

**SUBMITTAL TO THE RIVERSIDE COMMUNITY  
HOUSING CORP. BOARD OF DIRECTORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM: 14.1  
(ID # 14436)

**MEETING DATE:**

Tuesday, March 30, 2021

**FROM:** RIVERSIDE COMMUNITY HOUSING CORP.:

**SUBJECT:** RIVERSIDE COMMUNITY HOUSING CORP: Approve the Memorandum of Understanding between Riverside Community Housing Corp. (RCHC), and LINC Housing Corporation (LINC); Authorizing RCHC to Submit an Application to the California Debt Limit Allocation Committee for the Issuance of Tax Exempt Bonds; District 5. [\$0 ]

**RECOMMENDED MOTION:** That the Board of Directors:

1. Approve the attached form of the Memorandum of Understanding (MOU) between Riverside Community Housing Corp. (RCHC), and LINC Housing Corporation (LINC);
1. Authorize the Chief Executive Officer of Riverside Community Housing Corp. to execute an MOU with LINC, substantially conforming in form and substance to the attached MOU, subject to approval as to form by General Counsel;
2. Authorize the Chief Operating Officer of the Riverside Community Housing Corp. (RCHC), to form a limited partnership (The Partnership) to construct, own and operate a low-income housing project consisting of 48 units (Housing Project) in the City of Beaumont. The Partnership will be formed with LINC having a 75% general partner interest as the administrative general partner, and RCHC having a 25% general partner interest as the managing general partner;

Continued on Page 2

**ACTION: Policy**

  
Heidi Marshall, County of Riverside Housing, Homelessness Prevention 1/28/2021


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**MINUTES OF THE BOARD OF DIRECTORS**

On motion of Supervisor Hewitt, seconded by Supervisor Perez and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez, and Hewitt  
Nays: None  
Absent: None  
Date: March 30, 2021  
xc: HHPWS

Kecia R. Harper  
Clerk of the Board

By:   
Deputy

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HOUSING CORP. BOARD OF DIRECTORS  
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**RECOMMENDED MOTION:** That the Board of Directors:

3. Authorize the Chief Operating Officer of the Riverside Community Housing Corp. (RCHC), to prepare, execute, and submit to the California Debt Limit Allocation Committee(CDLAC) an application for the issuance of tax-exempt bonds in an amount not to exceed \$13,500,000,subject to approval by RCHC General Counsel, to finance the development of the Housing Project; and
4. Authorize the Chief Executive Officer of RCHC, or designee, to take all necessary steps to implement the MOU, The Partnership and CDLAC application, including, but not limited to signing necessary and subsequent documents, subject to approval by General Counsel.

Continued on Page 3

**SUBMITTAL TO THE RIVERSIDE COMMUNITY  
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<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS:</b> N/A			<b>Budget Adjustment:</b>	No
			<b>For Fiscal Year:</b> 20/21	

**C.E.O. RECOMMENDATION:** Approve.

**BACKGROUND:**

**Summary**

The Memorandum of Understanding (MOU) between Riverside Community Housing Corp. (RCHC) and LINC Housing Corporation (LINC), was written to establish a partnership to finance, develop and operate a low-income housing project consisting of 48 units with ancillary facilities located in the City of Beaumont in Riverside County, California (Housing Project). RCHC's role in the project will be to offer services to the residents and in exchange RCHC will receive a 25% ownership stake in the partnership and developer fee. The Housing Authority of the County of Riverside is contributing 47 Section 8 project-based vouchers.

LINC and RCHC will form a limited partnership ("Partnership") to construct, own and operate the Housing Project. The Partnership will be formed with LINC having a 75% general partner interest as the administrative general partner, and RCHC having a 25% general partner interest as the managing general partner. The Partnership shall be memorialized in a limited partnership agreement subject to approval by LINC and RCHC General Counsel which is consistent with the attached MOU ("Limited Partnership Agreement").

