

**Sonoma County Community Development Commission**  
**Hardship Request**  
(Updated 05/27/2020)

Sonoma County Community Development Commission (“Commission”) underwrites and services a number of different secured loans using local, state, and federal funding consistent with applicable policies and regulations. Commission loans are typically deferred payment loans and in a subordinate position to senior financing only if the ongoing public purpose of the development is protected and the forbearance of residual receipts, forbearance of senior loans, or any other request to address impacts from COVID-19 will not adversely affect the security of the Commission’s loan in any way. The Commission’s public purpose includes taking action and making investments to promote and assist in the development and preservation of housing that is affordable, available, and accessible to the County’s low-income and workforce residents.

Commission understands the potential financial impacts to affordable housing projects as a result of the COVID-19. We are aware that some projects may experience financial impacts from tenants’ inability to pay rent due to public health and emergency orders.

Commission will consider and may implement reasonable financial accommodations for each project affected by COVID-19. Upon receipt of a written request from Borrower, Commission will assess each individual project.

Please submit all the following documentation to the Commission for each project seeking accommodation:

1. Detailed hardship request signed by an authorized representative of the requesting entity (Developer/Owner/Borrower)
2. List of all lenders on project by lien priority
3. Senior lender requirements for reasonable financial accommodation
4. Copy of submittal package to senior lender for reasonable financial accommodation
5. Additional information as requested by Commission

Upon receipt of the completed request, Commission will consult with county counsel and conduct a review. Depending upon the authority required to grant the request, and the volume of requests received, we shall respond as soon as possible. Please direct questions to Angela Morgan [Angela.Morgan@sonoma-county.org](mailto:Angela.Morgan@sonoma-county.org)

To qualify for forbearance, the lender must show that the loan is in good standing, with respect to (i) the payment of principal, interest with all lenders, (ii) real estate taxes, (iii) property reserves, (iv) evidence of insurance, and (iv) compliance with all applicable Commission obligations including other agreements and documents.

If the forbearance request is approved, Commission will temporarily waive late charges and default interest, and will offer the Borrower a 30 day forbearance on the payment of all or a portion of residual receipts, if any. If requested and Commission approves, possible extensions may be granted for up to two (2) additional 30-day periods.

Upon approval of the request, the Borrower must agree, in writing, that during the forbearance period it will (i) not evict a tenant based solely on non-payment of rent occurring as a consequence of the COVID-19 emergency, whether it is caused by illness, caring for a family member, job loss, reduced hours, or temporary unpaid leave, etc., and (ii) use collected rents for no purpose other than the necessary operation and maintenance of the Project / Property or making scheduled payments due to any senior lender or Commission under the terms of the Loan Documents.