

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



130

**FROM:** Housing Authority

**SUBMITTAL DATE:**  
May 31, 2012

**SUBJECT:** Second Amendment to the Disposition and Development/Affordable Housing Agreement with Operation Safe House, Inc. in the Community of Thousand Palms

**RECOMMENDED MOTION:** That the Board of Commissioners:

1. Approve the attached Second Amendment to the Disposition and Development/Affordable Housing Agreement (Second Amendment) and Regulatory Agreement by and between the Housing Authority of the County of Riverside and successor in interest to the Redevelopment Agency for the County of Riverside and Operation Safe House Inc., a California non-profit public benefit corporation;
2. Authorize the Chairman of the Board to execute the attached Second Amendment and Regulatory Agreement;

(Continued)

Robert Field  
Executive Director

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2011/12

**COMPANION ITEM ON BOARD OF SUPERVISORS AGENDA:** No

<b>SOURCE OF FUNDS:</b> Redevelopment Property Tax Trust Fund	<b>Positions To Be Deleted Per A-30</b>	<input type="checkbox"/>
	<b>Requires 4/5 Vote</b>	<input type="checkbox"/>

**G.E.O. RECOMMENDATION:**

APPROVE

BY Jennifer L. Sargent

**County Executive Office Signature**

FORM APPROVED COUNTY COUNSEL  
BY: ANITA C. WILLIS  
5-27-12  
Confidential Concurrence

Dep't Recomm.:  Consent  Policy  Policy

Per Exec. Ofc.:  Consent  Policy

**RECOMMENDED MOTION:** (continued)

3. Authorize the Executive Director, or designee, to execute a Subordination Agreement with a construction lender, to be named at a later date, in an amount up to \$2,000,000, subject to approval by Authority Counsel;
4. Authorize the Executive Director, or designee, to execute a Subordination Agreement with the California Department of Housing Community Development Emergency Housing Assistance Program in an amount up to \$1,000,000, subject to approval by Authority Counsel;
5. Authorize the Executive Director, or designee, to execute a Subordination Agreement with the U.S. Department of Housing and Urban Development Supportive Housing Program in an amount up to \$400,000, subject to approval by Authority Counsel;
6. Authorize the Executive Director, or designee, to execute a Subordination Agreement with the California Department of Housing and Community Development Multifamily Housing Program for Homeless Youth in an amount up to \$2,100,000, subject to approval by Authority Counsel; and
7. Authorize the Executive Director, or designee, to take all necessary steps to implement the Subordination Agreement(s) with the construction and permanent lender(s) to include signing subsequent essential and relevant documents.

**BACKGROUND:** On March 23, 2010 the Board of Directors approved a Disposition and Development/Affordable Housing Agreement (Agreement) by and between the Redevelopment Agency for the County of Riverside (Agency) and Operation Safe House Inc., a California non-profit public benefit corporation (OSH) in the amount of \$1,100,000 (Agency Loan) to be utilized for predevelopment expenses and the development and construction of 16 supportive housing units, which includes one manager's unit (Project). The Project is located at 72695 La Canada Way, in the Community of Thousand Palms, an unincorporated area of Riverside County (Site). On June 14, 2011 the Board of Directors approved conveyance of the Site to OSH to comply with conditions of funding from the Supportive Housing Program Grant from the US Department of Housing and Urban Development and Site was conveyed by Agency to OSH on June 23, 2011.

Pursuant to Resolution No. 2012-035, adopted by the County of Riverside, Board of Supervisors on January 10, 2012, and Resolution No. 2012-001, adopted by the County of Riverside Board of Commissioners on January 10, 2012, the Housing Authority of the County of Riverside has the responsibility of performing housing functions previously performed by the Agency, including all rights, powers, assets, liabilities, duties and obligations associate with the housing activities of the agency, excluding any amounts of the Low- and Moderate- Income Housing Fund to the Housing Authority of the County of Riverside.

OSH lenders require that the Agency's Loan be subordinate to the construction and permanent financing. As a result of this, the Agency's financial position in the Project will be in fourth position behind the U.S. Department of Housing and Urban Development Supportive Housing Program, the California Department of Housing and Community Development Multifamily Housing Program for Homeless Youth (MHP) and the Emergency Housing Assistance Program. The permanent loan will be used to pay the off construction loan.

The proposed Second Amendment includes revisions requested by OSH to reduce the amount of Agency restricted units from 15 units to 8 units to comply with the conditions of funding from MHP.

(Continued)

Second Amendment to the Disposition and Development/Affordable Housing Agreement with Operation Safe House, Inc. in the Community of Thousand Palms  
May 31, 2012  
Page 3

Staff recommends that the Board approve the attached Second Amendment and the subordination of the Agency Loan to the construction and permanent financing amounts.

**FINANCIAL DATA:**

N/A

**Attachments:**

Second Amendment to the Disposition and Development/Affordable Housing Agreement  
Regulatory Agreement

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

3 RECORDING REQUESTED BY AND  
4 WHEN RECORDED MAIL TO:

5 Housing Authority  
6 For the County of Riverside  
7 3403 10<sup>th</sup> Street, Suite 500  
8 Riverside, CA 92501  
9 Attn: Juan Garcia

10 SPACE ABOVE THIS LINE FOR RECORDERS USE

11 **SECOND AMENDMENT TO DISPOSITION AND**  
12 **DEVELOPMENT/AFFORDABLE HOUSING AGREEMENT**

13 This Second Amendment (“Second Amendment”) is made and entered into this \_\_\_\_\_  
14 day of \_\_\_\_\_, 2012 by and between the Housing Authority of the County  
15 of Riverside, a public body, corporate and politic of the State of California as successor in  
16 interest to the Redevelopment Agency for the County of Riverside (“Authority”) and Operation  
17 Safe House Inc., (“Developer”), a California nonprofit public benefit corporation.

