



County of Fresno

DEPARTMENT OF PUBLIC WORKS AND PLANNING
STEVEN E. WHITE, DIRECTOR

November 3, 2025

Cullen J. Davis
Manager of UP Holdings, LLC d.b.a. UP Holdings California, LLC
7370 N Lincoln Avenue., Suite A
Lincolnwood, IL 60712

Subject: Updated Reservation of County of Fresno Affordable Housing Development Loan Funds for the Sanger Modular Project in Sanger, CA

Dear Mr. Davis:

This letter is to inform your entity and other potential financiers and lenders that the County of Fresno (County), as of November 1, 2025, has not received confirmation that all necessary financing has been secured for the proposed Sanger Modular project (Project) as described in the application dated March 6, 2025, with revisions on April 18, 2025 and May 19, 2025.

As specified in the County's May 21, 2025 letter reserving HOME Investment Partnerships (HOME) American Rescue Plan (HOME-ARP) program funds from the United States Department of Housing and Urban Development (HUD), as well as Permanent Local Housing Allocation (PLHA) funds from the State of California, Department of Housing and Community Development (HCD), the Year 3 PLHA funds had a draft written agreement and loan document deadline of November 1, 2025, to ensure the County meets HCD review and commitment deadlines.

Project costs and specifics must be finalized and all necessary funding sources must be identified and secured in order for the County to draft agreement and loan documents. Year 3 PLHA funds, absent formal written extension offered by HCD to the County, are no longer available for this project. The County is unaware of any such extension in progress and has not requested one as there is no mechanism for the County to do so. As a result, we are informing you and other financiers that funds for your 2025 Homekey+ Sanger Modular application are now reserved as follows:

- **\$2,526,959 in PLHA funds for hard construction costs, provided as a 58-year loan (55-year affordability period + 3 years for construction), with 0% interest, residual receipts. (Decrease of \$143,394.)**
 - This is using the County's PLHA Year 4, Year 5, and a small amount of Year 2 funds identified by HCD for a Homekey/Homekey+ project. Access to Year 4 funds is contingent upon a draft written agreement and loan documents required for County/State review by no later than November 1, 2026.

ADMINISTRATION

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- **\$2,500,000 in HOME-ARP funds for hard construction costs, provided as a 58-year loan (55-year affordability period + 3 years for construction), with 0% interest, residual receipts. (No change.)**
- **\$450,000 in HOME-ARP funds for operating assistance, provided as a 58-year loan (55-year affordability period + 3 years for construction), with 0% interest, residual receipts. (No change.)**

The County understands that the underlying details of the project remain unchanged, and the County has previously found that **Sanger Modular, located on parcel APN: 322-132-05 in Sanger, CA 93657, and UP Holdings California, LLC's** joint application with the newly-formed (May 7, 2025) **Sanger Homekey LP** to develop, construct, operate, and maintain **88 rental housing units** (with 87 units affordable to households at or below **30% of the Area Median Income**) for **55 years**, helps support affordable housing in the County.

Please be advised, this reservation award continues to be contingent upon: **(1) final underwriting and subsidy layering analysis, including limits on profit and a required positive cash flow (2) securing all other funding necessary to complete the project; (3) securing an Authority to Use Grant Funds for this project from HUD—i.e. timely and satisfactory completion of the Federal environmental review process under the National Environmental Policy Act (NEPA) – you are strongly encouraged to begin this process now; (4) HCD's timely review and approval of PLHA loan and agreement documents in alignment with the PLHA Year 4 & 5 allocation timeframes; and (5) reserved funds issued by HUD and HCD for the sources, years, and amounts stated above have not been reclaimed/recaptured/rescinded by their issuing entity, which is not anticipated but remains a possibility.**

As before, this letter may only be used in support of your 2025 application to HCD for Homekey+ funds. Extensions granted by HCD for Homekey+ and PLHA will be honored by the Department while the project has a viable path to being fully funded. The County cannot extend the award reservation in the absence of extensions from HCD, nor beyond under-contract deadlines of the funds and funding years identified above, nor backfill if funds are reclaimed/recaptured/rescinded by their issuing entity. Additionally, the Department does not have additional funds for this project if a financing gap is identified.

Should you or your potential financiers have any questions, please contact Jennifer Kish Kirkpatrick, Senior Staff Analyst for Community Development, at (559) 600-4292 or ComDev@fresnocountyca.gov.

Sincerely,



Steven E. White, Director
Department of Public Works and Planning

c: Leslie Alvarado, RHCB Development LP, Project Manager, via email
Brad Hardie, Sanger Homekey LP, Agent, via email
Jessica Hoff Berzac, UP Holdings, LLC, President/Principal, via email