

924C



**SUBMITTAL TO THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

**FROM:** Housing Authority

**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 Housing Authority of the County of Riverside and County of Riverside (First Amendment);
2. Authorize the Chairman of the Board of Commissioners to execute the attached First Amendment; and

(Continued)


  
 Robert Field  
 Executive Director


<b>FINANCIAL DATA</b>	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 SUPERVISORS AGENDA:** Yes

<b>SOURCE OF FUNDS:</b> Neighborhood Stabilization Program Funds	<b>Positions To Be Deleted Per A-30</b>	<input type="checkbox"/>
	<b>Requires 4/5 Vote</b>	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:**

APPROVE  
 BY:   
 County Executive Office Signature Jennifer L. Sargent

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

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

**RECOMMENDED MOTION:** (Continued)

3. Authorize the Executive Director of HACR or designee to take all necessary steps to implement First Amendment including, but not limited to, signing subsequent necessary and relevant documents.

**BACKGROUND:**

On June 2, 2009, the Board of Commissioners approved a loan agreement for the use of NSP Funds with the County of Riverside, 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 the Board approve the first amendment to the NSP loan agreement. Amending the NSP loan agreement will assist the County to fulfill its requirements under the Neighborhood Stabilization Program.

HACR Counsel has reviewed and approved as to form the attached first amendment to loan agreement for the use of Neighborhood Stabilization Program Funds.

**FIRST AMENDMENT TO LOAN AGREEMENT FOR THE USE OF  
NEIGHBORHOOD STABILIZATION PROGRAM FUNDS**

This First Amendment to Loan Agreement for the Use of Neighborhood Stabilization Program Funds ("First Amendment") is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2010, by and between the COUNTY OF RIVERSIDE ("COUNTY") and HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE ("HACR"), a public body, corporate and politic of the State of California.

WITNESSETH:

WHEREAS, COUNTY and HACR entered into a Loan Agreement for the Use of Neighborhood Stabilization Program Funds ("NSP Loan Agreement") on June 2, 2009; and

WHEREAS, under the terms and conditions of the NSP Loan Agreement, COUNTY agreed to lend up to Two Million Four Hundred Thousand Dollars (\$2,400,000) of NSP funds to HACR for individual financing of acquisition, rehabilitation and disposition of approximately eleven (11) single-family homes to qualified low-, moderate- and middle-income ("LMMI") first-time homebuyers in the County of Riverside (the "Project") which is further described in Exhibit A of the NSP Loan Agreement; and

WHEREAS, because HACR is a public entity, it cannot be classified as a developer pursuant to 24 CFR 570.202(b)(1);

WHEREAS, pursuant to 24 CRF 570.202(b)(1) HACR is not eligible to receive the 12% developer fee set forth in the NSP Loan Agreement;

WHEREAS, HACR is eligible to be reimbursed for its costs associated with administering the NSP funds;

WHEREAS, HACR has requested to amend the NSP Loan Agreement to allow the HACR to collect up to Two Hundred Eighty Eight Dollars (\$288,000) in NSP administrative funds from the COUNTY in order to pay for costs associated with administering the NSP funds.; and

WHEREAS, amending the NSP loan agreement will assist the COUNTY to fulfill its requirements under the Neighborhood Stabilization Program; and

NOW, THEREFORE, in consideration of the foregoing, and the promises and mutual

1 covenants and conditions hereinafter set forth, COUNTY and HACR do hereby agree as  
2 follows:

3 1. Section 1 of the NSP Loan Agreement is deleted and replaced in its entirety with  
4 the following:

5 “PURPOSE. The COUNTY agrees to lend up to Two Million Four Hundred Thousand  
6 Dollars (\$2,400,000) of NSP funds to the HACR upon the terms and conditions set forth  
7 herein. HACR will borrow the NSP funds from the COUNTY for individual financing  
8 of acquisition, rehabilitation and disposition of each Assisted Unit of the Project (“NSP  
9 Loan”). Two Hundred Eighty Eight Thousand Dollars (\$288,000) of the NSP funds will  
10 be paid to HACR and allocated as COUNTY NSP administrative funds to pay for costs  
11 associated with administering NSP funds. HACR promises and agrees to undertake and  
12 assist with the NSP-assisted activities by utilizing such NSP funds, as identified in  
13 **Exhibit A.**”

14 2. Section 15 of the NSP Loan Agreement is deleted and replaced in its entirety  
15 with the following:

16 “NSP ADMINISTRATIVE FEE AND COMMISSIONS. The NSP Administrative fee  
17 plus all real estate commissions, including sales of the Assisted Units, cannot exceed  
18 Twelve Percent (12%) of total Project costs.”

19 3. All references to “Developer’s Fee” in the NSP Loan Agreement are hereby  
20 deleted and replaced with “NSP Administrative Fee”.

21 4. This First Amendment, and NSP Loan Agreement set forth and contain the  
22 entire understanding and agreement of the parties hereto. There are no oral or written  
23 representations, understandings, or ancillary covenants, undertakings or agreements,  
24 which are not contained or expressly referred to within this First Amendment, and the  
25 NSP Loan Agreement.

26 5. Except as modified and amended by First Amendment and all other terms and  
27 conditions of the NSP Loan Agreement remain unmodified and in full force and effect.  
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6. This First Amendment may be signed by the different parties hereto in counterparts, each of which shall be an original but all of which together shall constitute one and the same agreement.

7. The effective date of this First Amendment is the date the parties execute the First Amendment. If the parties execute the First Amendment on more than one date, then the last date the First Amendment is executed by a party shall be the effective date.

(SIGNATURES ON NEXT PAGE)

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1 IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of  
2 the date first written above.

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4 COUNTY:  
5 COUNTY OF RIVERSIDE

HACR:  
HOUSING AUTHORITY OF THE  
COUNTY OF RIVERSIDE

6  
7  
8 By: \_\_\_\_\_  
9 MARION ASHLEY  
Chairman, Board of Supervisors

By: \_\_\_\_\_  
MARION ASHLEY  
Chairman, Board of Commissioners

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

14 By:  \_\_\_\_\_  
15 Deputy, Anita Willis

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

20 By: \_\_\_\_\_  
21 Deputy

22  
23  
24  
25 (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

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT**

STATE OF CALIFORNIA }

COUNTY OF \_\_\_\_\_ }

On \_\_\_\_\_, before me, \_\_\_\_\_  
Date Here Insert Name and Title of the Officer

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\_\_\_\_\_

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Place Notary Seal Above

Signature of Notary Public