18 WITNESSETH:

19 WHEREAS, Authority, pursuant to Resolution No. 2012-035, adopted by the County of  
20 Riverside Board of Supervisors on January 10, 2012 and pursuant to Resolution No. 2012-001,  
21 adopted by the County of Riverside Board of Commissioners on January 10, 2012, has the  
22 responsibility of performing housing functions previously performed by the Redevelopment  
23 Agency for the County of Riverside (“Agency”) including all rights, powers, assets, liabilities,  
24 duties and obligations associated with the housing activities of the agency; and

25 WHEREAS, Authority is performing the housing functions of the former redevelopment  
26 agency duly created, established and authorized to transact business and exercise its powers, all  
27 under and pursuant to the provisions of the California Community Redevelopment Law  
28 (“CRL”), which is Part 1 of Division 24 of the California Health and Safety Code  
(commencing with Section 33000 et seq.); and

1 WHEREAS, Authority is performing the housing functions of the former redevelopment  
2 agency pursuant to Section 33334.2 of the California Health and Safety Code, wishes to utilize  
3 its Low- and Moderate-Income Housing Set Aside Funds to improve and increase the supply of  
4 affordable housing; and

5 WHEREAS, Agency and Developer entered into a Disposition and  
6 Development/Affordable Housing dated March 23, 2010, as amended by that certain First  
7 Amendment to Disposition and Development/Affordable Housing Agreement dated June 2,  
8 2011, collectively, "Agency Agreement";

9 WHEREAS, the Authority is performing obligations under the Agency  
10 Agreement entered into by Agency and Developer, which was executed prior to the enactment  
11 of ABx1 26, the Assembly Bill dissolving redevelopment agencies that was signed by  
12 Governor Brown as of June 28, 2011; and

13 WHEREAS, Agency owned a certain parcel of real property **located at 72695 La**  
14 **Canada Way, Thousand Palms in the unincorporated Riverside County** (the "Site") which  
15 Agency transferred and conveyed to Developer pursuant to a grant deed recorded June 23, 2011  
16 in the Official Records of Riverside County; and

17 WHEREAS, Developer proposes to develop and construct 16 supportive rental housing  
18 units, which includes a manager's unit (the "Housing Project") on the Site for rent to qualifying  
19 Households, as defined herein; and

20 WHEREAS, by amending the Agency Agreement and Regulatory Agreement, the Project  
21 can move forward and the County's supply of affordable housing shall increase.

22 NOW, THEREFORE, in consideration of the foregoing, and the promises and mutual  
23 covenants and conditions hereinafter set forth, Authority and Developer do hereby agree to  
24 amend the Agency Agreement as follows:

25 **1. Amendment to RECITALS.** RECITALS are hereby amended as follows:

- 26 a. Recital B is hereby amended by deleting the phrase "'Very Low Income  
27 Households' and 'Lower Income Households,' as defined herein" and replacing  
28 it with "'Extremely Low Income Households', as set forth herein."

1 b. Recital C is hereby amended by deleting the words “Very Low Income  
2 Households” from the first sentence of that Recital and replacing them with the  
3 words “Extremely Low Income Households, as set forth herein.”

4 **2. Amendment to DEFINITIONS AND INTERPRETATION.**

5 a. The definition for “Affordable Rent” is hereby deleted and replaced in full as  
6 follows:

7 “**Affordable Rent**” means rent (including a reasonable utility allowance) for an  
8 Extremely Low Income Household which does not exceed the product of 30%  
9 times 30% of the area median income for Riverside County, adjusted for  
10 household size appropriate for the unit. The manner Affordable Rent is to be  
11 determined is further set forth in the Method of Calculation.”

12 b. The definition for “Extremely Low Income Household” is hereby added to  
13 Section 1.1:

14 “**Extremely Low Income Household**” means households earning not greater  
15 than thirty percent (30%) of the area median income for Riverside County,  
16 adjusted for family size appropriate for the unit.

17 **3. Amendment to SCOPE OF DEVELOPMENT.** Section 4.1 is hereby amended by  
18 deleting “Very Low Income Households” from the penultimate sentence in that  
19 Section and replacing it with “Extremely Low Income Households.”

20 **4. Amendment to AFFORDABLE HOUSING REQUIREMENTS.** Section 5.2 is  
21 hereby deleted and replaced in full as follows:

22 **“5.2 Affordable Housing Requirements.**

23  
24 **5.2.1 Number of Affordable Units and Other Units.** Developer  
25 agrees to make available, restrict occupancy to, and rent eight (8) of the Units,  
26 which includes two (2) one bedroom units and six (6) two bedroom units, at an  
27 Affordable Rent to Extremely Low Income Households. The methodology for  
28 calculation of permitted rents is more particularly set forth in the Method of

1 Calculation. The Housing Project is intended to serve Households who are  
2 Extremely Low Income Households. The Housing Project shall consist of  
3 sixteen (16) supportive housing units, which is inclusive of one (1) managers unit  
4 of which eight (8) units will be restricted to Extremely Low Income Households.  
5

6 **5.2.2 Duration of Affordability Requirements.** The Required  
7 Affordable Units shall be maintained as dwelling units available and rented to  
8 Extremely Low Income Households (as set forth in Section 5.2.1 above)  
9 throughout the Required Covenant Period, as more particularly set forth in the  
10 Agency Regulatory Agreement.  
11

12 **5.2.3 Selection of Renters.** Developer agrees to reserve fifty percent  
13 (50%) of the total supportive housing units, or eight (8) supportive housing units,  
14 for Extremely Low Income Households, as set forth in Section 5.2.1 above and  
15 in the Agency Regulatory Agreement. Such units (“Assisted Units”) shall be  
16 limited to Extremely Low Income Households, adjusted by family size at the  
17 time of occupancy, as defined by California Health and Safety Code Section  
18 50079.5 and 50105.  
19

20 **5.2.4 Income of Tenants.** Each renter shall be an Extremely Low  
21 Income Household which meets the eligibility requirements established for the  
22 corresponding Required Affordable Unit, and Developer shall obtain a  
23 certification from each prospective renter which substantiates such fact.  
24 Developer shall verify the income certification of each renter as set forth in  
25 Section 5.3 hereof.  
26

27 **5.2.5 Determination of Affordable Rent for the Housing Units.**  
28 Each Required Affordable Unit shall be rented or leased at an “Affordable Rent”,

1 including a reasonable utility allowance, in accordance with the rent limitations  
2 set forth in California Health and Safety Code Section 50053, to be established  
3 as provided herein:

4  
5 The maximum monthly rent for the Required Affordable Units to be rented to  
6 Extremely Low Income Households shall be the product of 30 percent times 30  
7 percent of the area median income adjusted for family size appropriate for the  
8 unit.

