Borrower acknowledges that every contract for new construction or rehabilitation construction of housing that includes 12 or more units assisted with HOME funds will contain a provision requiring the payment of not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. 276a-5), to all laborers and mechanics employed in the development of any part of the housing. Such contracts must also be subject to the overtime provisions, as applicable, of the Contract Work Hours and Safety standards Act (40 U.S.C. 327-332). (24 C.F.R. 92.354). Borrower also acknowledges that any project containing a "subsidy" may be subject to state prevailing wages, which are the responsibility of the Borrower and Borrower's contractor.

_____ (Borrower Initial)

9. ACCELERATION: Agency shall have the right to accelerate repayment of the Loan in the event of a default under any Loan Document or upon sale, transfer or alienation of the Property except as specifically provided for in the Loan documents.
10. SECURITY: The Loan shall be evidenced by promissory note(s) secured by a deed of trust with assignment of rents against the fee and/or leasehold interest in the Property and Improvements, which shall be a second lien upon the Property

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and Improvements subject only to senior and subordinate bond debt and such other items as the Agency may approve in writing. The Loan shall also be secured by security agreements. The Agency may subordinate said deeds of trust in order to accommodate completion of rehabilitation of the Property.

11. LEASE AND RENTAL SCHEDULE: All leases of the Property and Improvements shall be subject to Agency's approval prior to execution. Borrower shall not deviate from the rental schedule presented in Borrower's application for the Loan without Agency's prior written approval.
12. PROOF OF EQUITY: Borrower shall provide proof of equity for the Property and Improvements in the amount of no less than \$8,407,491 Low Income Housing Tax Credits, \$1,400,000 in deferred developer fee and \$347,399 in a deferred contractor fee or Affordable Housing Program funds.
13. OTHER FINANCING: Borrower, as a requirement of the Loan, shall procure and deliver to Agency evidence satisfactory to Agency that Borrower has obtained the following described financing which may be secured by a lien upon the Property and Improvements superior or subordinate to Agency's liens, and which shall be otherwise on terms and conditions acceptable to Agency:

Construction Financing from a private lender in an amount sufficient to complete rehabilitation of the Property according to a scope of work as approved by Agency and made for a term not less than that specified in the Schedule of Performances for completion of construction, and in any event not less than the time necessary to fulfill all conditions precedent to funding of the permanent financing.

Commitments for permanent financing sufficient to "take out" all liens senior to the Agency's lien and for a term of not less than 30 years and fully amortized.

Such commitments for financing shall not require modification of Agency loan documents, or any term of this commitment letter.

Such commitments shall not be based upon sources and uses of Project funds that are different from those approved by Agency for the project or be subject to conditions which require amendment of the DDA, OPA or other agreements.

14. EVIDENCE OF FUNDS: Prior to the first disbursement of the Loan, Borrower must demonstrate evidence of adequate and assured funding to complete the development of the Project in accordance with the Agency's requirements. Borrower's evidence of available funds must include only one or more of the following: a) Borrower equity; b) firm and binding commitments for the Project from financial institution(s) or from other lender(s) approved by Agency in its

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absolute discretion; and c) Agency's contribution, provided, however, that Agency is not obligated by this letter to make any contribution not stated in the terms of the letter.

16. SOILS AND TOXIC REPORTS: Borrower must submit to a soils report prepared by a licensed soils engineer and a hazardous substances report made in accordance with the American Society for Testing and Materials "Standard Practice for Environmental Site Assessments; Phase I Environmental Site Assessment Process" (Designation E1527-93) prepared by a licensed or registered environmental engineer or other qualified party prior to Loan closing. Borrower must, as a condition of disbursement of Loan funds, give assurances satisfactory to the Agency that hazardous materials are not present on the Property or that any hazardous materials on the Property have been remediated and that no further remediation is then required by the environmental agency having responsibility for monitoring such remediation.
15. LOAN IN BALANCE: Borrower will be required to maintain the Loan "in balance". The Loan is "in balance" whenever the amount of the undisbursed Loan funds, the remaining sums to be provided by the Borrower and the loan funds from other project lenders are sufficient, in the sole judgement of the Agency, to pay for the remainder of the work to be done on the project as required by written agreement with the Agency. Should the Agency determine that the Loan is not "in balance", the Agency may declare the Loan to be in default.
16. PLANS AND SPECIFICATION: Final plans and specifications for the project must be in accord with the proposal approved as part of the Loan application. Final plans and specifications will be subject to Agency's final approval prior to the disbursal of Agency Loan funds. Borrower must obtain Agency's prior written consent to any change in the approved plans and specifications or any material deviation in construction of the project.
18. ARCHITECTURAL AGREEMENT: The architectural agreement ("Agreement") for the preparation of the plans and specifications and other services shall be subject to Agency's approval. Agency may require an assignment of Borrower's interest in and to the Agreement as security for the Loan.
19. CONSTRUCTION CONTRACT: The construction contract ("Contract"), and any change orders issued thereunder, and the contractor ("Contractor") to be retained by Borrower to construct the Improvements shall be subject to Agency's approval. Agency may require an assignment of Borrower's interest in and to the Contract as security for the Loan. Agency shall require Contractor to provide a performance and payment bond in a form acceptable to Agency for the amount of the Contract.

