

# STONY POINT FLATS, LP

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P.O. Box 52078, Irvine, CA 92619

December 2, 2024

\*\*\* Sent via E-mail \*\*\*

Ms. Megan Basinger  
Executive Director  
Housing & Community Services  
90 Santa Rosa Avenue  
Santa Rosa, CA 95404

RE: **Stony Point Flats**  
**Interest Rate Adjustment**

Ms. Basinger:

Stony Point Flats' original Promissory Note reflects that its \$1,200,000 loan would accrue simple interest annually at a rate of three percent (3.00%). With the Housing Authority's additional \$600,000 of funding assistance representing a significant (50%) increase in the project's total funding from the Housing Authority our investor's legal counsel has noted that the Note's initial interest rate presents a potential Original Interest Rate (OIR) issue as it is significantly less than the current U.S. Treasury Applicable Federal Rate ('AFR') of four and one/tenth percent (4.10%). As such, they have recommended the Note's interest rate be adjusted to the four and one/tenth percent (4.10%) AFR to address this potential OIR issue. We would request that effective as of the date of the loan modification the interest rate for the full \$1,800,000 be adjusted to four and one/tenth percent (4.10%).

Thank you very much for your consideration of this request and please let us know should you have any questions.

Sincerely,

IH Stony Point Flats, LLC, Managing General Partner



Philip Wood,  
President

cc: Rebecca Lane