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January 7, 2022

VIA EMAIL

Kristi Markey
Deputy County Counsel
Monterey County
1441 Schilling Place, 2nd Floor South
Salinas, CA 93901
Email: MarkeyKA@co.monterey.ca.us

Re: Request for Extension -
Completion Guaranty for Phase Two dated as of July, 2019 (the "Phase Two Guaranty") by Casa Acquisition Corp., a Delaware corporation ("Casa") and the Successor Agency to the Redevelopment Agency of the County of Monterey (the "Agency")

Dear Ms. Markey:

Reference is hereby made to that certain Completion Guaranty for Phase Two dated as of July, 2019 (the "Guaranty") by Casa Acquisition Corp., a Delaware corporation ("Obligor") and the Successor Agency to the Redevelopment Agency of the County of Monterey (the "Agency"). UCP East Garrison, LLC, a Delaware limited liability company ("Master Developer") is the successor to Obligor. The terms of the Guaranty require Master Developer to guaranty the completion of the Phase Two Guaranteed Units (as such term is defined therein) by March 31, 2025 (the "Completion Date"). Community Housing Improvement Systems and Planning Association, Inc., a California nonprofit public benefit corporation ("CHISPA") has formed a tax credit limited partnership to acquire, construct and own a project that will consist of 66 units of affordable housing (the "Project"). The Project will be financed by the following sources:

A loan from JPMorgan Chase Bank, N.A. ("Chase") in the anticipated principal amount of \$23,744,207 sourced from tax-exempt bonds with a taxable tail in the anticipated amount of \$1,950,940;

A loan from the California Department of Housing and Community Development in the anticipated principal amount of \$7,552,822 sourced from Joe Serna Jr. Farmworker Housing funds;

A loan from CHISPA in the anticipated principal amount of \$6,051,106 sourced from Successor Agency to the Redevelopment Agency of the County of Monterey tax increment funds;

A loan from CHISPA in the anticipated principal amount of \$165,000 sourced from Central Coast Community Energy funds;

A seller carryback loan from CHISPA in the anticipated amount of \$1,300,000; and

Tax credit equity from Enterprise Community Investments or affiliates thereof (the "Investor") in the anticipated amount of \$21,077,357.

Completion of the Project by the Completion Date will satisfy the Master Developer's obligations under the Guaranty.

On behalf of CHISPA, we would like to request that the County consider an extension of the Completion Date until March 31, 2026. We believe that this is reasonable in light of the current circumstances the State of California is experiencing, including the pandemic and resulting supply chain issues. While we are confident the Project will meet the original Completion Date, a year cushion would provide extra comfort to the Project's financing partners and allow them to obtain all required approvals to close financing on the Project by the tax credit deadline of February 21, 2022. Construction of the Project would begin promptly thereafter. Furthermore, the County can be assured that the Project will be under construction within two months by virtue of the Project's executed tax credit reservation, which evidences the State's commitment to provide tax credits to the Project, and commitment letters from Enterprise and Chase to provide tax credit equity and traditional financing for the Project.

In addition, the Project's financing partners have requested extended cure periods in the unlikely event that CHISPA either fails to timely commence construction or defaults on its construction completion obligations. This would allow the financing partners to step in and ensure the completion of the Project within the requisite deadlines. It is critical to allow those partners, who have first-hand knowledge of the Project, sufficient opportunity to ensure the Project moves forward.

In light of these factors, we respectfully request that the County consider extending the Completion Date by one (1) year. Please reach out with any questions or additional information requested. Thank you.

Very truly yours,


Andrew T. Simer
Chief Financial Officer