The sole purpose of the Limited Partnership shall be to acquire, rehabilitate, own and operate the Housing Project. The parties shall assign to the Limited Partnership any predevelopment loans, materials, instruments or agreement related to the Housing Project that either party (i) has contractual rights and obligations thereunder to fulfill, or (ii) are in its possession or control. The Limited Partnership will be submitting to the California Debt Limit Allocation Committee (CDLAC) an application for the issuance of tax-exempt bonds in an amount not to exceed \$10,000,000, to finance the development of the Housing Project.

The parties intend to work cooperatively and collaboratively in all aspects of the Housing Project, including, but not limited to, assembling the resources necessary to finance acquisition and rehabilitation of the Housing Project, designing the Housing Project so that its elements complement the surrounding area to the extent feasible, expediting rehabilitation of the Housing Project and meeting the varied needs of the tenants. This will be a pilot project with the goal of providing the necessary supportive services to tenants to promote self-sufficiency. Tenant outcomes will be tracked and if successful the goal will be to replicate this model on other developments and get as many Section 8 tenants to be self-sufficient.

**Division of Responsibilities**

**SUBMITTAL TO THE RIVERSIDE COMMUNITY  
HOUSING CORP. BOARD OF DIRECTORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

LINC will provide and pay for, the staffing necessary for the oversight of the predevelopment and construction of the Housing Project, with RCHC providing secondary support as reasonably needed.

RCHC will participate with LINC in coordinating tenant services, developing a budget for tenant services and securing funding for such services. The Riverside County Department of Housing and Homelessness Prevention and Workforce Development, jointly with RCHC and LINC, will track tenant outcomes.

County Counsel has approved the MOU between RCHC and LINC.

**Impact on Residents and Businesses**

The attached MOU will have a positive impact on residents and businesses in Riverside County as it will provide much needed housing and services to the low-income population.

**Additional Fiscal Information**

No impact upon the County's General Fund.

Attachments:

- Memorandum of Understanding

  
Steven Atkeson

3/23/2021

  
Gregory L. Priamos, Director County Counsel

3/18/2021

CLERK'S COPY

to Riverside County Clerk of the Board, Stop 1010  
Post Office Box 1147, Riverside, Ca 92502-1147  
Thank you.

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is entered into as of \_\_\_\_\_, 2021 ("Effective Date"), by and between **Riverside Community Housing Corp.**, a California nonprofit public benefit corporation ("RCHC"), and **LINC Housing Corporation**, a California nonprofit public benefit corporation ("LINC") with reference to the following matters.

RECITALS

A. LINC and RCHC desire to work together to develop and operate a low-income housing project consisting of 48 units with ancillary facilities ("Housing Project"), located on real property, identified as Assessor Parcel Numbers [\_\_\_\_], located in the City of Beaumont in Riverside County, California, ("Property") which Property is currently owned in fee by [\_\_\_\_].

B. Subject to the approval of RCHC's Board of Directors, LINC and RCHC desire to enter into an agreement for the acquisition of the Property by the Partnership (defined below) and the proposed ownership, rehabilitation and operation of the Housing Project, memorialized in a limited partnership agreement, a purchase and sale agreement ("Purchase Agreement"), and/or such other agreements as the parties may deem appropriate.

C. LINC and RCHC desire to enter into this MOU to enumerate the responsibilities, rights, and obligations that each party will undertake and assume in connection with the ownership, rehabilitation and operation of the Housing Project.

NOW THEREFORE, in consideration of the recitals hereof and the mutual covenants and agreement contained in the MOU, the parties agree as follows:

1. OWNERSHIP STRUCTURE

A. Partnership/Housing Project

(i) LINC and RCHC (or their affiliated limited liability companies) will form a limited partnership ("Partnership") to construct, own and operate the Housing Project. The Partnership will initially be formed with LINC having a 75% general partner interest as the administrative general partner, and RCHC having a 25% general partner interest as the managing general partner. LINC will be the initial limited partner in the Partnership. The principal office of the Partnership will be LINC's address. The Partnership shall be memorialized a in a limited partnership agreement subject to approval by LINC and RCHC which is consistent with this MOU ("Limited Partnership Agreement").



