

Month XX, 2020

Paul Webster, Director
Financial Management Division
U.S. Department of Housing and Urban Development
451 Seventh St., S.W. Room 7180
Washington, D.C. 20410

Subject: Amendment to Section 108 Loan Application B-12-MC-06-0516

Dear Mr. Webster,

This letter shall serve as the request to amend certain Funding Approval/Agreement and collateral for Project Number B-12-MC-06-0516 (collectively, the "Rancho Los Amigos South Campus Sport Fields Section 108 Loan Agreement") in the amount of \$3,000,000 between the United States of America, by and through the Department of Housing and Urban Development ("HUD") and the City of Downey, a California municipal corporation ("City"). The Rancho Los Amigos South Campus Sport Fields Project was a proposal to construct three (3) synthetic turf or grass soccer fields of various sizes to support play of youth through high school level of competition, with the largest field being able to host football and lacrosse play as well; a parking lot with an estimated 74 spaces; a 2,100 to 3,000 square-foot building that will house restrooms, concessions, administrative offices, storage and meeting space; shielded directional lighting of sports fields to allow for field usage during dusk/night; fencing along the project boundaries; temporary or permanent bleacher seating; and, drought tolerant landscaping. After procuring the project, it has been determined that there will be \$500,000 excess funding from the project that the City would like to be turned over to another public facility improvement project.

The City has identified the public service improvement project where \$500,000 of the Rancho Los Amigos South Campus Sport Fields Section 108 Loan project can be utilized. The identified project is the Solar Photovoltaic and Battery Energy Storage Systems at City Buildings Project. The development of the Solar Photovoltaic and Battery Energy Storage Systems Project includes: the installation of energy efficiency upgrades, including solar photovoltaic (PV) panels, carport canopies and battery energy storage systems (BESS) at City-owned buildings and facilities. The proposed locations for the project include The Downey Theatre and The Barbara J. Riley Community/Senior Center. The City still intends to utilize the remaining Section 108 Loan in the amount of \$2,500,000 for the development of the Rancho Los Amigos South Campos Sports Fields project as previously indicated. The total estimated project cost is \$7 million and includes design, construction, and contract administration. A portion of the total estimated project costs are estimated to be covered with

\$500,000 from the Section 108 Loan amendment proposed above, along with a submittal of a new Section 108 Loan application for an additional \$500,000 against the current availability of Section 108 financing borrowing authority afforded to the City of Downey (See attached "Availability of Section 108 Financing spread sheet filtered down to show City of Downey).

The proposed Solar Photovoltaic and Battery Energy Storage Systems Project meets HUD's National Objective to serve residents citywide via the Low/Mod Area benefit; additionally, the construction of a public facility is an Eligible Activity under 24 CFR 570.703(l). Additionally, this letter requests to amend the following:

1. The Commitment to Contract No. B-12-MC-06-0516 from \$3,000,000 to \$2,500,000 for the Rancho Los Amigos South Campus Sport Fields Project and the allocation of \$500,000 to the Solar Photovoltaic and Battery Energy Storage Systems Project.
2. The City Manager or authorized designee to be authorized by the City Council to execute this Letter Amendment, to negotiate and execute any and all appropriate instruments, agreements, and implementing documents, and to take any necessary or appropriate implementing actions (including but not limited to setting up a debt service reserve account) for the purposes of implementing this Letter Amendment.
3. Except as otherwise amended by this Letter Amendment, all the terms and conditions in the Rancho Los Amigos South Campus Sport Fields Section 108 Loan Agreement shall remain in full force and effect.

If there are any questions regarding this submission, please contact Aldo Schindler, Director of Community Development Department or Jessica Flores, Economic Development and Housing Manager, at (562) 904-7152.

Sincerely,

CITY OF DOWNEY
OFFICE OF THE CITY MANAGER

Gilbert A. Livas
City Manager

cc: Mary Ann Carrasco, CPD Representative

GAL/JGV
Enclosures