9  
10 “Household size appropriate to the unit,” for the purpose of the  
11 calculation of rents herein (and without regard to actual occupancy), means an  
12 amount equal to the number of bedrooms in the unit plus one (i.e., for a two-  
13 bedroom unit, 3 people; for a three-bedroom unit, four people); provided that the  
14 maximum monthly housing cost of the Required Affordable Units shall be  
15 adjusted annually by the formula set forth above upon the promulgation of  
16 revised figures concerning Median Income for the Area by regulation of the  
17 California Department of Housing and Community Development (“HCD”).”

18  
19 **5. Replacement of Schedule of Performance.** Attachment No. 3 of the Agency  
20 Agreement, the Schedule of Performance, is hereby replaced in its entirety and  
21 substituted therefor by the New Attachment No. 3, Schedule of Performance,  
22 attached hereto and incorporated into this Second Amendment.

23  
24 **6. Replacement of Certificate of Continuing Program Compliance.** Attachment  
25 No. 4 of the Agency Agreement, the Certificate of Continuing Program Compliance,  
26 is hereby replaced in its entirety and substituted therefor by the New Attachment No.  
27 4, Certificate of Continuing Program Compliance, attached hereto and incorporated  
28 into this Second Amendment.



1  
2 **7. Replacement of Regulatory Agreement.** Attachment No. 5 of the Agency  
3 Agreement, the Regulatory Agreement, is hereby replaced in its entirety and  
4 substituted therefor by the new Attachment No. 5, Regulatory Agreement, attached  
5 hereto and incorporated in this Second Amendment.

6  
7 **8. Replacement of Calculation of Affordable Rent.** Attachment No. 7 of the Agency  
8 Agreement, Calculation of Affordable Rent, is hereby replaced in its entirety and  
9 substituted therefor by the new Attachment No. 7, Calculation of Affordable Rent,  
10 attached hereto and incorporated in this Second Amendment.

11  
12 **9. Replacement of Housing Project Budget.** Attachment No. 15 of the Agency  
13 Agreement, Housing Project Budget, is hereby replaced in its entirety and substituted  
14 therefor by the new Attachment No. 15, Housing Project Budget, attached hereto and  
15 incorporated in this Second Amendment.

16  
17 **10.** This Second Amendment, together with the Agency Agreement, as previously  
18 amended, contains the entire understanding and agreement of the parties hereto.  
19 There are no oral or written representations, understandings, or ancillary covenants,  
20 undertakings or agreements, which are not contained or expressly referred to within  
21 this Second Amendment and Agency Agreement.

22  
23 **11.** All other terms and conditions of the Agency Agreement remain unmodified and in  
24 full force and effect.

25  
26 **12.** This Second Amendment may be signed by the different parties hereto in  
27 counterparts, each of which shall be an original but all of which together shall  
28 constitute one and the same agreement.

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**13.** The effective date of this Second Amendment is the date the parties execute the Second Amendment. If the parties execute the Second Amendment on more than one date, then the last date the Second Amendment is executed by a party shall be the effective date (“Effective Date”).

**14.** This Second Amendment is not binding until approved by the Authority’s Board of Commissioners.

(signatures continue on following page)

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

3  
4 HOUSING AUTHORITY  
5 OF THE COUNTY OF RIVERSIDE  
6 as successor in interest to the  
7 Redevelopment Agency  
8 for the County of Riverside

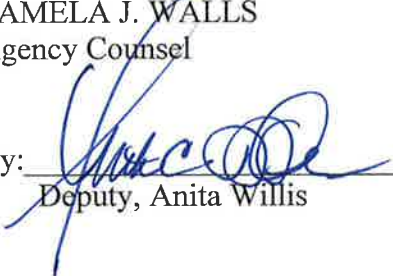
OPERATION SAFE HOUSE, INC.  
a California nonprofit public benefit corporation

9  
10 By: \_\_\_\_\_  
11 JOHN F. TAVAGLIONE  
12 Chairman, Board of Commissioners

By:   
KATHY MCADARA  
Executive Director

13 APPROVED AS TO FORM:

14 PAMELA J. WALLS  
15 Agency Counsel

16  
17 By:   
18 Deputy, Anita Willis

19 ATTEST:

20 KECIA HARPER-IHEM  
21 Clerk of the Board

22  
23 By: \_\_\_\_\_  
24 Deputy

25  
26 **(Signatures need to be notarized)**  
27  
28

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

STATE OF CALIFORNIA }

COUNTY OF Riverside }

On May 17, 2012, before me, Stacy Vigo, Notary Public  
Date Here Insert Name and Title of the Officer

personally appeared Kathy McAdara  
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 Stacy Vigo  
Signature of Notary Public

Place Notary Seal Above

**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

### ATTACHMENT NO. 3

#### SCHEDULE OF PERFORMANCE

The Agency may extend by not more than sixty (60) days the time under this Schedule of Performance by which any obligation of Developer shall be performed.

1. Submission to Planning Department. On or before June 30, 2010.  
Developer makes complete submittal of plans to County Planning Department.
2. Planning Commission. Planning Commission approves plans in accordance customary with County practices and conditions. On or before February 28, 2012.
3. County Approves Entitlements. County gives final approval to entitlements. On or before June 30, 2012.
4. Plan Check Approval. Developer obtains completed plan check by County.
6. Financing Complete. Developer provides evidence to the Agency that Developer has secured financing commitments sufficient to undertake and complete development of the Housing Project. On or before June 30, 2012.
7. Satisfaction of Agency Conditions Precedent. On or before June 30, 2012.  
Developer shall satisfy the Agency Conditions Precedent and obtain building permits.
8. Closing. The Conveyance is effected (by the Agency Deed, to be evidenced and made of public record by the recording of the Agency Deed. The Sale of the Property was July 2011 and the entire debt recorded. The release of the balance of funds will be in 2012.
9. Commencement of Construction. The Developer shall have commenced construction of the Improvements. Not later than July 31, 2012.
10. Completion of Construction. Developer shall complete construction of the Improvements. On or before March 14, 2013.
11. Units Offered for Rent. Developer causes the Units to be offered for rent. Within one hundred (100) days after the earlier of (i) completion of construction or (ii) the time established for completion of construction in this Schedule of Performance.

