

467



SUBMITTAL TO THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Redevelopment Agency

SUBMITTAL DATE:
December 10, 2009

SUBJECT: First Amendment to Loan Agreement for the Use of Redevelopment Agency funds with Inspire Life Skills Training, Inc.

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached First Amendment to Loan Agreement for the use of Redevelopment Agency Funds between the County of Riverside and Inspire Life Skills Training, Inc;
2. Authorize the Chairman of the Board to sign the attached First Agreement; and
3. Authorize the Executive Director or his designee to take all necessary steps to implement the First Amendment including, but not limited to, signing subsequent necessary and relevant documents.

BACKGROUND: (Commences on Page 2)

Robert Field
Executive Director

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2009/2010

COMPANION ITEM ON BOARD OF SUPERVISORS AGENDA:

SOURCE OF FUNDS: Redevelopment Low-and Moderate-Income Housing Funds	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

BY: Jennifer L. Sargent

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
BY: MICHELLE CLACK
DATE: 12/10/09
Departmental Concurrence

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

Prev. Agn. Ref.: Item 4.2 of 11/24/2009 | District: 2nd | Agenda Number:

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD

4.3
RDA001-F11.doc
FRM 11 (REV 06/2003)

BACKGROUND:

On November 24, 2009, the Board of Directors approved a Loan Agreement for the use of Redevelopment Agency funds with Inspire Life Skills Training Inc. (Inspire), a non-profit organization, in the amount up to \$330,000 for financing of acquisition, rehabilitation of one (1) single-family home to rent to very low-income persons that are between the ages of 18 and 22 years of age that are emancipated former foster youth. The home is to be purchased within the unincorporated areas of the County of Riverside in the Second Supervisorial District.

Inspire has decided that the best place to buy a home would be in the unincorporated community of Eastvale near the community college in order to promote higher education to the foster youth that will be occupying the home. Inspire is having difficulties locating eligible properties in Eastvale within the purchase price limit of \$292,686 as required by the Loan Agreement and therefore is requesting to amend the purchase price limit requirement from \$292,686 to \$330,000.

Agency Counsel has reviewed and approved as to form the attached First Amendment to Loan Agreement for the Use of Redevelopment Agency Funds. Staff recommends that the Board approved the First Amendment to Loan Agreement for the Use of Redevelopment Agency Funds.

1 NO FEE FOR RECORDING PURSUANT
2 TO GOVERNMENT CODE 6103

3 RECORDING REQUESTED BY AND
4 WHEN RECORDED MAIL TO:

5 County of Riverside
6 Economic Development Agency
7 1325 Spruce Street, Suite 400
8 Riverside, CA 92501
9 Attn: Juan Garcia

10 SPACE ABOVE THIS LINE FOR RECORDERS USE

11 **FIRST AMENDMENT TO LOAN AGREEMENT FOR THE USE OF**
12 **REDEVELOPMENT AGENCY FUNDS**

13 This First Amendment to Loan Agreement for the Use of Redevelopment Agency
14 Funds ("First Amendment") is made and entered into as of the ____ day of
15 _____, 2009, by and between the REDEVELOPMENT AGENCY FOR THE
16 COUNTY OF RIVERSIDE, a public body, corporate and politic (hereinafter referred to as
17 the "AGENCY) and INSPIRE LIFE SKILLS TRAINING INC., a California nonprofit public
18 benefit corporation (hereinafter referred to as "INSPIRE").

19 WITNESSETH:

20 WHEREAS, AGENCY and INSPRE entered into Loan Agreement for the Use of
21 Redevelopment Agency Funds ("AGENCY Loan Agreement") on November 24, 2009; and

22 WHEREAS, under the terms and conditions of the Agency Loan Agreement, AGENCY
23 agreed to lend up to Three Hundred Thirty Thousand Dollars (\$330,0000) of AGENCY funds
24 to INSPRE for financing of acquisition and rehabilitation of one (1) single-family home to
25 rent to very low-income persons that are between the ages of 18 and 22 years of age, which
26 are emancipated former foster youth whose incomes do not exceed 50% of the area median
27 income for the County of Riverside (the "Project"); and

