

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

607



FROM: Redevelopment Agency

SUBMITTAL DATE:
October 28, 2010

SUBJECT: First Amendment to the Safe House Inc., Disposition and Development/Affordable Housing Agreement

RECOMMENDED MOTION: That the Board of Directors:

1. Approve the attached First Amendment to Disposition and Development/Affordable Housing Agreement by and between the Redevelopment Agency for the County of Riverside and Operation Safe House, Inc., a California nonprofit public benefit corporation;
2. Authorize the Chairman of the Board to execute the attached first 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, essential and relevant documents.

BACKGROUND: (Commences on Page 2)

Robert Field

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:	2010/11

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

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*

Jennifer L. Sargent

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
BY: ANITA C. WILLIS
DATE: 10-26-10
Departmental Concurrence

Dep't Recomm.: Consent Policy

Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: 4.3 of 3/23/2010

District: 4

Agenda Num.

4.6

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

BACKGROUND:

On March 23, 2010, the Board of Directors approved a Disposition and Development/Affordable Housing Agreement for the Redevelopment Low-and Moderate-Income Housing Funds by and between the Redevelopment Agency for the County of Riverside and Operation Safe House Inc., a California nonprofit public benefit corporation in the amount of \$1,100,000 to be utilized for predevelopment expenses and the development and construction of 16 supportive housing units, including one managers. The project is located at 72695 La Canada Way, in the community of Thousand Palms, an unincorporated area of Riverside County.

The Agency agreement provides that 15 of the supportive housing units be restricted to very low income households (Restricted Units). The proposed amendment includes the reduction of 15 Restricted Units to seven Restricted Units for compliance with Article XXXIV requirements and allows for the transfer of ownership of the project to a limited partnership to be formed at a future date upon project completion and conversion to permanent financing. As such, an assignment and assumption agreement is forthcoming by and between the Agency, Developer, and a limited partnership.

Agency Counsel has approved the attached first amendment as to form. Staff recommends that the Board approve the attached First Amendment.

1 NO FEE FOR RECORDING PURSUANT
2 TO GOVERNMENT CODE SECTION 6103

3 RECORDING REQUESTED BY AND
4 WHEN RECORDED MAIL TO:

5 Redevelopment Agency
6 for the County of Riverside
7 3403 10th Street, Suite 500
8 Riverside, CA 92501
9 Attn. Monica Telles

10 SPACE ABOVE THIS LINE FOR RECORDERS USE

11 **FIRST AMENDMENT TO DISPOSITON AND DEVELOPMENT/ AFFORDABLE**
12 **HOUSING AGREEMENT**

13 This First Amendment ("First Amendment") is made and entered into this ____ day of
14 _____, 2010 by and between the Redevelopment Agency for the
15 County of Riverside ("Agency"), a public body, corporate and politic and Operation Safe
16 House In, ("Developer"), a California nonprofit public benefit corporation.

17 WITNESSETH:

18 WHEREAS, Agency and Developer entered into a Disposition and
19 Development/Affordable Housing ("Agency Agreement") dated March 23, 2010; and

20 WHEREAS, under the terms and conditions of the Agency Agreement, Agency agreed
21 to provide Developer a loan in the amount of \$1,100,000 ("Agency Loan"), \$400,000 to be
22 utilized for predevelopment expenses related to the Project and \$700,000 to be utilized for
23 construction expenses related to the Project; and

24 WHEREAS, the Agency Agreement is for the development and construction of 16
25 supportive housing units including a manager's unit located at 72695 La Canada Way in
26 Thousand Palms, an unincorporated area of Riverside County ("Project"); and

27 WHEREAS, Developer agreed to restrict 15 units ("Restricted Units") to very low
28 income households; and

WHEREAS, Developer is requesting the Agency reduce the number of Restricted Units
in order to comply with Article XXXIV requirements ("Article 34");and

1 WHEREAS, Agency agrees to amend the Agency Agreement to reduce the amount of
2 Restricted Units from 15 to 7; and

3 WHEREAS, Agency and Developer agree that a limited partnership will be formed at a
4 future date for the purpose of transferring ownership of the Project and assigning all the terms
5 and conditions of the Agency Agreement; and

6 WHEREAS, Agency and Developer agree that at completion of construction of the
7 Project and conversion to permanent financing Developer will transfer ownership of the Project
8 to a limited partnership to be formed at a future date set forth herein; and

9 WHEREAS, by reducing the number of Restricted Units, the Project can move forward
10 and the County's supply of affordable housing shall increase.

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

14 1. Section 5.2.1 of the Agency Agreement is deleted and replaced in it's entirely
15 with the following:

16 "Affordable Housing Requirements. Developer agrees to make available,
17 restrict occupancy to, and rent 7 of the 16 Units at Affordable Rent to
18 Very Low Income Households and, to the extent provided in the Agency
19 Regulatory Agreement, Lower Income Households. The methodology
20 for calculation of permitted rents is more particularly set forth in the
21 Method of Calculation. The Housing Project is intended to serve
22 Households who are Very Low Income Households. The Housing
23 Project shall consist of sixteen (16) supportive housing units, including
24 one (1) managers unit of which 7 will be restricted to Very Low Income
25 Households."

26 2. The Agency acknowledges that the Developer will be requesting transfer of the
27 Project, and the Developer's obligations under the Agency Agreement to a
28 limited partnership to be formed at a future date. Upon Developers request and

1 Agency consent this transfer shall not be unreasonably withheld.

2 3. The Developer will transfer ownership of the Project to Productive Solutions at
3 completion of construction of the Project and conversion to permanent financing

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

9 5. All other terms and conditions of the Agency Agreement remain unmodified and
10 in full force and effect.

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

14 7. The effective date of this First Amendment is the date the parties execute the
15 First Amendment. If the parties execute the First Amendment on more than one
16 date, then the last date the First Amendment is executed by a party shall be the
17 effective date ("Effective Date").

18 8. This First Amendment is not binding until approved by the Agency's Board of
19 Directors.

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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 REDEVELOPMENT AGENCY
5 FOR THE COUNTY OF RIVERSIDE

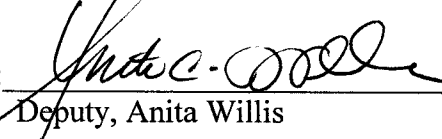
OPERATION SAFE HOUSE, INC.
a California nonprofit public benefit corporation

6 By: _____
7 MARION ASHLEY
8 Chairman, Board of Directors

By: _____
KATHY MC ADARA
Executive Director

9 APPROVED AS TO FORM:

10 PAMELA J. WALLS
11 Agency Counsel

12
13 By: 
14 Deputy, Anita Willis

15 ATTEST:

16 KECIA HARPER-IHEM
17 Clerk of the Board

18
19 By: _____
20 Deputy

21
22 (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

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STATE OF CALIFORNIA }

COUNTY OF _____ }

On _____, before me, _____

Date

Here Insert Name and Title of the Officer

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