ATTACHMENT NO. 4

CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

TO: Housing Authority of the County of Riverside  
as successor in interest to the Redevelopment Agency for the County of Riverside  
3403 10th Street, Suite 500  
Riverside, California 92501  
Attention: Assistant Director

The undersigned, Kathy McAdara being duly authorized to execute this Certificate of Continuing Program Compliance (this "Certificate") on behalf of Operation Safe House, Inc., a California nonprofit public benefit corporation (the "Developer"), hereby represents and warrants that:

1. He has read and is thoroughly familiar with the provisions of the Disposition and Development/Affordable Housing Agreement (the "AHA") by and between the Agency and the Developer dated as of March 23, 2010, as amended, including without limitation the Agency Regulatory Agreement and other attachments thereto. Capitalized terms used herein shall have the same meaning as that set forth in the AHA; and

2. As of the date of this Certificate, the following number of completed residential units at the Site: (i) Units that are currently occupied by Extremely Low Income Households, to the extent provided in the Agency Regulatory Agreement) at Affordable Rent (based upon Health and Safety Code sections 50052.5 and 50053 to the extent applicable); or (ii) Units that are currently vacant and being held available for occupancy by a qualified Extremely Low Income Households and have been so held continuously since the date a qualified Household vacated such unit (while the AHA does not specifically provide for occupancy by households having incomes above Extremely Low Income, all Units are to be reported on):

Units Occupied at an Affordable Rent by:

i. Extremely Low Income Households # of Units, Nos.:

Units Vacant:

a. Held for occupancy by:

i. Extremely Low Income Households # of Units, Nos.:

b. Last occupied by:

i. Extremely Low Income Households # of Units, Nos.:

3. At no time since the date of filing of the last Certification of Continuing Program Compliance: (i) have less than fifty percent of the Units been occupied by, or been last occupied, or have been available for occupancy by qualified Extremely Low Income Households at an Affordable Rent, and (ii) have less than fifty percent of the Additional Units been occupied by, or have been available for occupancy by qualified Extremely Low Income Households.

4. The Developer is not in default under the terms of the Agreement, including without limitation the attachments thereto (such as the Agency Regulatory Agreement).

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

By: Kathy McAdara  
Name: Kathy McAdara  
Title: Executive Director  
(DEVELOPER)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

STATE OF CALIFORNIA }

COUNTY OF Riverside }

On May 17, 2012, before me, Stacy Vigo, Notary Public

Date

Here Insert Name and Title of the Officer

personally appeared Kathy McAdara

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 Stacy Vigo

Signature of Notary Public

Place Notary Seal Above



ATTACHMENT NO. 5

AGENCY REGULATORY AGREEMENT

NO FEE RECORDING PURSUANT TO  
GOVERNMENT CODE SECTION 6103

RECORDING REQUESTED BY AND  
WHEN RECORDED RETURN TO:

Housing Authority of the County of  
Riverside as successor in interest to the  
Redevelopment Agency for  
the County of Riverside  
3403 10<sup>th</sup>, Suite 500  
Riverside, California 92501  
Attn: Juan Garcia

(Space above for Recorder's Use)

REGULATORY AGREEMENT

These Covenants, Conditions and Restrictions, herein sometimes referred to as these "CC&Rs" or "Declaration" or "Regulatory Agreement" are made by the signatories hereto.

RECITALS

**WHEREAS**, each of the **HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE** a public body, corporate and politic of the State of California as successor in interest to the Redevelopment Agency for the County of Riverside ("Agency"), and **OPERATION SAFE HOUSE, INC.**, a California nonprofit public benefit corporation ("Developer") is a party to this Declaration. The Agency and the Developer are sometimes collectively referred to herein as the "Declarants."

**WHEREAS**, the Agency and the Developer have entered into that certain Disposition and Development/Affordable Housing Agreement dated March 23, 2010, a First Amendment to Disposition and Development/Affordable Housing Agreement dated June 2, 2011, and a Second Amendment to Disposition and Development/Affordable Housing Agreement dated \_\_\_\_\_, 2012 (collectively, the "AHA") for the improvement and development of certain real property described in Exhibit "A" (to which these CC&Rs are an encumbrance) as the "Site", which AHA provides for the recordation of this Regulatory Agreement.

**WHEREAS**, it is contemplated under the AHA that, as of the recordation of this Regulatory Agreement, the Agency will convey to the Developer under a form of deed provided for in the AHA (and therein defined as the "Agency Deed") the "Site", which is that certain property described in the legal description attached hereto as "Exhibit A" and incorporated herein by this reference.

**WHEREAS**, the AHA sets forth certain restrictive covenants applicable to the Site, particularly the use of the Site for the provision of rental housing units available to qualified Households at Affordable Rents as those terms are defined therein.

**WHEREAS**, Agency, County, and Developer wish to adopt this Regulatory Agreement to further govern the use of the Site in conjunction and along with the AHA and to ensure that the Agency achieves credit for production of affordable housing units pursuant to Section 33413 of the California Health and Safety Code.

**NOW, THEREFORE**, each of the Agency and the Developer (as owner of real property interests described hereinabove) declare that the Site shall be held, transferred, encumbered, used, sold, conveyed, leased and occupied subject to the Covenants, Conditions and Restrictions hereinafter set forth expressly and exclusively for the use and benefit of said property, and the Agency. Each and all of the restrictions, limitations, conditions, covenants, liens, reservations and charges herein contained shall run with the land and be recorded on the property title and shall be binding on Declarant, its grantees, successors, heirs, executors, administrators, devisees or assigns, and all subsequent owners of all or any part of the Site.

## **ARTICLE I** **DEFINITIONS**

The definitions provided herein shall be applicable to this Declaration and also to any amendment or supplemental Declaration (unless the context implicitly or explicitly shall prohibit), recorded against the Site pursuant to the provision of this Declaration.