(ii) Upon the admission of a tax credit investor as a limited partner of the Partnership, the partners of the Partnership shall subsequently amend and restate the Limited Partnership Agreement to allow for the withdrawal of the initial limited partner; provided, however, the parties intend that the terms of this MOU shall survive the amendment and restatement of the Limited Partnership Agreement.

**B. Sole Purpose** The sole purpose of the Partnership shall be to acquire, rehabilitate, own and operate the Housing Project. Upon formation of the Partnership, the parties shall assign to the Partnership any predevelopment loans, materials, instruments or agreement related to the Housing Project that either party (i) has contractual rights and obligations thereunder to fulfill, or (ii) are in its possession or control.

## 2. TRANSFER OF THE PROPERTY FROM [\_\_\_\_\_]

Subject to the approval of RCHC's Board of Directors, LINC and RCHC will enter into the Purchase Agreement with [\_\_\_\_\_] for the transfer (by ground lease or donation or sale, as determined by the parties) of the Property to the Partnership.

## 3. THE DEVELOPMENT

**A. Income, Rent Levels, and the Target Population** To the extent feasible, financing for the Housing Project shall be structured to serve tenants with annual incomes at or below 80% of area median income for the Riverside-San Bernardino-Ontario Metropolitan Area, as area median income is determined by the United States Department of Housing and Urban Development ("HUD"). Such restrictions shall be in a form required by applicable financing programs, Housing Project lenders and/or the tax credit investor of the Partnership, reasonably approved by LINC and RCHC

**B. Financing Strategies** The strategies used to finance the development of the Housing Project may include, but are not limited to, the approaches set forth below:

- (i) securing private bank and public agency loans and/or grant funds as needed for construction and permanent financing;
- (ii) seeking rental and operating subsidies for the purpose of enabling the Housing Project to offer residential units at lower rents; and
- (iii) Equity contributions from a tax credit investor.

**C. Development Services Agreement** At the time a tax credit investor is admitted to the Partnership, LINC and RCHC shall enter into a development services agreement with the Partnership ("Development Agreement"), which shall evidence the obligation of the Partnership to pay developer fees to LINC at 75% and to RCHC at 25%, in accordance with the terms of this MOU and as further specified in Section 6 A. below.

#### 4. ROLES and RESPONSIBILITIES

The parties intend to work cooperatively and collaboratively in all aspects of the Housing Project, including, but not limited to, assembling the resources necessary to finance acquisition and rehabilitation of the Housing Project, designing the Housing Project so that its elements complement the surrounding area to the extent feasible, expediting rehabilitation of the Housing Project and meeting the varied needs of the tenants.

**A. Division of Responsibilities** The respective responsibilities of the parties including an assignment of level of responsibility for each party, is set forth in the Division of Responsibilities attached hereto as Exhibit A and incorporated herein by this reference. The parties may amend the Division of Responsibilities by amending this MOU pursuant to Section 12.F. below, to reflect changes to the proposed responsibilities of the parties. In the event of any inconsistency between the text of this MOU and the provisions of the Division of Responsibilities set forth in Exhibit A, the Division of Responsibilities shall control. For purposes of this MOU and the Division of Responsibilities attached as Exhibit A, the capitalized terms below shall have the following meaning:

- i. Primary means primary responsibility for schedule, production, and delivery of the product or service and meeting agreed deadlines. It may also entail assumption of legal liability or financial responsibility.
- ii. Secondary responsibility means that the party will not take an active role but will provide information on request and participate as needed, and will review draft documents before signature.

The party with primary responsibility for an item will keep the party with secondary responsibility informed as to such item, which means that the secondary party will be notified in writing of all scheduled and important events and will receive copies or originals, as applicable, of executed documents. Issues will be raised in joint staff meetings or by memorandum. The primary party shall allow time, in no event no less than 30 days, for consultation and resolution of issues in every case where the signature of both parties is required.

**B. Staffing** LINC shall provide and pay for, the staffing necessary for the oversight of the predevelopment and construction of the Housing Project, with RCHC providing secondary support as reasonably needed.

