

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

924



FROM: Economic Development Agency

SUBMITTAL DATE:
December 2, 2010

SUBJECT: First Amendment to Loan Agreement for the Use of Neighborhood Stabilization Program Funds with Housing Authority of the County of Riverside

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 Housing Authority of the County of Riverside (First Amendment);
2. Authorize the Chairman of the Board of Supervisors 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 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:	\$ 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: Yes

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: Jennifer L. Sargent

FORM APPROVED COUNTY COUNSEL
 ANITA C. WILLIS
 DATE 11-23-10
 Departmental Concurrence

Dept Recomm.: Consent Policy
 Per Exec. Ofc.: Consent Policy

BACKGROUND:

On June 2, 2009, the Board of Supervisors approved a Loan Agreement for the use of NSP Funds with the Housing Authority of the County of Riverside (HACR), in the amount up to \$2,400,000 for financing of acquisition, rehabilitation and disposition of approximately twelve single-family homes to qualified low-, moderate- and middle-income (LMMI) first-time homebuyers in designated Target Areas, as defined in the County of Riverside Substantial Amendment to the 2008-2009 One-Year Action Plan, within Cathedral City.

HACR has acquired 11 single-family properties and obligated approximately \$2,400,000 (100% of the NSP Loan) through recorded Deeds of Trust for the project.

In light of a recent NSP guidance requirement the HACR has to be reclassified as a public entity subrecipient of NSP funds in accordance with 24 CRF 570.202(b)(1). As a public entity subrecipient the HACR will not be eligible to receive the 12% developer fee allowed under the NSP Loan Agreement. Therefore, the HACR is requesting \$288,000 in NSP administrative funds from the County to pay for costs associated with administering the NSP funds. The total NSP loan amount of \$2,400,000 will not change.

Staff recommends awarding the HACR up to \$288,000 in NSP admin funds. 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 approve the first amendment to loan agreement for the Use of Neighborhood Stabilization Program Funds.