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20. RETENTION AMOUNT: The Agency shall retain ten percent (10%) as retention from each disbursement, not to exceed a total of ten percent (10%) of the total amount of the Loan.
21. COST BREAKDOWN: Borrower shall deliver to Agency for Agency's approval prior to commencement of work a detailed cost breakdown of the cost of constructing, financing and other costs of developing the Improvements, which breakdown conforms to the project plans and specification and the budget approved with this commitment. Borrower shall also deliver a list of all contractors and subcontractors to be employed in connection with the construction of the Improvements. If required by the Agency Borrower shall also submit copies of all bids received for each item of work to be performed as well as copies of executed contracts and subcontracts with acceptable bidders.

All contracts, subcontracts, contractors, and subcontractors shall be subject to Agency's approval prior to close of the Loan. Agency also reserves the right to require performance and material payment bonds on any or all contractors, or in lieu of bond a letter of credit acceptable to Agency.

Agency shall make disbursements of the Loan based on a cost breakdown that lists line items in cost categories. Agency shall require that Borrower provide documentation supporting all requests for disbursement of Loan funds, including proof of work done and actual expenditure. Agency shall conduct inspections of the Property to assure that the work was done before making a disbursement.

22. COST SAVINGS. At completion of construction, borrower shall submit to Agency a cost certification prepared by a qualified, independent auditor acceptable to Agency, which cost certification shall indicate the amounts actually spent for each item in the cost breakdown. If there is an aggregate savings in the total of all such cost breakdown items from the cost breakdown items in the original budget approved by the Agency, the Agency shall withhold for itself as loan repayment, one-half of such savings from the amount of retention then held by the Agency, and the Loan balance shall be reduced by the amount so withheld. The Agency, in its sole discretion, shall determine any reduction and/or repayment of the Agency loan based upon this cost certification and the original approved budget for the project.
32. START OF CONSTRUCTION: Borrower shall commence construction at the earliest possible date subject to the conditions of this Agency and other involved lenders, but no later than December 31, 2005.
33. COMPLETION OF CONSTRUCTION: Borrower shall complete the construction of the Improvements no later than December 31, 2007.

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21. HAZARD INSURANCE: Borrower shall procure and maintain fire and extended coverage insurance or in lieu such insurance, Builder's Risk completed value insurance in a form and substance approved by Agency. Coverage shall be for protection against loss of, or damage to the Improvements or materials for their construction to their full insurable value. Borrower shall also procure and maintain insurance against specific hazards affecting Agency's security for the Loan as may be required by Agency, governmental regulations, or any permanent lender. All such policies shall contain a standard mortgagee loss payable clause in favor of Agency. The insurance required shall be written with a deductible of not more than TEN THOUSAND DOLLARS (\$10,000.00).

22. PUBLIC LIABILITY AND OTHER INSURANCE: Borrower must procure and maintain public liability and property damage insurance (with Agency named as additional insured) in a form approved by Agency. Coverage must be approved by Agency and must be in at least the following limits of liability: Bodily injury liability of \$1,000,000 each occurrence and \$1,000,000 Aggregate, Products and Completed Operations; Property damage liability of \$1,000,000 each occurrence, \$1,000,000 single limit and \$1,000,000 aggregate; Contractual liability for Bodily Injury of \$1,000,000 each occurrence, for Property Damage of \$1,000,000 each occurrence and \$1,000,000 aggregate, and Personal Injury with Employment Exclusion Deleted of \$1,000,000 aggregate; and Comprehensive Automobile Liability for any vehicle used for or in connection with the Work of \$1,000,000. The insurance required shall be written with a deductible of not more than TEN THOUSAND DOLLARS (\$10,000). Borrower must also procure and maintain workers' compensation and all other insurance required under applicable law, as required by law and as approved by Agency.