**C. LINC Responsibilities** Except as otherwise provided in this MOU, LINC shall have primary responsibility for substantially all activities related to the development of the Housing Project, subject to reasonable review of documentation by RCHC. In this capacity, LINC shall, among other things: determine the scope of rehabilitation; draw-up a predevelopment budget; select the tax credit investor, management agent, lenders, architect, contractor and consultants; manage relations with lenders and tax credit

investors; manage construction; and provide financial management and reporting services for the Housing Project. LINC shall have the primary role in coordinating tenant services, developing a budget for tenant services and securing funding for such services. LINC shall be responsible for substantially all activities for the Housing Project after it has been 100% leased and the permanent loan has closed on the Housing Project, except as set forth in Section 4.D. below and the Division of Responsibilities attached hereto as Exhibit A.

**D. RCHC Responsibility** RCHC shall participate with LINC in coordinating tenant services, developing a budget for tenant services and securing funding for such services. RCHC shall participate with LINC in all meetings of the Partnership and as reasonably requested by LINC. RCHC and LINC, will track tenant outcomes.

**E. Limitations on Authority** Without the prior written consent of the other party, neither party shall have the authority to:

- i. Do any act in contravention of this MOU;
- ii. Do any act which would make it impossible for the parties to carry on their businesses;
- iii. Enter into a contract on behalf of the other party
- iv. Assign the rights of the other party;
- v. Transfer or assign its rights in the MOU;
- vi. Commingle or permit the commingling of Housing Project funds with the funds of any other person or entity;
- vii. Terminate this MOU other than pursuant to Section 11 below; or
- viii. Incur debts or liabilities on behalf of the other party

## 5. FINANCIAL OBLIGATIONS

**A. Development Funding** The parties shall use their best efforts to raise any funding necessary for the predevelopment and rehabilitation of the Housing Project. LINC shall provide all funds required to pay predevelopment costs related to the Housing Project, which costs will be reimbursed to LINC at the close of construction financing from construction loan funds, to the extent permitted by the lenders and investor limited partner.

**B. Loan Terms** LINC and RCHC shall each be responsible for satisfying the requirements imposed upon them individually by any lenders to the Housing Project.

## 6. FEES AND COMPENSATION

**A. Development Fees** LINC and RCHC shall be compensated for their services as developers of the Housing Project. LINC shall receive 75% of the developer fee and RCHC shall receive 25% of such developer fee. Developer fees paid in connection with the Housing Project shall only be paid to the extent funding is available



and payment is permitted by the funding sources for the Housing Project and the Development Agreement. Should there be insufficient funds to pay the full developer fee for the Housing Project at the time of the permanent loan closing, the balance of such fees shall accrue at an annual rate equal to the applicable federal rate from the date of the permanent loan closing and be paid out of available Housing Project cash flow, as provided in the Development Agreement. The fees payable pursuant to this Section 6.A. shall be compensation for development services. Any reduction in developer fee required to meet the 50% test shall be borne 75% by LINC and 25% by RCHC.

**B. Partnership Management Fee** To the extent of available cash flow and to the extent allowed by funding sources and the Partnership Management Agreement, the Partnership shall pay an annual partnership management fee in the maximum amount of \$25,000 to LINC (or its affiliate as administrative general partner of the Partnership). The partnership management fee relates to the Partnership's ownership and operation of the Housing Project.

## **7. SYNDICATION OF THE HOUSING PROJECT**

**A. Syndication of the Project** The parties intend that a 99.99% limited partnership interest of the Partnership will be syndicated to a tax credit investor, at which point LINC shall withdraw as initial limited partner, but LINC and RCHC (or their affiliates) will remain as the general partners of the Partnership. LINC and RCHC shall each approve the selection of the tax credit investor.

**B. Tax Credit Investor Requirements** LINC shall be responsible for providing any guarantees or related obligations required by the tax credit investor with respect to the Housing Project.

