

FORM APPROVED COUNTY COUNSEL
 BY: GREGORY P. PRIAMOS DATE

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

621



FROM: Housing Authority

SUBMITTAL DATE:
 September 27, 2016

SUBJECT: First Amendment to Disposition and Development Agreement between the Housing Authority of the County of Riverside and The Coachella Valley Housing Coalition relating to Tierra Bonita 39 Unit Homeownership Project Located in the City of Coachella, District 4; [\$0], CEQA Exempt

RECOMMENDED MOTION: That the Board of Commissioners:

1. Find that the project is exempt under California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15061(b)(3) ;
2. Approve the attached First Amendment to Disposition and Development Agreement, including all attachments thereto, between the Housing Authority of the County of Riverside and The Coachella Valley Housing Coalition, a California nonprofit public benefit corporation;

(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: Former Coachella RDA, 2006 Series A Taxable Bond Fund Proceeds				Budget Adjustment: No	
				For Fiscal Year: 2016/17	

C.E.O. RECOMMENDATION:

APPROVE

BY: Rohini Dasika
 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.: 10.4 of 8/18/15

District: 4

Agenda Number:

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

Housing Authority

FORM 11: : First Amendment to Disposition and Development Agreement between the Housing Authority of the County of Riverside and The Coachella Valley Housing Coalition relating to Tierra Bonita 39 Unit Homeownership Project Located in the City of Coachella, District 4; [\$0], CEQA Exempt

DATE: September 27, 2016

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RECOMMENDED MOTION: (Continued)

3. Authorize the Chairman of the Board of Commissioners to execute the attached First Amendment to Disposition and Development Agreement; and
4. Authorize the Executive Director, or designee, to take all necessary steps to implement the First Amendment to Disposition and Development Agreement, including but not limited to, signing subsequent necessary and relevant documents, subject to approval by County Counsel.

BACKGROUND:

Summary

The Housing Authority of the County of Riverside (Housing Authority) and The Coachella Valley Housing Coalition, a California nonprofit public benefit corporation (Developer) entered into that certain Disposition and Development Agreement dated August 18, 2015 and recorded October 30, 2015 as Document No. 2015-0479651 in the Official Records of the County of Riverside (DDA). Pursuant to the DDA the Housing Authority conveyed to Developer that certain real property located in the City of Coachella, identified as Assessor Parcels 768-361-010 through -012, 768-362-001 through -016, 768-371-001 through -019, and 768-372-015 (Property). In addition, pursuant to the DDA the Developer is required to develop and construct 39 single family homes which are to be sold to qualified low income households for an affordable sales price. The homes are to be built using the self-help method wherein the purchasers contribute labor to the construction of the homes. The official project ground breaking was held on June 29, 2016.

The development, construction and subsequent purchase and sale of the homes located on the Property was financed with a combination of funding sources including: United States Department of Agriculture, Rural Development, Self Help Housing Program; State of California Housing and Community Development, CalHOME and Joe Serna Jr. Farmworker Housing Grant; Homebuyer Sweat Equity Downpayment. Construction of the homes will also be completed through the United States Department of Agriculture (USDA) Self Help Program. Under the USDA Self Help Program, affordable purchase money loans are provided to lower income homebuyers who contribute their labor during construction which is then used as a 'sweat equity' down-payment. To facilitate this method, the homebuyers act as owner/builders throughout construction and Developer acts as technical assistance provider to the owner/builders. The 39 single family homes will be constructed in three phases of 13 homes per phase. Thirteen homes have already been sold to qualified households. Construction of the first phase has already commenced and is scheduled to be completed on or about February 2017. The second and third phases are scheduled to commence on or about September 2017 and December 2017 respectively.

The Developer has requested that the DDA and the Scope of Development attached to the DDA as Attachment No. 5 are amended to remove the requirement to install solar panels on each of the 39 single family homes. The approved plans were designed to build 'solar-ready' homes and the roof was designed to withstand the weight of solar panels and conduit included for connectivity. However, the cost of solar panel installation was not included in the USDA approved construction budget and financing is not available to pay for such installation. The Developer, as technical assistance provider, will inform the owner/builders of their options in relation to solar energy.

(Continued)

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

Housing Authority

FORM 11: : First Amendment to Disposition and Development Agreement between the Housing Authority of the County of Riverside and The Coachella Valley Housing Coalition relating to Tierra Bonita 39 Unit Homeownership Project Located in the City of Coachella, District 4; [\$0], CEQA Exempt

DATE: September 27, 2016

PAGE: 3 of 3

BACKGROUND:

Summary

(Continued)

Energy saving/green features that will remain as part of the development and construction of the homes includes, LED lighting, tankless hot water heaters, energy star rated HVAC units and appliances, evaporative coolers, radiant barrier roof decking, solar tubes, R-15 insulation in walls and R-30 insulation in attic spaces. The removal of the solar panel installation requirement from the DDA is set forth in the attached proposed First Amendment to Disposition and Development Agreement (First Amendment).

If the solar panel installation requirement is not removed from the DDA as part of the scope of development, it will place an undue financial burden upon the owner/builders. The unfunded costs will have to come directly from the low income owner/builders jeopardizing their financial eligibility for the home purchase.