28 WHEREAS, pursuant to the AGENCY Loan Agreement, the purchase price limit of the
home shall not exceed the actual 95 percent of the area median sales price, or the FHA 203(b)
limit, whichever is lower; and

WHEREAS, 95 percent of the area median sales price limit is \$292,686;

WHEREAS, pursuant to the AGENCY Loan Agreement, eligible properties or assisted

1 units must be located within the unincorporated areas of the County of Riverside in the Second
2 Supervisorial District; and

3 WHEREAS, INSPRE is having difficulties locating eligible properties within the
4 purchase price limit of \$292,686; and

5 WHEREAS, INSPRE has requested to amend the AGENCY Loan Agreement to allow
6 INSPRE to acquire homes at or below \$330,000; and

7 WHEREAS, amending the AGENCY Loan Agreement will assist the AGENCY to
8 fulfill its inclusionary housing requirements; and

9 NOW, THEREFORE, in consideration of the foregoing, and the promises and mutual
10 covenants and conditions hereinafter set forth, AGENCY and INSPRE do hereby agree as
11 follows:

12 1. Section 11 (d)(2) of the AGENCY Loan Agreement is deleted and replace in its entirety
13 with the following:

14 "The maximum purchase price shall be the appraised value of the property, not to
15 exceed Three Hundred Thirty Thousand Dollars (\$330,000). The appraised value of the
16 property shall be established through an appraisal made by one of the AGENCY's
17 approved appraisers."

18 2. Section 21 of the AGENCY Loan Agreement is deleted and replace in its entirety with
19 the following:

20 PURCHASE PRICE REQUIREMENT. The maximum purchase price shall be the
21 appraised value of the property, not to exceed Three Hundred Thirty Thousand Dollars
22 (\$330,000). The appraised value of the property shall be established through an appraisal
23 prepared by one of the AGENCY's approved appraisers. The AGENCY will be
24 responsible for ordering the appraisal."

25 3. Exhibit "A" of the Agency Loan Agreement is hereby replaced with the revised Exhibit
26 "A" of this First Amendment, which is attached hereto and by this reference
27 incorporated herein.

28 4. Exhibit "E" of the Agency Loan Agreement is hereby replaced with the revised Exhibit

1 "E" of this First Amendment, which is attached hereto and by this reference
2 incorporated herein.

3 5. This First Amendment and AGENCY Loan Agreement set forth and contain the entire
4 understanding and agreement of the parties hereto. There are no oral or written
5 representations, understandings, or ancillary covenants, undertakings or agreements,
6 which are not contained or expressly referred to within this First Amendment and
7 AGENCY Loan Agreement.

8 6. Each of the attachments and exhibits attached hereto are incorporated herein by this
9 reference

10 7. All other terms and conditions of the AGENCY Loan Agreement remain unmodified
11 and in full force and effect.

12 8. This First Amendment may be signed by the different parties hereto in counterparts,
13 each of which shall be an original but all of which together shall constitute one and the
14 same agreement.

15 9. The effective date of this First Amendment is the date the parties execute the First
16 Amendment. If the parties execute the First Amendment on more than one date, then the
17 last date the First Amendment is executed by a party shall be the effective date.

18 (END OF AGREEMENT)

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1 IN WITNESS WHEREOF, the AGENCY and INSPIRE have executed this Agreement as of
2 the date first above written.

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REDEVELOPMENT AGENCY FOR
THE COUNTY OF RIVERSIDE

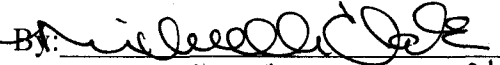
INSPIRE LIFE SKILLS TRAINING, INC.
a California nonprofit benefit corporation

By: _____
JEFF STONE
Chairman, Board of Directors

By: _____
KRISTI CAMPLIN
Executive Director

APPROVED AS TO FORM:

PAMELA J. WALLS
Agency Counsel

By: 
Deputy Michelle Clock 12/10/09

ATTEST:
KECIA HARPER-IHEM
Clerk of the Board

By: _____
Deputy

(All signatures on this page need to be notarized)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