**C. Option to Purchase**

- (i) Upon the close of syndication, the Partnership shall grant to RCHC an option and/or right of first refusal to purchase the Housing Project at the end of the tax credit compliance period ("Option"). The terms of the Option agreement shall be subject to review and approval by RCHC and LINC.
- (ii) The Option shall be subordinated as necessary for the Partnership to obtain necessary financing for the Housing Project.
- (iii) The transfer of the Housing Project to RCHC pursuant to the Option shall be subject to any liens, encumbrances or regulatory restrictions then affecting the Housing Project, and to the terms of the Option Agreement.

## **8. ACCOUNTING RECORDS AND REPORTS**

**A. Books and Records** At all times during the existence of the Partnership, the parties shall keep or cause to be kept books of account for the Housing Project, which shall be adequate, appropriate, and in conformance with generally accepted accounting

principles. LINC shall select the accountants for the Partnership, subject to the approval of RCHC. A copy of the Partnership's tax returns shall at all times be maintained at the principal office of the Partnership and shall be available for inspection by the parties. Upon reasonable notice to the other party, each party shall have the right to inspect all books and records in the possession or under the control of the other party. All costs of preparing tax returns and maintaining records shall be treated as costs of the Partnership.

**B. Signatures for Checks** LINC and RCHC shall each select up to three persons, each of whom will be authorized to sign checks for disbursements. The signature of both LINC and RCHC (or their respective assignees) shall be required in order to bind the Partnership.

**C. Status Reports** Each party shall keep the other party informed of matters related to the purpose of this MOU and shall provide regular written status reports of all activities undertaken in connection with this MOU and the Partnership.

**D. Status Meetings** Both parties shall meet on a regular basis at times agreed to by the parties to review and discuss issues pertaining to the development and operation of the Housing Project.

## 9. INDEMNIFICATION

**A. Indemnification** Except as otherwise provided in Section 9.B. below, each party agrees to indemnify, defend, and hold harmless the other from and against any and all claims, demands, losses, liabilities, actions, lawsuits and other proceedings, judgments and awards, and costs and expenses (including reasonable attorney's fees), arising directly or indirectly, in whole or in part, out of the gross negligence or any willful misconduct of the indemnifying party in connection with this MOU and services or work provided hereunder, except to the extent caused by the gross negligence or willful misconduct of the indemnified party. The provisions of this paragraph shall survive termination of this MOU.

**B. Construction Indemnity** In addition to LINC's indemnification obligation set forth in Section 9.A. above, LINC shall also indemnify and hold harmless RCHC, the Housing Authority of the County of Riverside, its Agencies, Districts, Special Districts and Departments, respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives (individually and collectively hereinafter referred to as "Indemnitees") from any liability whatsoever, based or asserted upon any construction undertaken by the Partnership, its officers, employees, subcontractors, consultants, agents or representatives, including but not limited to any such liability arising as a result of a breach or default or claim of breach or default under any construction contract, any breach or default or claim of breach or default in connection with any construction loans, any defect, latent or otherwise, in such construction, or any injury to person or property occurring in connection with such construction, except to the extent such liability is caused by the gross negligence or willful misconduct of RCHC; provided however, any gross negligence or willful

misconduct of RCHC will only affect the duty to indemnify for the specific act found to be gross negligence or willful misconduct, and will not preclude a duty to indemnify for any act or omission of LINC. LINC shall pay, at its sole expense, all costs and fees including, but not limited, to attorneys' fees, cost of investigation, defense and settlements or awards, of the Indemnitees in any claim or action based upon such alleged acts or omissions.

With respect to any action or claim subject to indemnification herein by LINC, LINC shall, at their sole cost, have the right to use counsel of their own choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of the Indemnitees; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes LINC's indemnification to the Indemnitees as set forth herein.

LINC's obligation hereunder shall be satisfied when LINC has provided to RCHC the appropriate form of dismissal relieving RCHC and/or the Indemnitees from any liability for the action or claim involved.

The specified insurance limits required in this MOU or in any related agreement shall in no way limit or circumscribe LINC's obligations to indemnify and hold harmless the Indemnitees herein from third party claims.

In the event there is conflict between this clause and California Civil Code Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not relieve LINC from indemnifying the Indemnitees to the fullest extent allowed by law. LINC's indemnity obligations contained in this Section shall survive the expiration and termination of this MOU.