Section 1. “Affordable Housing Project” means an affordable housing project operated in conformity with this Regulatory Agreement throughout the Required Covenant Period.

Section 2. “Affordable Rent” has the meaning set forth in Health and Safety Code Section 50053, to the extent applicable. The maximum monthly rent for the Required Affordable Units to be rented to Extremely Low Income Households shall be the product of 30 percent times 30 percent of the area median income adjusted for family size appropriate for the unit. “Household size appropriate to the unit,” as used herein, means two persons for each one-bedroom unit (if any), and three persons for each two bedroom unit. The maximum monthly rental amount of the units shall be adjusted annually by the formula set forth above upon the promulgation of revised Riverside-San Bernardino Primary Metropolitan Statistical Area median income figures by regulation of the California Department of Housing and Community Development. Actual rent charged may be less than such maximum rent.

Section 3. “Agency” means the Housing Authority for the County of Riverside as successor in interest to the Redevelopment Agency for the County of Riverside and its successors in interest.

Section 4. “Area” means the Riverside-San Bernardino Primary Metropolitan Statistical Area, as periodically defined by HUD.

Section 5. “Calculation of Affordable Rents” means the worksheet substantially in the form of Attachment No. 7 to the AHA.

Section 6. “Certificate” or “Certification” is defined in Section 3(a).

Section 7. “County” means and refers to the County of Riverside, a political subdivision of the State of California.

Section 8. “County Ordinances” means and refers to the County of Riverside County Ordinances as revised from time to time.

Section 9. “Gross Income” means all payments from all sources received by a person (together with the gross income of all persons of the age of 18 years or older who intend to reside with such person in one residential unit) whether in cash or in kind as calculated pursuant to the Department of Housing and Urban Development (“HUD”) Regulations (24 C.F.R. § 813) in effect as of the Date of Agreement.

Section 10. “Housing Project” means sixteen (16) supportive housing unit residential rental development, that will include one (1) manager’s unit, to be constructed on the Site under the AHA.

Section 11. Lower Income Household means a household earning not greater than sixty percent (60%) of median income for the Area as set forth by regulation of the California Department of Housing and Community Development, pursuant to Health and Safety Code Section 50079.5.

Section 12. “Median Income for the Area” means the median income for the Area as most recently determined by the Secretary of Housing and Urban Development under Section 8 of the United States Housing Act of 1937, as amended, or, if programs under Section 8 are terminated, Median Income for the Area determined under the method used by the Secretary prior to such termination.

Section 13. “Prescribed Rent Levels” means rent that is Affordable Rent as follows: (a) for Extremely Low Income Households for the following units, as indicated by number of bedrooms: (i) eight(8) affordable housing unit.

Section 14. “Regulatory Agreement” means this Regulatory Agreement and any amendments, modifications or supplements which may also be referred to herein as these “CC&Rs” or this “Declaration”.

Section 15. “Required Affordable Unit” means a dwelling unit in the Housing Project and available to, occupied by, or held vacant for occupancy only by tenants qualifying Extremely Low Income Households and rented at Affordable Rent conforming to the Prescribed Rent Levels.

Section 16. “Required Covenant Period” means a period of fifty-five (55) years commencing as of the issuance of a final certificate of occupancy for all of the Units and continuing until the fifty-sixth (56<sup>th</sup>) anniversary thereof.

Section 17. “Household” means a qualified low income household, as defined by California Health and Safety Code Section 50079.5 and 50105.

Section 18. “Site” means all of the real property and appurtenances as described above, including all structures and other improvements thereon, and those hereafter constructed.

Section 19. “Unit” means a dwelling unit on the Housing Project.

Section 20. “Extremely Low Income Households” means Households whose Adjusted Income does not exceed thirty percent (30%) of Median Income for the Area as determined by the United States Department of Housing and Urban Development from time to time and as set forth in Health and Safety Code Section 50106.

Section 21. “Year” means a calendar year.

## **ARTICLE II**

### **LAND USE RESTRICTIONS; IMPROVEMENTS**

Section 1. Uses. The Developer shall develop the Approved Housing Project on the Site in conformity with the AHA. Thereafter, the Site shall be operated as an Affordable Housing Project and devoted only to the uses specified in this Regulatory Agreement for the periods of time specified herein. All uses conducted on the Site, including, without limitation, all activities undertaken by the Developer pursuant to the AHA, shall conform to all applicable provisions of the County Ordinances and the County Approvals.

Developer agrees to reserve fifty percent (50%) of the total units, or eight (8) units, for qualifying Households. Such units (“Assisted Units”) shall be limited as follows: eight (8) units shall be limited to Extremely Low Income Households, in each case, adjusted by family size at the time occupancy, as defined by California Health and Safety Code Sections 50079.5 and 50106 (to the extent applicable).

Section 2. Affordable Housing.

*Number of Units.* Throughout the Required Covenant Period, not less than eight (8) supportive housing units shall be rented to and occupied by Extremely Low Income Households. Required Affordable Units shall be continuously occupied by or held available for occupancy by Extremely Low Income Households at an Affordable Rent. Eight (8) Affordable Units shall be rented at an Affordable Rent. For this purpose, a tenant who qualifies as an Extremely Low Income Households, at the time he or she first occupies an Affordable Unit shall be deemed to continue to be so qualified until such time as a recertification of such individual’s or family’s income in accordance with Section 3 below demonstrates that such individual or family no longer qualifies as an Extremely Low Income Households. Moreover, a unit previously occupied by a qualified Household, and then vacated shall be considered occupied by such qualified Very Low Income Household until reoccupied, other than for a temporary period, at which time the character of the unit shall be redetermined. In no event shall such temporary period exceed thirty-one (31) days.

At such time as a tenant ceases to qualify as an Extremely Low Income Household, the unit occupied by such tenant shall cease to be an Extremely Low Income Household Unit. The Developer shall replace each such Unit by designating the next available unit and any necessary units thereafter as an Extremely Low Income Household Unit. For purposes of this Agreement, such designated unit will be considered an Extremely Low Income Households Unit if it is held vacant and available for occupancy by an Extremely Low Income Household and, upon occupancy, the income eligibility of the tenant as an Extremely Low Income Household, is verified and the unit is

rented at an Affordable Rent. Eight units, except the one manager's unit are Extremely Low Income units.

