

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

545



FROM: Economic Development Agency

SUBMITTAL DATE:
October 21, 2010

SUBJECT: Second 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 Second Amendment to Loan Agreement for the Use of Neighborhood Stabilization Program (NSP) Funds between the County of Riverside and Coachella Valley Housing Coalition (Second Amendment);
2. Authorize the Chairman of the Board of Supervisors execute the attached Second Amendment; 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:	\$ 32,600	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2010/11

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 L. Sargent

County Executive Office Signature

FISCAL PROCEDURES APPROVED
 ROBERT E. BYRD, AUDITOR-CONTROLLER
 BY: Samuel Wong 10/20/10
 SAMUEL WONG
 Departmental Concurrent
 DATE: 10/18/10
 ANITA C. WILLIS
 FORM APPROVED COUNTY COUNSEL
 BY: Anita C. Willis
 Dep't Recomm.: Consent Policy
 Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: 3.43-5/4/2010; 3.21-6/16/2009

District: 4

Agenda Number: 3.17

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 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).

Subsequent to that, a first amendment to the loan agreement was approved and executed by the Board on May 4, 2010. The first amendment to the loan agreement called for an additional \$111,665 in NSP funds to finance acquisition and rehabilitation of an additional property.

CVHC has acquired 17 single-family properties and obligated approximately \$2,611,665 (100% of the NSP Loan) through recorded Deeds of Trust for the project.

CVHC has requested an additional \$32,600 in NSP funds to cover unforeseen repairs on two of the homes.

Staff recommends the amount of the NSP Loan to be increased from \$2,611,665 to \$2,644,265. 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 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 **SECOND AMENDMENT TO LOAN AGREEMENT FOR THE USE OF**
2 **NEIGHBORHOOD STABILIZATION PROGRAM (NSP) FUNDS**

3 This Second Amendment to Loan Agreement for the Use of Neighborhood
4 Stabilization Program Funds (“Second Amendment”) is made and entered into as of the _____
5 day of _____, 2010, by and between the COUNTY OF RIVERSIDE
6 (“COUNTY”), a political subdivision of the State of California and COACHELLA VALLEY
7 HOUSING COALITION (“CVHC”), a California non-profit corporation.

8 W I T N E S S E T H:

9 WHEREAS, COUNTY and CVHC entered into a Loan Agreement for the Use of
10 Neighborhood Stabilization Program Funds (“NSP Loan Agreement”) on June 16, 2009; and

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

17 WHEREAS, on May 4, 2010, COUNTY agreed to amend the NSP Loan (“First
18 Amendment”) and increase the principal amount of the NSP Loan by One Hundred Eleven
19 Thousand Six Hundred Sixty Five Dollars (\$111,665); and

20 WHEREAS, CVHC has acquired seventeen (17) single-family properties and obligated
21 approximately \$2,611,665 (100% of the NSP Loan) through recorded deeds of trust for the
22 Project; and

23 WHEREAS, CVHC has requested for an additional \$32,600 in NSP funds to cover
24 unforeseen repairs on two of the Properties; and

25 WHEREAS, COUNTY will amend the NSP Loan Agreement and increase the NSP
26 Loan from Two Million Six Hundred Eleven Thousand Six Hundred Sixty Five Dollars
27 (\$2,611,665) to Two Million Six Hundred Forty Four Thousand Two Hundred Sixty Five
28 Dollars (\$2,644,265); and

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

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

- 6 1. The amount of the NSP Loan shall be modified and increased from \$2,611,665 to
7 \$2,644,265 in NSP funds.
- 8 2. All other terms and conditions of the NSP Loan Agreement shall remain
9 unmodified and in full force and effect.
- 10 3. This Second Amendment may be signed by the different parties hereto in
11 counterparts, each of which shall be an original, but all of which together shall
12 constitute one and the same agreement.
- 13 4. The effective date of this Second Amendment is the date the parties execute this
14 Second Amendment. If the parties execute the Second Amendment on more than
15 one date, then the last date the Second Amendment is executed by a party shall be
16 the Effective Date.
- 17 5. The Second 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 Second Amendment as of
2 the date first written above.

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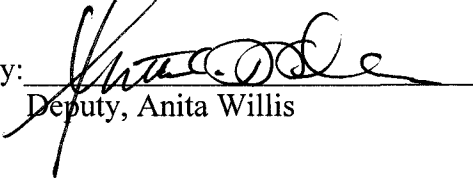
COUNTY:
COUNTY OF RIVERSIDE

CVHC:
COACHELLA VALLEY
HOUSING COALITION

By: _____
MARION ASHLEY
Chairman, Board of Supervisors

By:  _____
JOHN F. MEALEY
Executive Director

APPROVED AS TO FORM:
PAMELA J. WALLS
County Counsel

By:  _____
Deputy, Anita Willis

ATTEST:
KECIA HARPER-IHEM
Clerk of the Board

By: _____
Deputy

(Signatures on this page need to be notarized)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

STATE OF CALIFORNIA }

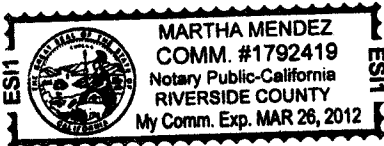
COUNTY OF Riverside }

On Oct. 7, 2010, before me, Martha Mendez
Date Here Insert Name and Title of the Officer

personally appeared John F. Mealey
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.



Place Notary Seal Above

WITNESS my hand and official seal.

Signature Martha Mendez
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