

**SUBMITTAL TO THE BOARD OF COMMISSIONERS OF THE  
HOUSING AUTHORITY  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

451A



**FROM:** Housing Authority

**SUBMITTAL DATE:**  
May 14, 2008

**SUBJECT:** First Amendment to the Amended and Restated Regulatory Agreement for Magnolia Park Apartments in the City of Riverside

**RECOMMENDED MOTION:** That the Board of Commissioners:

1. Approve the attached First Amendment to the Amended and Restated Regulatory Agreement and Declaration of Restrictive Covenants ("First Amendment");
2. Approve the attached Assignment and Assumption Agreement ("Assignment");
3. Consent to Magnolia Park Village L.P. ("Current Owner") assigning all its rights, duties, liabilities and obligations under the Amended and Restated Regulatory Agreement and Declaration of Restrictive Covenants to the Ontario 4<sup>th</sup> Street L.P. ("New Buyer") in connection with the sale of Magnolia Park Apartments;
4. Authorize the Chairman of the Board of Commissioners to execute the attached First Amendment and Assignment;
5. Authorize the Executive Director or designee to take all necessary steps to implement these Agreements, including, but not limited to, signing subsequent essential and relevant documents.

**BACKGROUND:**

(Continued on page 2)

RZ:DL:HM:ER:TF

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*Robin Zimpfer*  
Robin Zimpfer, Executive Director

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ N/A	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ N/A	Budget Adjustment:	N/A
	Annual Net County Cost:	\$ N/A	For Fiscal Year:	2007/2008

<b>SOURCE OF FUNDS:</b> N/A	<b>Positions To Be Deleted Per A-30</b>	<input type="checkbox"/>
	<b>Requires 4/6 Vote</b>	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:**

APPROVE

BY: *Jennifer L. Sargent*  
Jennifer L. Sargent

**County Executive Office Signature**

FORM APPROVED COUNTY COUNSEL  
BY: *Michelle Clack*  
MICHELLE CLACK  
DATE: 5/14/08

Dep't Recomm.:  Policy  Policy  
Per Exec. Ofc.:  Consent  Consent

**Prev. Agn. Ref.: Item 8.2-8/1/1995 | District: 1 | Agenda Number:**

ATTACHMENTS FILED  
WITH THE CLERK OF THE BOARD

**10.2**  
Form 11hours (Rev 06/2003)

In 1996, The Housing Authority of the County of Riverside issued a Multifamily Housing Revenue Refunding Bonds, Series 1996A (Friendship Village Apartments) in the principal amount of \$6,500,000 to assist with the refinancing of an existing 268-unit multifamily rental housing project located at 4790 Jackson Street in the City of Riverside. Since then the project has been sold several times and the Bonds were paid off in 2004 and are no longer outstanding. The current complex is now named Magnolia Park Apartments.

Even though the Bonds were paid off, the current Amended and Restated Regulatory Agreement and Declaration of Restrictive Covenants ("Regulatory Agreement") dated March 1, 1996, and recorded in the Official Records of the County of Riverside on March 13, 1996 as Document No. 090115, restricted twenty percent (20%) of the units to be continuously occupied by Lower Income tenants at an affordable rent. This Regulatory Agreement does not expire until March 13, 2011.

The current Owner, Magnolia Park Village, L.P., a California limited partnership, has entered into a purchase and sell agreement to sell the property to Ontario 4<sup>th</sup> Street L.P., a California limited partnership, and requested the Housing Authority's consent to the assignment and assumption of the Regulatory Agreement by the New Buyer. In addition, the New Buyer has requested that the Qualified Project Period be extended for another 20 years to March 13, 2031.

County Counsel has reviewed and approved the attached First Amendment and Assignment Agreements. Staff recommends the Board consent to the assignment to the New Buyer and approve the First Amendment and Assignment Agreements.