

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

136



FROM: Economic Development Agency

SUBMITTAL DATE:
June 3, 2010

SUBJECT: Second Amendment to Loan Agreement for the Use of Neighborhood Stabilization Program Funds with Riverside Housing Development Corporation in the City of Lake Elsinore

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Second 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 City of Lake Elsinore ("Second Amendment");
2. Authorize the Chairman of the Board of Supervisors to execute Second Amendment (attached); and
3. Authorize the Assistant County Executive Officer/EDA, or designee, to take all necessary steps to implement the Second Amendment including, but not limited to, signing subsequent necessary and relevant documents.

BACKGROUND: (Commences on Page 2)

Robert Field

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 38,000	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

BY: *Jennifer K. Sargent*

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
 DATE 4/3/10
 MICHELLE CLACK
 Departmental Concurrence
 Dept's Recomm.: Consent Policy
 Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: Item 3.26 6/16/09; Item 3.11 3/23/10 **District:** 1

Agenda Number:

3.13

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

BACKGROUND:

On June 16, 2009, 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 \$2,800,000 ("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 city of Lake Elsinore as defined in the County of Riverside Substantial Amendment to the 2008-2009 One-Year Action Plan.

On March 23, 2010, the Board of Supervisors approved a First Amendment to the NSP Loan Agreement to increase the NSP Loan to \$3,000,000.

RHDC has acquired eleven (11) single-family properties and obligated \$3,000,000 (100% of the NSP Loan) through recorded deeds of trust. RHDC has one (1) property sold, four (4) properties in escrow, four (4) properties for sale and two (2) properties under rehabilitation.

RHDC has requested for an additional \$38,000 in NSP funds to complete rehabilitation and resale of the remaining properties.

Staff recommends to increase the amount of the NSP Loan from \$3,000,000 to \$3,038,000 whereas amending the NSP Loan Agreement will assist 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 Second Amendment to Loan Agreement for the Use of Neighborhood Stabilization Program Funds. Staff recommends that the Board approved the Second 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: Mervyn Manalo

10 SPACE ABOVE THIS LINE FOR RECORDERS USE

11 **SECOND AMENDMENT TO LOAN AGREEMENT FOR THE USE OF**
12 **NEIGHBORHOOD STABILIZATION PROGRAM (NSP) FUNDS**

13 This Second Amendment to Loan Agreement for the Use of Neighborhood
14 Stabilization Program Funds ("Second Amendment") is made and entered into as of the ____
15 day of _____, 2010, by and between the COUNTY OF RIVERSIDE
16 ("COUNTY"), a 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 June 16, 2009; and

22 WHEREAS, COUNTY and RHDC amended the NSP Loan Agreement ("First
23 Amendment") on March 23, 2010; and

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

WHEREAS, RHDC has acquired eleven (11) single-family properties and obligated
\$3,000,000 (100% of the NSP Loan) through recorded deeds of trust; and

WHEREAS, RHDC has one (1) property sold, four (4) properties in escrow, four (4)
properties for sale and two (2) properties under rehabilitation; and

1 WHEREAS, RHDC has requested an additional \$38,000 in NSP funds to complete
2 rehabilitation and resale of the Properties; and

3 WHEREAS, COUNTY desires to amend the NSP Loan Agreement and increase the
4 NSP Loan from Three Million Dollars (\$3,000,000) to Three Million Thirty Eight Thousand
5 Dollars (\$3,038,000); and

6 WHEREAS, amending the NSP Loan Agreement will assist the COUNTY to fulfill its
7 requirements and national objectives under the Neighborhood Stabilization Program.

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

- 11 1. The amount of the NSP Loan shall be modified and increased from \$3,000,000 to
12 \$3,038,000 in NSP funds.
- 13 2. All other terms and conditions of the NSP Loan Agreement shall remain
14 unmodified and in full force and effect.
- 15 3. This Second Amendment may be signed by the different parties hereto in
16 counterparts, each of which shall be an original, but all of which together shall
17 constitute one and the same agreement.
- 18 4. The effective date of this Second Amendment is the date the parties execute this
19 Second Amendment. If the parties execute the Second Amendment on more than
20 one date, then the last date the Second Amendment is executed by a party shall be
21 the Effective Date.
- 22 5. The Second Amendment is not binding until approved by the Board of Supervisors.

23 //
24 //
25 //
26 //
27 //

1 IN WITNESS WHEREOF, the parties hereto have executed this Second 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