In the event a Household's income initially complies with the corresponding income restriction for an Extremely Low Income Households but the income of such Household increases above the income restriction for an Extremely Low Income Household, such increase shall not be deemed to result in a violation of the restrictions of this Regulatory Agreement concerning limitations upon income of occupants, provided that the occupancy by such Household is for a reasonable time of not to exceed one year (measured from the time the income of the household ceases to qualify at the designated affordability level). The Developer shall include in its rental agreements provisions which implement this requirement and limitation, and the Developer shall expressly inform prospective renters as to this limitation prior to the commencement of a tenancy.

*Duration of Affordability Requirements.* The Required Affordable Units shall be available to and occupied by Extremely Low Income Households at an Affordable Rent throughout the Required Covenant Period. All tenants residing in the Affordable Units during the last two (2) years of the Required Covenant Period shall be given notice by the Developer at least once every six (6) months prior to the expiration date of this requirement, that the rent payable on the Affordable Unit may be raised to a market rate rent at the end of the Required Covenant Period.

*Selection of Tenants.* As specified hereinbelow, Developer shall demonstrate to the Agency that the proposed tenants of each of the Required Affordable Units constitutes a qualified Household.

Prior to the rental or lease of a Required Affordable Unit to a tenant, and as set forth in this Section 2 of Article II of this Declaration, the Developer shall require the tenant to execute a written lease and to complete an Income Verification certifying that the tenant(s) occupying the Required Affordable Unit is/are a qualified Household and meet(s) the eligibility requirements established for the Required Affordable Unit. The Developer shall verify the income of the tenant(s).

The Developer shall accept as tenants on the same basis as all other prospective tenants, persons who are recipients of federal certificates for rent subsidies pursuant to the existing program under Section 8 of the United States Housing Act of 1937, or its successor. The Developer shall not apply selection criteria to Section 8 certificate holders which are more burdensome than criteria applied to any other prospective tenants.

*Determination of Affordable Rent for the Affordable Units.* The Affordable Units shall be rented or leased at Affordable Rent. As of the approval of the AHA, Affordable Rent is calculated in accordance with the Calculation of Affordable Rent. The maximum monthly rental for the Affordable Unit shall be adjusted annually as permitted pursuant to the Calculation of Affordable Rent.

THE DEVELOPER UNDERSTANDS AND KNOWINGLY AGREES THAT THE MAXIMUM RENTAL FOR THE AFFORDABLE UNITS ESTABLISHED BY THE AHA, THIS REGULATORY AGREEMENT IS SUBSTANTIALLY BELOW THE FAIR MARKET RENT FOR THE AFFORDABLE UNITS.

Section 3. Developer Verification and Program Compliance.

*Income Verification and Certification.* The Developer will obtain and maintain on file an Income Verification from each tenant, dated immediately prior to the initial occupancy of such tenant in the Housing Project.

On March 31<sup>st</sup> commencing the year in which the Certificate of Completion is issued and annually thereafter each March during the Required Covenant Period, the Developer shall file with the Agency or its designee a Certificate, containing all information required pursuant to Health and Safety Code Section 33418, in a form prescribed by the Agency. Each Certificate shall cover the immediately preceding fiscal year.

*Reporting Amounts.* Agency is required by Section 33418 of the California Health and Safety Code to require Developer to monitor the Affordable Units and submit the annual reports required by Section 3 of Article II of this Declaration. The Agency relies upon the information contained in such reports to satisfy its own reporting requirements pursuant to Sections 33080 and 33080.1 of the California Health and Safety Code. In the event the Developer fails to submit to the Agency or its designee the Certification as required by this Section 3, the Developer shall be in noncompliance with this Regulatory Agreement. In the event the Developer remains in noncompliance for thirty (30) days following receipt of written notice from the Agency of such noncompliance under Sections 3(a) and 3(b) of Article II hereinabove, then the Developer shall, without further notice or opportunity to cure, pay to the Agency Two Hundred Fifty Dollars (\$250.00) per Required Affordable Unit for each year Developer fails to submit a Certificate covering each and every housing unit on the Site.

Section 4. Nondiscrimination. The Developer shall refrain from restricting the rental, sale or lease of the Site, or any portion thereof, on the basis of race, color, creed, religion, sex, marital status, national origin or ancestry of any person. Agency and Developer acknowledge supportive housing sometimes has unique requirements. For instance, housing for homeless youth may offer services exclusively to persons 24 years of age or younger pursuant to Section 11139.3 of the Government Code, on the basis of age. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(1) In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

(2) In leases: “The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

“That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased.”

(3) In contracts: “There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises which are the subject of this Agreement, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.”

The covenants established in this Declaration and the deeds of conveyance for the Site shall, without regard to technical classification and designation, be binding for the benefit and in favor of the Agency, its successors and assigns, the County and any successor in interest to the Site, together with any property acquired by the Developer pursuant to this Agreement, or any part thereof. The covenants against discrimination as set forth in this Section 4 of Article II shall remain in effect in perpetuity.

Section 5. Maximum Occupancies. No persons shall be permitted to occupy any unit within the Housing Project in excess of applicable limit of maximum occupancy set by County Ordinances and the laws of the State of California.

Section 6. Compliance with Laws. The Developer shall comply with all applicable laws in connection with the development and use of the Site, including without limitation the California Community Redevelopment Law (Health and Safety Code section 33000, *et seq.*) and Fair Housing Act (42 U.S.C. § 3601, *et seq.*, and 24 C.F.R. § 100.300, *et seq.*). The Developer is a sophisticated party, with substantial experience in the acquisition, development, financing, obtaining financing for, marketing, and operation of affordable housing projects, and with the negotiation, review, and preparation of agreements and other documents in connection with such activities. The Developer is familiar with and has reviewed all laws and regulations pertaining to the acquisition, development and operation of the Housing Project and has obtained advice from any advisers of its own choosing in connection with this Agreement.