STATE OF CALIFORNIA }

← COUNTY OF _____ }

On _____, before me, _____
Date Here Insert Name and Title of the Officer

personally appeared _____
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

Place Notary Seal Above

Signature of Notary Public

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

STATE OF CALIFORNIA }

COUNTY OF _____ }

On _____, before me, _____
Date Here Insert Name and Title of the Officer

personally appeared _____
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

Place Notary Seal Above

Signature of Notary Public

Exhibit A

INSPIRE: INSPIRE LIFE SKILLS TRAINING, INC.
Address: 2279 Eagle Glen Parkway, #112, Corona, CA 92883
Project Title: Inspire Life Skills Training

Project Description:

The Redevelopment Agency for the AGENCY of Riverside (“AGENCY”) will provide up to \$330,000.00 in AGENCY Funds for acquisition and rehabilitation of one (1) single-family property (“Property” or “Assisted Unit”) and rent to very low-income (“VLI”) persons, as defined herein, within the unincorporated areas of the County of Riverside 2nd Supervisorial District.

The AGENCY Assisted Unit will target to VLI persons that are between the ages of 18 and 22 years of age that are emancipated former foster youth whose incomes do not exceed 50% of the area median income for the County.

INSPIRE will utilize AGENCY Funds for acquisition and rehabilitation costs of the Property for the Project. The period of affordability for the Property (the “Affordability Period”) shall be fifty-five (55) years from the issuance of the Certificate of Occupancy.

Eligible Property (“Assisted Unit”)

Any single-family home, condominium or town home that meets all of the following minimum criteria:

1. The home must be permanently fixed to a permanent foundation.
2. The home must be owner occupied or Seller must certify that the home has been vacant for a period of at least 90 days prior to the Purchase Offer form (Exhibit E).
3. The home must be built after 1978. Homes constructed after January 1, 2000 are preferred. Older dwellings are eligible if they are suitable for renovation and if rehabilitation costs are reasonable. However, all properties must be constructed post-1978 and must not be listed on, or eligible for listing on, the National Register of Historic Places.
4. The home must be assessed in accordance with the provisions of the California Environmental Quality Act (CEQA).

Target Area

Assisted Unit must reside within the unincorporated areas of the County of Riverside 2nd Supervisorial District.

Purchase Price Requirement

The maximum purchase price shall be the appraised value of the property, not to exceed Three Hundred Thirty Thousand Dollars (\$330,000). The appraised value of the property shall be established through an appraisal made by one of the AGENCY's approved appraisers. The AGENCY will be responsible for ordering the appraisal.

Appraisals

1. Purchase Offer. Upon receipt of a completed and signed Purchase Offer form for property in consideration, as provided in **Exhibit D**, AGENCY will conduct an appraisal of the property through an independent fee contract appraiser ("Appraiser"). The Appraiser contracted by AGENCY will be State licensed or certified in accordance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA).
2. Final Purchase Price. The final purchase price shall be the appraised value of the property, not to exceed \$330,000. The appraised value of the property shall be established through an appraisal prepared by one of the AGENCY's approved appraisers. The AGENCY will be responsible for ordering the appraisal.
 - a) If the initial offer does not meet the purchase price requirements, then the Buyer will be required to re-negotiate to meet the purchase price allowed. If the Seller and Buyer could not reach an amicable agreement for the purchase price of the property, then the property by the Buyer will be denied and the cost of the appraisal will be paid for by AGENCY.

Project Sources and Uses of Fund:

Sources:

AGENCY Loan	\$ 330,000
Total Sources	\$ 330,000

Uses:

	Total Project Costs
Acquisition	292,686
Rehabilitation	28,100
Appraisals	500
Title and Recording	500
Insurance	1,000
Marketing	500
Escrow	500
Contingency	3,404
Subtotal	327,190
Developer Fee (10% of Rehabilitation Costs)	2,810
Total Project Cost	330,000