23. TITLE INSURANCE: Borrower must procure and deliver to Agency a 1970 or 1987 ALTA LP-10 Lender's Policy of Title Insurance, together with such endorsements as Agency may require, including but not limited to CLTA endorsement nos. 100, 116, and 102.5/102.7 insuring Agency in an amount equal to the principal amount of the Loan, that Agency's Deeds of Trust constitutes a second lien or charge upon the Property and Improvements subject only to such items as shall have been approved by Agency. There must be no exceptions permitted for mechanics liens. Title insurance for the Loan must be issued by a title insurer approved by Agency.

24. ORGANIZATIONAL AGREEMENTS: Borrower must submit to Agency certified copies of all of Borrower's organizational documents, including all amendments, modifications or terminations: if a corporation, Borrower's Articles of Incorporation and By-Laws; if a partnership, its Partnership Agreement and, as applicable, Certificate of Limited Partnership or Statement of Partnership; if a Limited Liability Company, its Articles of Organization and its Operating Agreement; and in all cases with all exhibits and amendments to such documents,

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fictitious business name statements, other related filings or recorded documents and such related documents as Agency may request. If it is a corporation, Borrower must submit a corporate borrowing resolution referencing this Loan. If Borrower is other than a corporation, Borrower must submit such proof of authority to enter this Loan as may be required under the organizational documents.

26. FINANCIAL INFORMATION: During the term of the Loan, Borrower shall deliver to Agency within 120 days of the end of each fiscal year an audited income and expense statement, a balance sheet, and a statement of all changes in financial position signed by authorized officers of Borrower. Prior to close of the Loan and during its term, Borrower must deliver to Agency such additional financial information as may be requested by Agency. Agency reserves the right to review and approve financial statements and other credit information and references prior to closing. During the term of the Loan, Borrower must deliver to Agency a monthly rent-roll including household composition information, and operating statements with respect to the Property and Improvements, as Agency may request.
27. MANAGEMENT AGREEMENT: Prior to execution, Borrower must submit to Agency any agreement providing for the management or operation of the Property or Improvements by a third party which agreement is subject to Agency Approval.
28. LOW INCOME HOUSING TAX CREDITS ("LIHTC"): Borrower represents that as a condition of closing this Loan it is applying for an allocation of LIHTCs and agrees to perform all actions and to meet all requirements to maintain the LIHTC allocation if granted.
29. FEDERAL HOME LOAN BANK AFFORDABLE HOUSING GRANT: Borrower represents that as a condition of closing this Loan it is applying for a grant under the Affordable Housing Program and will diligently pursue the award in connection with this Property as indicated in the financial information provided in Borrower's application.
30. DOCUMENTATION: This letter is not intended to describe all of the requirements, terms, conditions and documents for the Loan, which shall also include customary provisions and documents for an Agency transaction of this type. All documents to be delivered to or approved by Agency must be satisfactory to Agency in all respects. Borrower must promptly deliver to Agency any further documentation that may be required by Agency.
31. CONSISTENCY OF DOCUMENTS: As a material obligation under this commitment letter, Borrower shall assure that the loan documents for the Project

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are consistent with lender's commitment approved by the Agency and comply, in all respects, with this commitment letter.

- 34. CHANGES OR AMENDMENTS: No documents or contracts which are to be delivered to Agency or are subject to Agency's review or approval shall be modified or terminated without the prior written approval of Agency.
- 35. ACCEPTANCE OF THIS COMMITMENT: Borrower's acceptance of this Commitment shall be evidenced by signing and delivering to Agency the enclosed copy of this letter. Until receipt of such acceptance by Agency, Agency shall have no obligation under this letter. Agency may withdraw this commitment at any time prior to Borrower's acceptance.

Yours truly,

Anne M. Moore
Executive Director

The undersigned acknowledges and accepts the foregoing Commitment and its terms and conditions.

Dated:

BORROWER:

By: _____
[Name, Title]

\\streettalk\share@cyclops@shra\share\legal\loan forms\commitment letter.doc

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