**C. Notice of Claim and Demand** A party with notice of any claim or demand made of RCHC or LINC with respect to any matter covered by this MOU shall immediately communicate details of the claim or demand to the other party by certified or express mail pursuant to section 12.A. below.

## **10. AUTHORIZED REPRESENTATIVES**

**A. No Employees** The Partnership shall not have any employees of its own. LINC and RCHC shall each supply staff services to the Partnership as needed for the Partnership to be able to carry on its activities and as described in this MOU.

**B. Signatures** The signature of each general partner shall be required to bind the Partnership.

## **11. TERM**

**A.** This MOU shall be effective as of the date set forth above, and shall continue thereafter until the first to occur of the following events:

- (i) Termination of this MOU by mutual written agreement of the parties;
- (ii) Liquidation of the Partnership or the sale of the Housing Project by the Partnership;
- (iii) Upon notice of either party and opportunity to cure, if the other party shall fail to perform its obligations under this MOU and such failure shall continue for a period of at least thirty (30) days after written notice thereof from the party claiming such default, or such longer period as reasonably necessary to cure such default, provided that the defaulting party is proceeding diligently with such cure; provided, however, in no event shall such cure period exceed 90 days from the date of the delivery of the initial default notice by the injured party; and
- (iv) The failure of the parties to receive commitments for all financing necessary to construct the Housing Project by December 31, 2022.

**12. MISCELLANEOUS**

**A. Notices** All notices under this MOU shall be in writing, shall be effective upon delivery by certified or express U.S. Mail or an express delivery service which shall show the location and the delivery date and shall be addressed as follows or at such other address provided in writing by a party:

**LINC:**

LINC Housing Corporation  
555 E. Ocean Blvd., Suite 900  
Long Beach, CA 90802  
Attention: Suny Lay Chang, Chief Operating Officer

**RCHC:**

Riverside Community Housing Corp.  
5555 Arlington Avenue  
Riverside, California 92504  
Attention: Mike Walsh

**B. Other Documents** Each party shall act in good faith to carry out the provisions of this MOU and to negotiate and finalize the documents described in this MOU. However, in the event of any inconsistency between this MOU and the various documents described in this MOU, the terms of such other documents shall control.

**C. Binding Effect** This MOU shall inure to and bind the parties, their respective representatives, successors and assigns.



**D. LINC Employees and Liabilities** It is understood that persons engaged or employed by LINC as employees, agents, or independent contractors shall be engaged or employed by LINC and not by RCHC. LINC alone is responsible for their work, direction, compensation and personal conduct. Nothing included in any provision of this MOU shall impose any liability or duty upon RCHC to persons, firms, or corporations employed or engaged by LINC in any capacity whatsoever, or make RCHC liable to any such persons, firms, or corporations, or to any government, for the acts, omissions, liabilities, obligations, and taxes, of whatsoever nature, of LINC or of its employees, agents, or independent contractors.

**E. Nonliability of Officials, Officers, Members, and Employees** No member, official, officer, or employee of RCHC, the County of Riverside or the Housing Authority of the County of Riverside shall be personally liable to LINC, the Partnership, or any successor in interest, in the event of any default or breach by RCHC or for any amount which may become due to LINC, RCHC, the Partnership, or to any successor, or on any obligations under the term of this MOU.

**F. Amendments** All amendments and modifications hereto must be in writing and signed by the appropriate authorities of RCHC and LINC.

**G. Actions by RCHC** The Chief Executive Officer of RCHC or designee(s) are authorized to take such ministerial actions as may be necessary or appropriate to implement the terms, provisions, and conditions of this MOU on behalf of RCHC, as it may be amended from time to time by the parties.

**H. Authority to Execute** The persons executing this MOU or exhibits attached hereto on behalf of the parties to this MOU hereby warrant and represent that they have the authority to execute this MOU and warrant and represent that they have the authority to bind the respective parties to this MOU to the performance of its obligations hereunder.

