

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

674



**FROM:** Economic Development Agency

**SUBMITTAL DATE:**  
May 6, 2010

**SUBJECT:** First Amendment to Loan Agreement for the Use of Neighborhood Stabilization Program Funds with Coachella Valley Housing Coalition

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

1. Approve the First Amendment to Loan Agreement for the Use of Neighborhood Stabilization Program (NSP) Funds between the County of Riverside and Coachella Valley Housing Coalition (First Amendment);
2. Authorize the Chairman of the Board of Supervisors to execute First Amendment (attached); and
3. Authorize the Assistant County Executive Officer/EDA or 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  
Assistant County Executive Officer/EDA

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 2,611,665	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	09/10

**COMPANION ITEM ON BOARD OF DIRECTORS AGENDA:** No

<b>SOURCE OF FUNDS:</b> Neighborhood Stabilization Program 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: 5/22/10  
 Departmental Concurrence

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

Prev. Agn. Ref.: 3.21 of 6/16/2009      District: 4      Agenda Number:

ATTACHMENTS FILED  
WITH THE CLERK OF THE BOARD

**3.43**

**BACKGROUND:**

On June 16, 2009, the Board of Supervisors approved a Loan Agreement for the use of NSP Funds with Coachella Valley Housing Coalition (CVHC), a non-profit corporation, in an amount up to \$2,500,000 to finance the acquisition and rehabilitation of approximately 20 vacant, foreclosed and bank-owned single-family properties and resale homes to qualified low-, moderate-, and middle-income (LMMI) first-time homebuyers in the County of Riverside inside designated NSP Target Areas, as defined in the County of Riverside Substantial Amendment to the 2008-2009 One-Year Action Plan, within the city of Lake Elsinore (Project).

CVHC has acquired 16 single-family properties and obligated approximately \$2,467,922 (98.72% of the NSP Loan) through recorded deeds of trust for the Project.

CVHC has requested an additional \$111,665 in NSP funds to purchase one additional single-family property for the same activity of acquisition, rehabilitation and resale to qualified low-, moderate-, and middle-income (LMMI) first-time homebuyers in the County of Riverside.

Staff recommends the amount of the NSP Loan to be increased from \$2,500,000 to \$2,611,665. Amending the NSP Loan Agreement will assist the County to fulfill its requirements under the Neighborhood Stabilization Program.

County Counsel has reviewed and approved as to form the attached First Amendment to Loan Agreement for the Use of Neighborhood Stabilization Program Funds. Staff recommends that the Board approved the First Amendment to Loan Agreement for the Use of Neighborhood Stabilization Program 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 3403 Tenth Street, Suite 500  
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 **NEIGHBORHOOD STABILIZATION PROGRAM (NSP) FUNDS**

13 This First Amendment to Loan Agreement for the Use of Neighborhood Stabilization  
14 Program Funds ("First Amendment") is made and entered into as of the \_\_\_\_ day of  
15 \_\_\_\_\_, 2010, by and between the COUNTY OF RIVERSIDE ("COUNTY"), a  
16 political subdivision of the State of California and COACHELLA VALLEY HOUSING  
17 COALITION ("CVHC"), a California non-profit corporation.

18 WITNESSETH:

19 WHEREAS, COUNTY and CVHC entered into a Loan Agreement for the Use of  
20 Neighborhood Stabilization Program Funds ("NSP Loan Agreement") on June 16, 2009; and

21 WHEREAS, pursuant to the NSP Loan Agreement, COUNTY agreed to lend up to  
22 Two Million Five Hundred Thousand Dollars (\$2,500,000) in NSP funds (the "NSP Loan") to  
23 CVHC for individual financing to acquire and rehabilitate approximately twenty (20) vacant,  
24 foreclosed and bank-owned single-family properties ("Properties") and resale homes to  
25 qualified low-, moderate-, and middle-income (LMMI) first-time homebuyers in the County  
26 of Riverside; and

27 WHEREAS, CVHC has acquired sixteen (16) single-family properties and obligated  
28 approximately \$2,467,922 (98.72% of the NSP Loan) through recorded deeds of trust for the  
Project; and

WHEREAS, CVHC has requested for an additional \$111,665 in NSP funds to purchase  
one (1) additional property for the same activity of acquisition, rehabilitation and resale; and

WHEREAS, COUNTY will amend the NSP Loan Agreement and increase the NSP

1 Loan from Two Million Five Hundred Thousand Dollars (\$2,500,000) to Two Million Six  
2 Hundred Eleven Thousand Six Hundred Sixty Five Dollars (\$2,611,665); and

3 WHEREAS, amending the NSP Loan Agreement will assist the COUNTY in fulfilling  
4 its requirements under the Neighborhood Stabilization Program.

