

FORM APPROVED COUNTY OF RIVERSIDE
 BY: Shaila R. Brown
 DATE: 7.30.14
 SHAILA R. BROWN
 Departmental Concurrence

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

502A



FROM: Housing Authority

SUBMITTAL DATE:
 April 10, 2014

SUBJECT: Approve Partial Reconveyance of Deed of Trust With Assignment of Rents In Connection With Operation Safe House Housing Project, in the Community of Thousand Palms, District 4/District 4, [\$0]

RECOMMENDED MOTION: That the Board of Commissioners:

1. Approve the attached form of Partial Reconveyance (Deed of Trust With Assignment of Rents) partially reconveying and releasing the Housing Authority of the County of Riverside's (Housing Authority) lien relating to the Deed of Trust With Assignment of Rents executed by Operation Safe House, Inc. (OSH) for the benefit of the Housing Authority;

(Continued)

Robert Field
 Executive Director

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 0	\$ 0	\$ 0	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	
SOURCE OF FUNDS: N/A				Budget Adjustment: No	
				For Fiscal Year: 2013/14	

C.E.O. RECOMMENDATION:

APPROVE

BY:
 Rohini Dasika

County Executive Office Signature

MINUTES OF THE HOUSING AUTHORITY BOARD OF COMMISSIONERS

- A-30
- 4/5 Vote
- Positions Added
- Change Order

Prev. Agn. Ref.: 10.1 of 6/12/2012; 4.10 of 6/14/2011; 4.3 of 3/23/2010 | District: 4/4

Agenda Number:

10-1

SUBMITTAL TO THE BOARD OF COMMISSIONERS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

Housing Authority

FORM 11: Partial Reconveyance of Deed of Trust With Assignment of Rents In Connection With Operation Safe House Housing Project, in the Community of Thousand Palms, District 4/District 4, [\$0]

DATE: April 10, 2014

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RECOMMENDED MOTION: (Continued)

2. Authorize the Executive Director, or designee, to execute a Partial Reconveyance (Deed of Trust With Assignment of Rents), substantially conforming to the form attached, and all other documents necessary and required to release and/or reconvey the Housing Authority's interests and/or liens in real property owned by OSH not related to the Housing Authority's Operation Safe House Housing Project, subject to approval by County Counsel; and
3. Authorize and direct the Executive Director, or designee, to take all necessary and required steps to implement (i) the Partial Reconveyance (Deed of Trust With Assignment of Rents), and (ii) the release and/or reconveyance of the Housing Authority's interests and/or liens in real property owned by OSH not related to the Housing Authority's Operation Safe House Housing Project.

BACKGROUND:

Summary

On March 23, 2010 the former Redevelopment Agency for the County of Riverside (Agency) and Operation Safe House Inc., a California non-profit public benefit corporation (OSH), entered into that certain Disposition and Development/Affordable Housing Agreement (DDA) recorded in the Official Records of Riverside County (Official Records) on June 23, 2011 as Document No. 2011-277965, which was amended by that certain First Amendment to certain Disposition and Development/Affordable Housing Agreement dated June 2, 2011 and recorded in the Official Records on June 23, 2011 as Document No. 2011-0277968, and that certain Second Amendment to Disposition and Development/Affordable Housing Agreement executed by OSH and the Housing Authority of the County of Riverside (Housing Authority) dated June 12, 2012 and recorded in the Official Records on June 26, 2012 as Document No. 2012-0293559 (collectively, the "DDA"). The purpose of the DDA is, among things, (i) to convey real property from the Agency to OSH; (ii) to develop, construct and operate 16 supportive housing units (which includes 1 manager's unit) on the real property to be rented to and occupied by extremely low income households, and (iii) for the Housing Authority to loan a total of \$1,100,000 in low and moderate income housing funds (Authority Loan) to OSH to pay a portion of the construction and development costs (Project). The Project is located on that certain real property known as 72695 La Canada Way, in the Community of Thousand Palms, an unincorporated area of Riverside County (Project Site). The Project was completed and received a certificate of occupancy on July 2, 2013. The acquisition and development costs for the Project totaled \$5,550,601.

Pursuant to Assembly Bill x1 26, the redevelopment dissolution bill, the Riverside County Board of Supervisors adopted Resolution No. 2012-035 on January 10, 2012, which designated the Housing Authority as the successor housing agency for the former Agency. On the same date, the Housing Authority of the County of Riverside Board of Commissioners accepted, via adoption of Resolution No. 2012-001, the responsibility for performing all activities as the successor housing agency to the former Agency. On February 1, 2012, all California redevelopment agencies were eliminated and the Housing Authority assumed the redevelopment housing functions of the former Agency, including, but not limited to the aforementioned DDA (including all documents executed and recorded in connection therewith), Authority Loan, and the Operation Safe House Project.

(Continued)

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BACKGROUND:

Summary (Continued)

The Authority Loan is evidenced by a Promissory Note and secured by a Deed of Trust With Assignment of Rents for the benefit of the Housing Authority (Deed of Trust). The Deed of Trust is recorded as a lien against the Project Site and the OSH Site (defined below). The Housing Authority required that OSH record the Deed of Trust against the OSH Site as additional collateral for the Authority Loan, which is no longer necessary since the Project has been successfully completed. In addition to the Authority Loan, OSH received the following financing, (i) a loan from the State of California Department of Housing and Community Development Multifamily Housing Program for Homeless Youth (MHP), and (ii) a Supportive Housing Program Grant from the US Department of Housing and Urban Development. As a condition to the funding of the MHP loan and the Supportive Housing Program Grant, OSH was required to develop and construct a separate administrative building (OSH Administrative Building), adjacent to the Project, on real property originally owned by OSH and currently identified as APN No. 650-131-003 (OSH Site), to provide supportive services to the residents of the Project. Pursuant to the Scope of Development attached to the DDA as Attachment No.9 (DDA Scope of Development), the OSH Administrative Building is not included as part of the Project Site.

