

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

425



FROM: Economic Development Agency

SUBMITTAL DATE:
April 21, 2011

SUBJECT: First Amendment to Loan Agreement for the Use of Neighborhood Stabilization Program Funds with Norco Redevelopment Agency

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the First Amendment to Loan Agreement for the Use of Neighborhood Stabilization Program Funds with Norco Redevelopment Agency;
2. Authorize the Chairman of the Board of Supervisors to sign 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
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 73,000	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
 PAUL ANGULO, CPA, AUDITOR-CONTROLLER
 BY: 4/14/11
 Samuel Wong
 Samuel Wong
 DATE: 4-13-11
 ANITA C. WILLIS
 FORM APPROVED COUNTY COUNSEL
 BY: 4-13-11
 Anita C. Willis
 Dep't Recomm.: Consent Policy
 Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: 3.24 of 6/16/2009 District: 2 Agenda Number: **3.13**

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

Economic Development Agency

First Amendment to Loan Agreement for the Use of Neighborhood Stabilization Program Funds with
Norco Redevelopment Agency

April 21, 2011

Page 2

BACKGROUND: On June 16, 2009, the Board of Supervisors approved a Loan Agreement for the use of Neighborhood Stabilization Program (NSP) Funds with Norco Redevelopment Agency (Norco) in an amount up to \$1,627,000 for financing the acquisition, rehabilitation and resale of approximately six single-family homes to qualified low-, moderate- and middle-income (LMMI) first-time homebuyers within designated NSP Target Areas in the City of Norco, as defined in the County of Riverside Substantial Amendment to the 2008-2009 One-Year Action Plan.

Norco has completed acquisition of six single-family properties and obligated 100% of the NSP loan through recorded deeds of trust. Norco has completed rehabilitation and sold four properties with an average sales price of \$221,000.

Norco is requesting an additional \$73,000 in NSP funds to complete rehabilitation and resale activities of the remaining properties.

Staff recommends to increase the NSP loan from \$1,627,000 to \$1,700,000. 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 approved the First 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 10th Street, Suite 500
8 Riverside, CA 92501
9 Attn: Mervyn Manalo

10 SPACE ABOVE THIS LINE FOR RECORDERS USE

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

13 This First Amendment to Loan Agreement for the Use of Neighborhood Stabilization
14 Program Funds ("First Amendment") is made and entered into as of the ____ day of
15 _____, 2011, by and between the COUNTY OF RIVERSIDE ("COUNTY"), a
16 political subdivision of the State of California and NORCO REDEVELOPMENT AGENCY
17 ("AGENCY"), a public body, corporate and politic.

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

19 WHEREAS, COUNTY and AGENCY entered into the Loan Agreement for the Use of
20 Neighborhood Stabilization Program Funds (the "Agreement") on June 16, 2009; and

21 WHEREAS, pursuant to the Agreement, COUNTY agreed to lend up to One Million
22 Six Hundred Twenty Seven Thousand Dollars (\$1,627,000) in NSP funds (the "NSP Loan")
23 to AGENCY for individual financing to acquire and rehabilitate six (6) vacant, foreclosed and
24 bank-owned single-family homes ("Properties"), and resale Properties to low-, moderate- and
25 middle-income (LMMI) first-time homebuyers in the County of Riverside, which is further
26 described in Exhibit A of the Agreement; and

27 WHEREAS, AGENCY acquired six (6) single-family properties and obligated 100% of
28 the NSP Loan through recorded deeds of trust for the Project; and

WHEREAS, AGENCY has completed rehabilitation and sold four (4) properties with
an average sales price of \$221,000; and

WHEREAS, AGENCY has requested an additional \$73,000 in NSP funds to complete
rehabilitation and resale activities of the remaining properties; and

1 WHEREAS, COUNTY will amend the Agreement and increase the NSP Loan from
2 \$1,627,000 to \$1,700,000; and

3 WHEREAS, amending the Agreement will assist the COUNTY to fulfill its
4 requirements under the Neighborhood Stabilization Program.

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

- 8 1. The amount of the NSP Loan shall be modified and increased from \$1,627,000 to
9 \$1,700,000 in NSP funds.
- 10 2. All other terms and conditions of the Agreement shall remain unmodified and in
11 full force and effect.
- 12 3. This First Amendment and the Agreement set forth and contain the entire
13 understanding and agreement of the parties hereto. There are no oral or written
14 representations, understandings, or ancillary covenants, undertakings or
15 agreements, which are not contained or expressly referred to within this First
16 Amendment and the Agreement.
- 17 4. This First Amendment may be signed by the different parties hereto in counterparts,
18 each of which shall be an original, but all of which together shall constitute one and
19 the same agreement.
- 20 5. The effective date of this First Amendment is the date the parties execute this First
21 Amendment. If the parties execute the First Amendment on more than one date,
22 then the last date the First Amendment is executed by a party shall be the Effective
23 Date.
- 24 6. This First Amendment is not binding until approved by the Board of Supervisors.

25 //
26 //
27 //
28 //

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

3
4 COUNTY OF RIVERSIDE

NORCO REDEVELOPMENT AGENCY

5
6 By: _____
7 BOB BUSTER, Chairman
8 Board of Supervisors

By:  _____
9 BETH GROVES
10 Executive Director

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

14 By:  _____
15 ANITA C. WILLIS, Deputy

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

19 By: _____
20 Deputy

21
22
23 **(All signatures on this page need to be notarized)**
24
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26
27
28

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

STATE OF CALIFORNIA }

COUNTY OF Riverside }

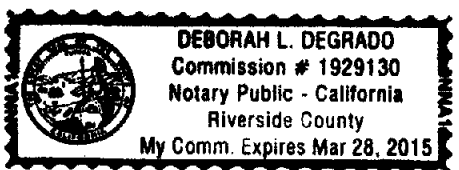
On April 11, 2011, before me, Deborah L. DeGrado, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared BETH GROVES
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 Deborah L. DeGrado
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.

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WITNESS my hand and official seal.

Signature _____
Signature of Notary Public

Place Notary Seal Above