**I. Conflict of Interest** No member, official, or employee of LINC or RCHC shall have any personal interest, direct or indirect, in this MOU, nor shall any such member, official, or employee participate in any decision relating to the MOU which affects his or her personal interests or the interests of any corporation, partnership, or association in which he or she is, directly or indirectly, interested.

**J. No Third Party Beneficiaries** The parties to this MOU acknowledge and agree that the provisions of this MOU are for the sole benefit of RCHC and LINC, and not for the benefit, directly or indirectly, of any other person or entity, except as otherwise expressly provided herein.

**K. Further Assurances** Each of the parties hereto shall execute and deliver any and all additional papers, documents and other assurances, and shall do any and all necessary acts and things in connection with the performance of their obligations hereunder and to carry out the intent and agreements of the parties.



**L. Severability** In the event that any of the provisions, or portions thereof, of this MOU are held to be unenforceable or invalid by any court of competent jurisdiction, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby.

**M. Jurisdiction and Venue** Any action at law or in equity arising under this MOU or brought by a party hereto for the purpose of enforcing, construing or determining the validity of any provision of this MOU shall be filed in the Superior Court of the State of California located in the City of Riverside, State of California, and the parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court or jurisdiction.

**N. Interpretation and Governing Law** This MOU and any dispute arising hereunder shall be governed by and interpreted in accordance with the internal laws of the State of California. This MOU shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the parties hereto, and the rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this MOU, all parties having been represented by counsel in the negotiation and preparation hereof.

**O. Counterparts** This MOU may be executed in counterparts, all of which taken together shall be deemed one original agreement.

**P. Captions** Section, titles, or captions in no way define, limit, extend or describe the scope of this MOU to the intent of any of its provisions, and are for convenience of reference only.

**Q. Waiver** No waiver of any right under this MOU shall be deemed effective unless contained in writing signed by the appropriate authorities of the party to be charged. No waiver of any breach or any failure to perform shall be deemed to be a waiver of any future breach or failure to perform or of any other right arising under this MOU.

**R. Entire Agreement** This MOU between the parties together with Exhibit A attached hereto sets forth the entire agreement of the parties and this MOU may not be modified except in writing signed by authorized signatories of LINC and RCHC.

**S. Other Activities** Neither LINC nor RCHC shall be bound to devote all of its business time to the development of the Housing Project and the parties acknowledge that LINC and RCHC are and will continue to be engaged in other activities, some of which may be connected with business investments and other enterprises which may be in competition with the Housing Project, including but not limited to other projects which may be located in the same geographic area as the Housing Project.

**[Signatures on following page.]**

IN WITNESS WHEREOF, the parties hereto have executed this MOU on the date first written above.

LINC:

RCHC:

**LINC HOUSING CORPORATION**, a California nonprofit public benefit corporation

**RIVERSIDE COMMUNITY HOUSING CORP.**, a California nonprofit public benefit corporation

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Heidi Marshall, Chief Executive Officer

APPROVED AS TO FORM:  
GREGORY P. PRIAMOS  
GENERAL COUNSEL

By: \_\_\_\_\_  
Lisa Sanchez, Deputy General Counsel

**EXHIBIT A  
DIVISION OF RESPONSIBILITIES**

<b>Key:</b>	P = Primary (see definition in Section 4.a. of MOU)		
	S = Secondary (see definition in Section 4.a. of MOU)		
<b>Item</b>	<b>Task</b>	<b>LINC</b>	<b>RCHC</b>
<b>Outreach</b>			
	Liaison with community groups, local governmental agencies, and other local institutions	P	S
<b>Existing Financing</b>			
	Review key documents such as promissory notes, mortgages, deeds of trusts, use agreements and regulatory agreements pertaining to the existing projects.	P	S
	Identify key issues and assess the impact of regulatory constraints on the financing plan.	P	S
	Lead and point of contact for all matters relating to regulatory agency approvals necessary to implement the financing plan.	P	S
	Prepare and submit materials to regulatory agencies as necessary to facilitate approvals required for funding applications	P	S
<b>New Financing</b>			
	Secure appraisal/market study.	P	S
	Prepare financing plan.	P	S
	Prepare tax credit application(s).	P	S
	Prepare soft funding applications.	P	S
	Negotiate partnership agreement with limited partner.	P	S
	Secure permanent and construction financing.	P	S