### **ARTICLE III** **ENFORCEMENT**

Section 1. Remedies. Breach of the covenants contained in the Declaration may be enjoined, abated or remedied by appropriate legal proceeding by the Agency or County.

This Declaration does not in any way infringe on the right or duties of the County of Riverside to enforce any of the provisions of the County Ordinances including, but not limited to, the abatement of dangerous buildings.

Section 2. Nuisance. The result of every act or omission whereby any of the covenants contained in this Declaration are violated in whole or in part is hereby declared to be and constitutes a nuisance, and every remedy allowable at law or equity, against a nuisance, either public or private, shall be applicable against every such result and may be exercised by any owner or its successors in interest, without derogation of the County's rights under law.

Section 3. Cumulative Remedies. The remedies herein provided for breach of the covenants contained in this Declaration shall be deemed cumulative, and none of such remedies shall be deemed exclusive.

Section 4. Failure to Enforce. The failure to enforce any of the covenants contained in this Declaration shall not constitute a waiver of the right to enforce the same thereafter.

Section 5. Enforcement and Nonliability. The County or Agency may from time to time make such efforts, if any, as it shall deem appropriate enforce and/or assist in enforcing this Declaration. However, neither the Agency nor the County will be subject to any liability for failure to affirmatively enforce any provision of this Declaration.

### **ARTICLE IV** **GENERAL PROVISIONS**

Section 1. Covenant Against Partition. By acceptance of its interest in the Site, the Developer shall be deemed to covenant for itself and for its heirs, representatives, successors and assigns, that it will not institute legal proceedings or otherwise seek to effect partition of its right and interest in the interest being conveyed to the Developer, or the burdens running with the land as a result of this Regulatory Agreement.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in all force and effect.

Section 3. Term. This Declaration shall run with and bind the interest of the Developer in the Site, and shall inure to the owner(s) of any property subject to this Declaration, his legal representatives, heirs, successors and assigns, and as provided in Article IV, Sections 2 and 3, be enforceable by the County, for a term equal to the Required Covenant Period as defined in the AHA, provided; however, that the covenants regarding nondiscrimination set forth in Section 4 of Article II of this Declaration shall remain in effect for perpetuity.



Section 4.      Nonrecourse. Liabilities of the Developer to make payments hereunder shall be nonrecourse.

Section 5.      Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of rental housing available at Affordable Rent for 30% Households. The article and section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction.

The Developer shall be obligated by this Declaration to comply with the provisions hereof, as well as the provisions of the Agency Deed. In the event of conflict, the Developer shall comply with the most stringent requirements, in each case.

Section 6.      Enforced Delay; Extension of Times of Performance. Performance hereunder shall not be deemed to be in default, and all performance and other dates specified in this Regulatory Agreement shall be extended, where delays or defaults are due to: war; insurrection; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; acts or omissions of another party, or acts or failures to act of the County or any other public or governmental agency or entity. Notwithstanding anything to the contrary in this Regulatory Agreement, an extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other parties, the Agency and the County, within thirty (30) days of the commencement of the cause. Times of performance under this Regulatory Agreement may also be extended in writing by the mutual agreement of the Agency, the County and the Developer to be given or withheld at the sole discretion of each respective party. The failure of the Developer to obtain financing for development or repairs shall not constitute grounds for enforced delay hereunder.

Section 7.      Amendments. This Declaration may be amended only by the written agreement of the Developer, the Agency and the County.

Section 8.      Encroachments. None of the rights and obligations of the Developer created herein shall be altered in any way by encroachments due to settlement or shifting of structures or any other cause. There shall be valid easements for the maintenance of said encroachments so long as they shall exist; provided, however, that in no event shall a valid easement for encroachment be created in favor of Developer if said encroachment occurs due to the willful conduct of said Developer.

Section 9.      Notices. Any notice permitted or required to be delivered as provided herein to Developer shall be in writing and may be delivered either personally or by certified mail. Notice to the Agency shall be made by certified mail to the Executive Director or his designee at 1325 Spruce Street, Suite 400, Riverside, California 92507, and shall be effective upon receipt. Notice to Developer shall be made by certified mail to Operation Safe House, Inc., a California nonprofit public corporation, 9685 Hayes, Riverside, California 92503, Attention: Executive Director, and shall be effective upon receipt. Such address may be changed from time to time by notice in writing.

**END OF AGREEMENT**  
**(SIGNATURES ON NEXT PAGE)**

IN WITNESS WHEREOF, the Agency and the Developer have executed this Regulatory Agreement as of the date first above written.

HOUSING AUTHORITY  
OF THE COUNTY OF RIVERSIDE  
a public body, corporate and politic  
as successor in interest for the  
Redevelopment Agency for the  
County of Riverside

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

By: \_\_\_\_\_  
JOHN F. TAVAGLIONE  
Chairman, Board of Commissioners

By:   
KATHY MCADARA  
Executive Director

APPROVED AS TO FORM:

PAMELA J. WALLS  
Agency Counsel

By:   
Deputy, Anita Willis

ATTEST:

KECIA HARPER-IHEM  
Clerk of the Board

By: \_\_\_\_\_  
Deputy

**(signatures on this page need to be notarized)**

EXHIBIT "A" TO ATTACHMENT NO. 5

LEGAL DESCRIPTION

APN: 650-131-018

THAT PORTION OF THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 18, TOWNSHIP 4 SOUTH, RANGE 6 EAST, SAN BERNARDINO MERIDIAN, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

COMMENCING AT THE NORTHEAST CORNER OF SAID SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 18;

THENCE SOUTH 89 DEG. 40' 40" WEST, ALONG THE NORTHERLY LINE OF SAID SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 18, A DISTANCE OF 297.40 FEET TO THE TRUE POINT OF BEGINNING OF THE PARCEL OF LAND TO BE CONVEYED;

THENCE SOUTH 00 DEG. 01' 30" WEST, A DISTANCE OF 208.70 FEET;

THENCE SOUTH 89 DEG. 40' 40" WEST, A DISTANCE OF 100.00 FEET TO A POINT ON THE EASTERLY LINE OF LOT 41, WELCOME HOMESTEAD TRACT AS SHOWN BY MAP ON FILE IN BOOK 31, PAGE 41 OF MAPS, RECORDS OF THE RECORDER OF RIVERSIDE COUNTY, CALIFORNIA;

