

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

135



FROM: Economic Development Agency

SUBMITTAL DATE:
June 3, 2010

SUBJECT: First Amendment to Loan Agreement for the Use of Neighborhood Stabilization Program Funds with Riverside Housing Development Corporation in the Cities of San Jacinto, Temecula, Banning and Lake Elsinore

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 Riverside Housing Development Corporation in the Cities of San Jacinto, Temecula, Banning and Lake Elsinore ("Second 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

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:	09/10

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: 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

County Executive Office Signature Jennifer L. Sargent

FORM APPROVED COUNTY COUNSEL
BY: MICHELLE CLACK
DATE: 6/3/10
Departmental Concurrence

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

Prev. Agn. Ref.: Item 3.10 of 3/2/10

District: 1,3,5

Agenda Number:

3.12

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

BACKGROUND:

On March 2, 2010, the Board of Supervisors approved a Loan Agreement for the use of NSP Funds with Riverside Housing Development Corporation ("RHDC"), a nonprofit public benefit corporation, in an amount up to \$3,000,000 ("NSP Loan") for financing of acquisition, rehabilitation and resale of vacant, foreclosed and bank-owned single-family properties to low-, moderate-, and middle-income (LMMI) first-time homebuyers within designated NSP Target Areas in the Cities of San Jacinto, Temecula, Banning and Lake Elsinore as defined in the County of Riverside Substantial Amendment to the 2008-2009 One-Year Action Plan (the "Project").

RHDC has acquired eight (8) single-family properties and two (2) additional properties are in escrow for acquisition. RHDC has determined \$38,000 will not be required to complete rehabilitation and resale of the Properties and has requested to reduce the NSP Loan by \$38,000.

Staff recommends to decrease the amount of the NSP Loan from \$3,000,000 to \$2,962,000 whereas amending the NSP Loan Agreement will not hinder the County to fulfill its requirements and national objectives 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 10th Street, Suite 500
8 Riverside, CA 92501
9 Attn: Mervyn Manalo

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 RIVERSIDE HOUSING
17 DEVELOPMENT CORPORATION ("RHDC"), a California nonprofit public benefit
18 corporation.

19 WITNESSETH:

20 WHEREAS, COUNTY and RHDC entered into a Loan Agreement for the Use of
21 Neighborhood Stabilization Program Funds ("NSP Loan Agreement") on March 2, 2010 ;
22 and

23 WHEREAS, pursuant to the NSP Loan Agreement, COUNTY agreed to lend up to
24 Three Million Dollars (\$3,000,000) in NSP funds (the "NSP Loan") to RHDC for individual
25 financing to acquire and rehabilitate vacant, foreclosed and bank-owned single-family
26 properties ("Properties") and resale homes to qualified low-, moderate-, and middle-income
27 (LMMI) first-time homebuyers in the County of Riverside; and

28 WHEREAS, RHDC has acquired ten (10) single-family properties; and

WHEREAS, COUNTY has disbursed approximately \$1,591,000 to acquire the
Properties; and

WHEREAS, approximately \$1,409,000 is the balance for rehabilitation and disposition
of the Properties; and

1 WHEREAS, RHDC has determined \$38,000 will not be required to complete
2 rehabilitation and resale of the Properties; and

3 WHEREAS, RHDC has requested to reduce the NSP Loan by \$38,000; and

4 WHEREAS, COUNTY desires to amend the NSP Loan Agreement and decrease the
5 NSP Loan from Three Million Dollars (\$3,000,000) to Two Million Nine Hundred Sixty Two
6 Thousand Dollars (\$2,962,000); and

7 WHEREAS, amending the NSP Loan Agreement will not hinder the COUNTY to
8 fulfill its requirements and national objectives under the Neighborhood Stabilization Program.

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

- 12 1. The amount of the NSP Loan shall be modified and decreased from \$3,000,000 to
13 \$2,962,000 in NSP funds.
- 14 2. All other terms and conditions of the NSP Loan Agreement shall remain
15 unmodified and in full force and effect.
- 16 3. This First Amendment may be signed by the different parties hereto in counterparts,
17 each of which shall be an original, but all of which together shall constitute one and
18 the same agreement.
- 19 4. The effective date of this First Amendment is the date the parties execute this First
20 Amendment. If the parties execute the First Amendment on more than one date,
21 then the last date the First Amendment is executed by a party shall be the Effective
22 Date.
- 23 5. 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.

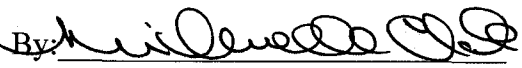
3
4 COUNTY OF RIVERSIDE

RIVERSIDE HOUSING DEVELOPMENT
CORPORATION,
a California nonprofit public benefit corporation

5
6
7
8 By: _____
9 MARION ASHLEY
Chairman, Board of Supervisors

By: _____
BRUCE KULPA
Executive Director

10
11 APPROVED AS TO FORM:
12 PAMELA J. WALLS
13 County Counsel

14 By: 
15 Deputy, Michelle Clack 6/3/10

16
17 ATTEST:
18 KECIA HARPER-IHEM
19 Clerk of the Board

20 By: _____
21 Deputy

22
23
24
25 (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.

Place Notary Seal Above

Signature _____
Signature of Notary Public