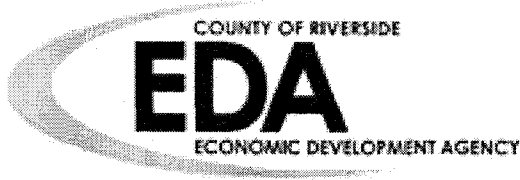
IMPLEMENTATION SCHEDULE

Milestone	Completion Date
1. AGENCY Loan Agreement executed	November 10, 2009
2. Acquisition of Assisted Unit*	December 30, 2009
3. Rehabilitation Plan and revised budget	January 15, 2009
4. Marketing Plan Status and Outreach	January 1, 2009
5. Rehabilitation of Assisted Unit completed*	March 27, 2010
6. Submission of Closing Documents	December 30, 2009

* Section 29 – Performance Requirements

DOCUMENT SUBMISSION SCHEDULE

Documents	Due Date
1. AGENCY Activities Reporting and Project Photos	Monthly, due by the 5 th of each month
2. Liability and Certificate of Workers' Compensation Insurance for INSPIRE and General Contractor	INSPIRE – At the execution of this Agreement. GC – Before start of construction. Copies of Certificates must be filed and up-to-date throughout the course of the Project with the County of Riverside and AGENCY as additionally insured.
3. Notice of Completion	End of Construction
4. Certificate of Occupancy	End of Construction
5. Conditional/Unconditional Release for Final from GC, and if applicable, Sub-contractors	Close of Rehabilitation
6. Rehabilitation Completion Report	Close of Rehabilitation
7. Final Development Cost - Sources and Uses	Close of Rehabilitation
8. Qualified Tenant Selection Policy	Marketing Stage
9. Flyers, Community Contacts, Outreach, Press Releases, Grand Opening info	Marketing Stage



PURCHASE OFFER FORM

Informational Notice To Seller VOLUNTARY ACQUISITION OF PROPERTY

Date	
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_____, (hereinafter referred to as "Buyer")

is interested in acquiring the property you own at:

_____, (Address)

which may receive funding assistance from the Redevelopment Agency for the County of Riverside (AGENCY) to purchase one (1) single-family home. The Buyer intends to apply and qualify for AGENCY assistance. Acquisitions financed with AGENCY Funds are subject to California law regarding relocation of displaced persons.

Please be advised that the Buyer does not have the authority to acquire your property by eminent domain. In the event the Buyer cannot reach an amicable agreement for the purchase of your property, the proposed acquisition cannot be consummated under AGENCY Agreement and the application for the AGENCY assistance will be denied.

Owner-occupants who move as a result of a voluntary acquisition are not eligible for relocation assistance. A tenant-occupant who moves as a result of a voluntary acquisition for an Agency assisted project may be eligible for relocation assistance. Such displaced persons may include not only current lawful occupants, but also former tenants required to move for any reason other than an eviction for cause in accordance with applicable federal, state, and local law. If the property is currently tenant-occupied or a tenant lawfully occupied the property within the past ninety (90) days prior to this offer, we need to know immediately. Further, you should not order current occupant(s) to move, or fail to renew a lease, in order to sell the property to us as vacant.

PURCHASE OFFER

Under AGENCY Agreement, the Buyer is to use AGENCY funds for the purchase of one (1) single-family home. Upon receipt of the **Purchase Offer** form for the property in consideration, AGENCY, through an independent fee contract appraiser will conduct an appraisal of the property. The contract fee appraiser contracted by AGENCY must be State licensed or certified in accordance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA).

The maximum purchase price shall be the appraised value of the property, not to exceed \$330,000. The appraised value of the property shall be established through an appraisal prepared by one of the AGENCY's approved appraisers. The AGENCY will order the appraisal upon receipt of the signed Purchase Offer. If the Purchase Offer does not meet the purchase price requirements as described in the AGENCY Loan Agreement, the Buyer will be required to re-negotiate the price. If the Seller and Buyer could not reach an amicable agreement for the purchase price of the property, the AGENCY application by the Buyer will be denied and the cost of the appraisal will be absorbed by AGENCY.

OFFER

Purchase Price Negotiated by Buyer and Seller: \$ _____

By signing below, both Buyer and Seller acknowledge that they have read and understand:

- (1) the Voluntary Acquisition of Property;
- (2) Buyer's Offer is contingent and subject to the purchase price requirements listed above.

Signature of Seller	Date	Signature of Buyer	Date
Print Name		Print Name	
Signature of Seller	Date	Signature of Buyer	Date
Print Name		Print Name	