5 NOW, THEREFORE, in consideration of the foregoing, and the promises and mutual  
6 covenants and conditions hereinafter set forth, COUNTY and CVHC do hereby agree as  
7 follows:

8 1. The amount of the NSP Loan shall be modified and increased from \$2,500,000 to  
9 \$2,611,665 in NSP funds.

10 2. Section 11, Reallocation of Funds, of the NSP Loan Agreement is deleted in its  
11 entirety and replaced with the following:

12 “a. Funds shall become encumbered on the date escrow closes for the  
13 Assisted Unit and results in a recorded deed of trust and promissory note in  
14 the Riverside County Clerk’s office. In the event CVHC does not close  
15 escrow on the Assisted Units within two (2) months of the First Amendment’s  
16 Effective Date (“Acquisition Deadline”), as defined in Section 5 of the First  
17 Amendment, the COUNTY will reallocate the balance of unencumbered NSP  
18 funds.

19 b. The reallocation of unencumbered NSP funds shall be evidenced by a  
20 written amendment to this Agreement agreed upon by both parties, which  
21 decreases the NSP Loan by the amount of unencumbered NSP funds. The  
22 Assistant County Executive Officer/EDA or designee is authorized to execute,  
23 subject to County Counsel approval, the amendment reducing the NSP Loan  
24 amount by the balance of unencumbered NSP funds pursuant to Section 11(a).

25 c. In the event CVHC is unable to close escrow on the Assisted Unit due to  
26 force majeure conditions, the COUNTY, in its sole and absolute discretion,  
27 may extend the Acquisition Deadline up to two (2) weeks. The extension on  
28 the Acquisition Deadline shall be in writing and executed by the parties. The

1 COUNTY's Assistant County Executive Officer/EDA or designee is  
2 authorized to execute the amendment to extend the Acquisition Deadline.

3 d. If COUNTY reallocates the unencumbered NSP funds pursuant to  
4 Section 11(a), CVHC shall remain responsible for completing rehabilitation of  
5 CVHC acquired properties and sale of Assisted Units in accordance with this  
6 Agreement.”

- 7 3. All other terms and conditions of the NSP Loan Agreement shall remain  
8 unmodified and in full force and effect.
- 9 4. This First Amendment may be signed by the different parties hereto in counterparts,  
10 each of which shall be an original, but all of which together shall constitute one and  
11 the same agreement.
- 12 5. The effective date of this First Amendment is the date the parties execute this First  
13 Amendment. If the parties execute the First Amendment on more than one date,  
14 then the last date the First Amendment is executed by a party shall be the Effective  
15 Date.
- 16 6. The First Amendment is not binding until approved by the Board of Supervisors.

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1 IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of  
2 the date first written above.

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4  
5 COUNTY:  
6 COUNTY OF RIVERSIDE

CVHC:  
COACHELLA VALLEY  
HOUSING COALITION

7  
8 By: \_\_\_\_\_  
9 MARION ASHLEY  
10 Chairman, Board of Supervisors

By: \_\_\_\_\_  
JOHN F. MEALEY  
Executive Director

11  
12 APPROVED AS TO FORM:  
13 PAMELA J. WALLS  
14 County Counsel

15  4/22/10  
16 Deputy, Michelle Clack

17  
18 ATTEST:  
19 KECIA HARPER-IHEM  
20 Clerk of the Board

21 By: \_\_\_\_\_  
22 Deputy

23  
24  
25  
26 **(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)

\_\_\_\_\_

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WITNESS my hand and official seal.

Signature \_\_\_\_\_

Place Notary Seal Above

Signature of Notary Public