THENCE NORTH 00 DEG. 01' 30" EAST, ALONG THE EASTERLY LINE OF SAID LOT 41 AND CONTINUING NORTH 00 DEG. 01' 30" EAST ALONG THE EASTERLY LINES OF LOTS 42 AND LOT A AS SAID LOTS ARE SHOWN ON SAID MAP, A DISTANCE OF 208.70 FEET TO THE NORTHEAST CORNER OF SAID LOT A, SAID NORTHEAST CORNER BEING A POINT ON THE NORTHERLY LINE OF SAID SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 18;

THENCE NORTH 89 DEG. 40' 40" EAST, ALONG SAID NORTHERLY LINE, A DISTANCE OF 100 FEET TO THE POINT OF BEGINNING.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

STATE OF CALIFORNIA }

COUNTY OF Riverside }

On May 17, 2012, before me, Stacy Vigo, Notary Public

Date

Here Insert Name and Title of the Officer

personally appeared Kathy McAdara

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 Stacy Vigo

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

**ATTACHMENT NO. 7**  
**CALCULATION OF AFFORDABLE RENT**

## CALCULATION OF AFFORDABLE RENT

### Riverside County Affordable Housing Worksheet

#### 1. Income Eligibility<sup>i</sup>

The first step in determining eligibility for an affordable housing program is determining whether the family which will be purchasing or renting the housing unit meets the following income standards applicable to San Bernardino-Riverside County, based on the size of the family:

<i>Income Level</i>	<i>1 person household</i>	<i>2 person household</i>	<i>3 person household</i>	<i>4 person household</i>	<i>5 person household</i>	<i>6 person household</i>	<i>7 person household</i>	<i>8 person household</i>
<i>Extremely Low</i>	\$13,800	\$15,750	\$17,700	\$19,650	\$21,250	\$22,800	\$24,400	\$25,950
<i>Very Low</i>	\$22,950	\$26,200	\$29,500	\$32,750	\$35,400	\$38,000	\$40,650	\$43,250
<i>Lower</i>	\$36,700	\$41,950	\$47,200	\$52,400	\$56,600	\$60,800	\$65,000	\$69,200
<i>Median</i>	\$43,750	\$50,000	\$56,250	\$62,500	\$67,500	\$72,500	\$77,500	\$82,500
<i>Moderate</i>	\$52,500	\$60,000	\$67,500	\$75,000	\$81,000	\$87,000	\$93,000	\$99,000

<sup>i</sup>Based on currently effective median income of San Bernardino-Riverside County, as released by the Department of Housing and Community Development (“HCD”) by memorandum dated as of and posted to the HCD website on June 23, 2011. These median income numbers are revised annually.

#### 2. Determining Affordable Rent

For **rental housing**, the second step in determining compliance with affordable housing requirements is determining whether the total rent costs payable by the tenant are within allowable amounts.

For **Extremely Low Income Households**:<sup>ii</sup>

- renting a **0 bedroom** unit, monthly rent may not exceed **\$328.13**
- renting a **1 bedroom** unit, monthly rent may not exceed **\$375.00**
- renting a **2 bedroom** unit, monthly rent may not exceed **\$421.88**
- renting a **3 bedroom** unit, monthly rent may not exceed **\$468.75**
- renting a **4 bedroom** unit, monthly rent may not exceed **\$506.25**
- renting a **5 bedroom** unit, monthly rent may not exceed **\$543.75**

<sup>ii</sup> Affordable Rent for Extremely Low Income Households is the product of 30 percent times 30 percent of the area median income adjusted for family size appropriate to the unit. Health and Safety Code Section 50053 (b)(1).

**For purposes of determining Affordable Housing Cost, “Monthly Housing Payments”** include an estimate of the following costs for the upcoming twelve months:<sup>1</sup>

- principal and interest payments on the mortgage loan, including rehabilitation loans
- mortgage loan insurance fees
- property taxes and assessments
- fire and casualty insurance
- property maintenance and repairs
- a reasonable allowance for utilities (including garbage collection, sewer, water, electricity, gas and other fuels, but not telephone service). Such an allowance shall take into consideration the cost of an adequate level of service.
- homeowner association fees
- space rent, if the housing unit is on rented land

**ATTACHMENT NO. 15**  
**HOUSING PROJECT BUDGET**



**Project Construction Sources and Uses of Fund:**

**Sources:**

Rabobank, N.A.	\$ 1,630,000
HUD Homeless Continuum of Care	\$ 354,937
EHAP CD	\$ 1,000,000
Redevelopment Agency for the County of Riverside	\$ 1,100,000
Amemar LLC	\$ 950,000
Deferred fees	<u>\$ 56,141</u>
Total Sources	<b>\$ 5,091,078</b>

**Project Permanent Sources and Uses of Fund:**

**Sources:**

HUD Homeless Continuum of Care	\$ 354,937
MHP-HY	\$ 2,083,862
EHAP CD	\$ 1,000,000
Redevelopment Agency for the County of Riverside	\$ 1,100,000
Amemar LLC	\$ 500,000
Deferred fees	<u>\$ 52,279</u>
Total Sources	<b>\$ 5,091,078</b>

**Uses:**

New Construction	\$ 1,965,367
Had been Long Term Lease now Acquisition	\$ 1,600,001
Contingency	\$ 172,000
Architectural	\$ 284,820
Construction Loan Interest and Fees	\$ 145,025
Bond, Legal, Accounting and Property Management Consulting	\$ 38,000
Taxes and Insurance	\$ 44,873
Title and Recording	\$ 14,000
Development Impact Fees	\$ 130,000
Permit Processing Fees	\$ 50,000
Environmental Audit, Soils, Survey Engineering, Appraisal	\$ 28,000
Marketing	\$ 15,000
Furnishings	\$ 10,000
Reserves	\$ 68,476
Soft Cost Contingency	\$ 56,771
Developer Fee	<u>\$ 468,745</u>
Total Uses	\$ 5,091,078