

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

714



FROM: Economic Development Agency

SUBMITTAL DATE:
March 5, 2009

SUBJECT: Adoption of Resolution No. 2009-106 Delegating Authority for the Approval and Execution of Subordination Agreements

RECOMMENDED MOTION: That the Board of Supervisors adopt the attached Resolution No. 2009-106 delegating authority for the approval and execution of subordination agreements related to the Home Rehabilitation Program, First Time Home Buyer Program, and the Self-help Home Buyer Program.

BACKGROUND: Riverside County Board of Supervisors ("County") approved and executed loan agreements ("Loans") between the County and individual homeowners related to the Home Rehabilitation Program, the First Time Home Buyer Program, and Self-Help Home Buyer Program ("Programs"), which are administered by the County's Economic Development Agency.

(Continued on Page 2)

FORM APPROVED COUNTY COUNSEL
BY: MICHELLE CLACK
DATE: 3/9/09
Departmental Concurrence

RZ:ER:TF:DX

S:\CDBG\HOME\2009 NSP - Tom FINSHPI\EDA-Form 11-Resolution-106

Robin Zimpfer

Robin Zimpfer
Assistant County Executive Officer/EDA

FINANCIAL DATA	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:	2008/2009

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: N/A	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

County Executive Office Signature BY: *Serena Chow*
Serena Chow

- Policy
- Consent
- Dept't Recomm.:
- Policy
- Consent
- Per Exec. Ofc.:

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Prev. Agn. Ref.:	District: ALL	Agenda Number: 3.18
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BACKGROUND: (Continued)

The Loans are funded by Community Development Block Grants and HOME funds and are secured by recorded deeds of trust; and Loans do not exceed seventy-five thousand (\$75,000) dollars per homeowner and would be in second and/or third position to the senior financing loans ("Senior").

As the mortgage interest rate comes down, individual homeowners desire to re-finance the Senior and the County is frequently required to execute standard subordination agreements subordinating the Loans to the new Senior. The County would remain in subordinate position to the new Senior and would not be lower than the current position. The County would not subordinate to an amount greater than the existing Senior.

To facilitate implementation of the Loans, increase Program efficiency and save administrative costs, EDA is requesting the Board to delegate authority to the Assistant County Executive Officer/EDA or designee to approve and execute the standard subordination agreements subject to approval by County Counsel.

Staff recommends the adoption of Resolution 2009-106.

2 RESOLUTION NO. 2009-106
3 DELEGATING AUTHORITY FOR THE APPROVAL AND EXECUTION OF
4 SUBORDINATION AGREEMENTS
5 (All Supervisorial Districts)

6 WHEREAS, Government Code Section 25207 provides that the Board may do
7 and perform all other acts and things required by law not enumerated in this part, or
8 which are necessary to the full discharge of the duties of the legislative authority of the
9 county government; and

10 WHEREAS, the Riverside County Board of Supervisors ("County") approved and
11 executed loan agreements ("Loans") between the County and individual homeowners
12 related to the Home Rehabilitation Program, the First Time Homebuyer Program, and
13 Self-Help Homebuyer Program ("Programs"), which are administered by the County's
14 Economic Development Agency; and

15 WHEREAS, the Loans are funded by Community Development Block Grants and
16 HOME funds and are secured by deed of trusts; and

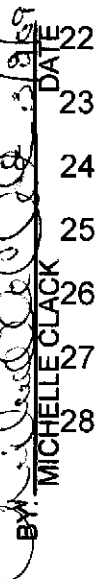
17 WHEREAS, the Loans do not exceed seventy-five thousand (\$75,000) dollars
18 per homeowner and are currently in second and/or third position to senior financing
19 loans; and

20 WHEREAS, the individual homeowners desire to re-finance the senior financing
21 loans and the County is frequently required to execute standard subordination
22 agreements subordinating the Loans to the new senior financing loans; and

23 WHEREAS, the County would remain in subordinate position to the new senior
24 financing loan and would not be lower than the current position; and

25 WHEREAS, the County would not subordinate to an amount greater than the
26 existing senior financing loan; and

27 WHEREAS, delegating authority to the Assistant County Executive Officer/EDA
28 or her designee to approve and execute the standard subordination agreements would
facilitate implementation of the Loans, increase the Programs' efficiency and save
administrative costs.

FORM APPROVED COUNTY COUNSEL
BY:  DATE: 5/13/09
MICHELLE CLACK

1 **NOW THEREFORE, BE IT RESOLVED, FOUND, DETERMINED, AND**
2 **ORDERED** by the Board of Supervisors of the County of Riverside, State of California,
3 in regular session assembled on March 17, 2009, as follows:

4 1. That the Board of Supervisors hereby finds and declares that the above
5 recitals are true and correct.

6 2. That the Board of Supervisors has determined that delegating authority to
7 the Assistant County Executive Officer/EDA or her designee to execute standard
8 subordination agreements would facilitate implementation of the Loans, increase the
9 Programs' efficiency and save administrative costs.

10 3. That the Board of Supervisors hereby delegates to the Assistant County
11 Executive Officer/EDA or her designee the authority to execute subordination
12 agreements provided the following are met:

- 13 a) The loan is related to the Home Rehabilitation Program, and/or the
14 First Time Homebuyer Program, and/or Self-Help Homebuyer
15 Program.
16 b) The loan amount being subordinated does not exceed \$75,000 per
17 homebuyer.
18 c) The subordination agreement has been approved by County
19 Counsel.
20 d) The subordination agreement does not put the County of Riverside
21 in a position less than the current existing position authorized by
22 the Board.
23 e) The re-financed senior loan is not greater than the previously
24 existing senior loan.