The OSH Administrative Building is part of a larger campus located on the OSH Site that OSH has been running for over 20 years that houses and provides services for runaway, homeless and other youth in crisis. The OSH Site includes an administrative building, an emergency shelter, and a school which has been recently built. OSH is in the process of finalizing a parcel map to subdivide all the buildings on the OSH Site, and is also processing a condo map for the OSH Administrative Building to be able to designate office space to provide supportive services to the residents of the Project as required under the MHP loan and the Supportive Housing Program Grant.

Currently the Authority Deed of Trust is recorded on the entire OSH Site, and OSH has requested that the Authority partially reconvey the recorded Authority Deed of Trust, and any other related liens, as an encumbrance against the OSH Site, including the OSH Administrative Building, since they are not designated as part of the Project. The Housing Authority required that OSH record the Deed of Trust against the OSH Site as additional collateral for the Authority Loan, which is no longer necessary since the Project has been successfully completed. Additionally, the subdivision of the OSH Site into condominiums was contemplated in the DDA Scope of Development and will not negatively impact the Project. The Housing Authority Deed of Trust, the DDA and all other Housing Authority documents encumbering the Project Site shall not be affected by the partial reconveyance, and shall remain in place in full force and effect.

The County of Riverside's Transportation and Land Management Agency (Planning) is currently processing the parcel map and condo map on the OSH Site, including the OSH Administrative Building, and once that is completed staff recommends the Housing Authority partially reconvey the Deed of Trust and partially release any other Housing Authority liens encumbering the OSH Site since they are not part of the Project and are no longer necessary as additional collateral.

County Counsel has reviewed and approved the attached form of Partial Reconveyance (Deed of Trust With Assignment of rents). Staff recommends that the Board approves the attached form of Partial Reconveyance (Deed of Trust With Assignment of rents) and authorizes the Executive Director, or designee, to take all necessary and required steps to implement (i) the Partial Reconveyance (Deed of Trust With Assignment of Rents), and (ii) the release and/or reconveyance of any additional Housing Authority interests and/or liens encumbering the OSH Site.

(Continued)

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BACKGROUND: (Continued)

Impact on Residents and Businesses

The Project provides a much needed form of special needs housing for the community and its residents. The Project targets children that age out of foster care and have limited to no housing choices. The type of supportive housing which is provided by the Project offers an easier transition out of the foster care system for these individuals.

Attachment

Form of Partial Reconveyance (Deed of Trust With Assignment of Rents)

OFFICIAL BUSINESS

Document entitled to free recording

Per Government Code Section 6103 and 27383

RECORDING REQUESTED BY

AND WHEN RECORDED RETURN TO:

Housing Authority of the County of Riverside

5555 Arlington Avenue

Riverside, CA 92504

Attention: Deputy Executive Director

PARTIAL RECONVEYANCE

(Deed of Trust With Assignment of Rents)

The following is made with reference to that certain Deed of Trust With Assignment of Rent dated August 21, 2012 and recorded in the Official Records of the Recorder's Office of the County of Riverside ("**Official Records**") on September 19, 2012, as Document No. 2012-0448588 (the "**Deed of Trust**") executed by OPERATION SAFE HOUSE, INC., a California nonprofit public benefit corporation ("**Trustor**"), as trustor , in favor of THE HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE acting in its capacity as Successor Housing Agency to the Redevelopment Agency for the County of Riverside ("**Trustee**"), as trustee, to hold for the benefit of THE HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public entity corporate and politic ("**Beneficiary**"), as beneficiary.

The Beneficiary hereby requests that the Trustee sign this partial reconveyance.

Trustee, as trustee under the Deed of Trust, having been requested by Beneficiary to reconvey a portion of the estate held thereunder, hereby reconveys and releases to the person or persons legally entitled thereto, without warranty, that portion of the property encumbered by the Deed of Trust more particularly described on Exhibit "A" attached hereto and by this reference incorporated herein and now held by Trustee under the Deed of Trust. The execution and delivery of this instrument of partial reconveyance: (a) does not constitute a reconveyance of any portion of the property encumbered by the Deed of Trust other than the portion of such real property specifically described in Exhibit "A" attached hereto, and (b) does not constitute a release or reduction of all or any part of the indebtedness or other obligations secured by the Deed of Trust.

[Signatures on Following Page]

Dated as of _____, 2014.

“TRUSTEE”

Housing Authority of the County Of
Riverside, a public entity corporate and
politic

As: Successor Housing Agency to the
Redevelopment Agency for the County of
Riverside

By: _____
Heidi Marshall
Deputy Executive Director

Date: _____

APPROVED AS TO FORM:
Pamela J. Walls
County Counsel

By: _____
Jhaila R. Brown, Deputy

“BENEFICIARY”

Housing Authority of the County of
Riverside, a public entity corporate and
politic

By: _____
Heidi Marshall
Deputy Executive Director

Date: _____

APPROVED AS TO FORM:
Pamela J. Walls
County Counsel

By: _____
Jhaila R. Brown, Deputy

EXHIBIT A
LEGAL DESCRIPTION

[to be added]

State of California)
County of _____)

On _____ before me, _____,
a Notary Public, personally appeared _____, 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 _____ (Seal)

State of California)
County of _____)

On _____ before me, _____,
a Notary Public, personally appeared _____, 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 _____ (Seal)