	Primary point of contact with funders.	P	S
<b>Design/Preconstruction</b>			
	Prepare predevelopment budgets.	P	S
	Prepare project schedules/timelines.	P	S
	Monitor and update predevelopment budgets and project schedules.	P	S
	Secure C.N.A., Phase I, Geotech, and soils reports.	P	S
	Coordinate selection design team and general contractor	P	S
	Coordinate development of plans with architect	P	S
	Schedule and conduct site visit with C.N.A. provider, contractor, and architect to develop scope of work and discuss program requirements.	P	S
	Oversee design and engineering for Schematic, Design Development, & Construction Documents.	P	S
	Oversee construction value engineering as necessary.	P	S
	Coordinate review and approval of the architect, GC, and engineering contracts.	P	S
	Take lead in working with construction manager.	P	S
<b>Entitlements</b>			
	Oversee land use entitlement and approvals.	P	S
	Coordinate the process of securing local permits by working with the City and design team to satisfy all requirements.	P	S
	Confirm zoning and other use restrictions.	P	S
	Direct and necessary zoning changes, lot splits, or subdivisions.	P	S
	Secure all other required state and local approvals.	P	S
<b>Acquisition</b>			
	Negotiate site control of the projects.	P	S
<b>Services/Community Outreach</b>			

	Coordinate tenant services.	P	S
	Develop budget for project services.	P	S
	Secure commitments for project services.	P	S
	Secure funding for project services.	P	S
<b>Operations/Property Management - New Construction</b>			
	Development project operating budget.	P	S
	Select property manager.	P	S
	Negotiate management agreement.	P	S
	Oversee development of management plan.	P	S
	Project marketing, lease-up, and management strategy.	P	S
	Ensure adherence for eligibility guidelines and tenant income qualifications.	P	S
	Prepare relocation plan and develop relocation budget.	P	S
	Oversee temporary and permanent relocation	P	S
<b>Operations/Property Management - Rehab</b>			
	Development project operating budget.	P	S
	Select property manager.	P	S
	Negotiate management agreement.	P	S
	Oversee development of management plan.	P	S
	Project marketing, lease-up, and management strategy.	P	S
	Ensure adherence for eligibility guidelines and tenant income qualifications.	P	S
	Prepare relocation plan and develop relocation budget.	P	S
	Oversee temporary and permanent relocation	P	S
<b>Legal</b>			
	Set up new development entity.	P	S



	Negotiate and finalize ownership structures.	P	S
	Set up tax credit partnerships.	P	S
	Negotiate and finalize Limited Partnership Agreement.	P	S
<b>Accounting</b>			
	Coordinate project accounting for pre-development.	P	S
	Coordinate processing of construction draws.	P	S
	Coordinate 10% Cost Certification.	P	S
	Coordinate tax opinions.	P	S
	Coordinate final cost certification.	P	S
	Prepare 8609 package.	P	S
<b>Construction Closing</b>			
	Coordinate and direct the closing activities related to the equity, soft loans, and conventional debt closings.	P	S
	Manage closing checklists and work with closing attorneys on the property transfer.	P	S
<b>Construction</b>			
	Provide construction management and oversight of the general contractor.	P	S
	Coordinate with Architect & Contractor on all submittals and RFI's.	P	S
	Attend all construction progress meetings.	P	S
	Attend all construction draw meetings.	P	S
	Point in keeping all parties (lenders, syndicator, HFAs) informed as appropriate as to the progress towards construction completion.	P	S
	Monitor construction draws, change orders and construction budget.	P	S
	Work with the management company and the site manager to identify and resolve any operational problems that arise during the construction period.	P	S
	Coordinate relocation activities during construction, consistent with the relocation plan and budget.	P	S

<b>Permanent Conversion</b>			
	Coordinate conversion of construction financing to permanent financing, and be point on the loan closing.	P	S