The proposed First Amendment was reviewed and determined to be exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15061(b)(3), Common Sense, General Rule Exemption. The project relates to the removal from the DDA and the Scope of Development attached to the DDA of the Developer's obligation to install and/or cause the installation of solar panels on each of the 39 single family homes to be constructed on the Property, and it can be seen with certainty that there is no possibility that the removal of such solar panel installation requirement may have a significant effect on the environment, and will not lead to any direct or reasonably indirect physical environmental impacts since (1) the removal of such installation requirement will have a de minimis impact on the overall development of the project, and (2) other than the removal of the solar panel requirement, the existing scope of development, which includes other energy saving/green features, will remain the same. Housing Authority staff will file a Notice of Exemption with the Clerk of the Board within five working days of the approval of the proposed First Amendment.

Housing Authority staff recommends approval of the attached proposed First Amendment. County Counsel has reviewed and approved the First Amendment as to form.

Impact on Citizens and Businesses

The First Amendment to Disposition and Development Agreement will eliminate a construction requirement that was not considered as part of the USDA construction budget and as such is unfunded. The proposed amendment will allow for the purchase and subsequent construction of the homes by low income families to proceed in accordance with the approved plans and budget. The purchase and construction of the 39 single family homes will provide much needed affordable housing within the County and will generate construction jobs.

Attachment

First Amendment to Disposition and Development Agreement, including exhibits

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

3 Escrow No.

4 Loan No.

5 RECORDING REQUESTED BY AND
6 WHEN RECORDED MAIL TO:

7 Housing Authority of the County of Riverside
8 5555 Arlington Ave
9 Riverside, CA 92504
10 Attn: Leah Rodriguez

11 SPACE ABOVE THIS LINE FOR RECORDERS USE

12 **FIRST AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT**

13 This First Amendment to Disposition and Development Agreement
14 (“Amendment”) is made and entered into this ____ day of _____, 2016 by and
15 between THE HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public entity,
16 corporate and politic, in its capacity as housing successor to the former Coachella
17 Redevelopment Agency (“AUTHORITY”), and COACHELLA VALLEY HOUSING
18 COALITION, a California nonprofit public benefit corporation (“DEVELOPER”).
19 DEVELOPER and AUTHORITY shall collectively be referred to herein as the “Parties” and
20 individually as a “Party.”

21 RECITALS:

22 WHEREAS, AUTHORITY and DEVELOPER entered into that certain Disposition and
23 Development Agreement dated August 18, 2015 and recorded in the Official Records of the
24 County of Riverside (“Official Records”) on October 30, 2015 as Document No. 2015-
25 0479651, (“DDA”) wherein AUTHORITY conveyed to DEVELOPER approximately 9.308
26 acres of vacant land located at Avenue 53 and Calle Leandro in the City of Coachella, County
27 of Riverside known as Assessor’s Parcel Numbers 768-361-010 through -012, 768-362-001
28 through -016, 768-371-001 through -019, and 768-372-015, as described in the legal
description attached hereto as Attachment No. 1 and incorporated herein by this reference
 (“Property”). All capitalized terms not described herein shall have the meaning ascribed to
 them in the DDA;

1 WHEREAS, pursuant to the DDA, DEVELOPER is required, among other things, to
2 cause the development and construction on the Property, through the self-help method, of 39
3 for-sale single-family homes to be sold and occupied by low income first time homebuyers for
4 an affordable purchase price, (“Project”), as more specifically described in the DDA;

5 WHEREAS, pursuant to the DDA, the AUTHORITY provided financial assistance to
6 the Project in the not to exceed amount of \$1,189,800 to be used as individual purchase money
7 loans to assist qualified low income persons and households in acquiring a single family home
8 to be constructed on the Property. Each AUTHORITY loan shall not exceed \$50,000, is
9 evidenced by a promissory note in favor of the AUTHORITY and secured by a deed of trust.

10 WHEREAS, pursuant to the DDA, DEVELOPER and AUTHORITY entered into that
11 certain Agreement Containing Covenants (Including Resale Restrictions) dated August 18, 2015
12 and recorded in the Official Records on October 30, 2015 as Document No. 2015-0479650,
13 (collectively “Covenants”) restricting the use and occupancy of the Property as affordable
14 housing for a period of 15 years as more specifically described therein;

15 WHEREAS, AUTHORITY and DEVELOPER desire to amend the DDA and the Scope
16 of Development to eliminate the requirement to install solar panels since costs to install such
17 panels were not included in the construction budget approved by the Project’s senior lender,
18 the United States Department of Agriculture (USDA). The change in the scope of the Project
19 will match the site plans approved by the City of Coachella;

20 WHEREAS, energy saving/green features will remain as part of the development and
21 construction of the 39 single family homes including, LED lighting, tankless hot water heaters,
22 energy star rated HVAC units and appliances, evaporative coolers, radiant barrier roof decking,
23 solar tubes, R-15 insulation in walls and R-30 insulation in attic spaces; and

24 WHEREAS, the purpose of this Amendment is to effectuate and amend the DDA by
25 providing for an amendment to the DDA and Scope of Development (Attachment No. 5 to
26 DDA) to reflect the elimination of solar panel installation, all on the terms and conditions as set
27 forth below.

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1 NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency
2 of which is hereby mutually acknowledged, the Parties do hereby agree as follows:

3 1. **Recitals.** The Recitals and attachments referenced above are incorporated herein by this
4 reference and adopted by the Parties to be true and correct.

5 2. **Removal of Solar Panel Installation Requirement.** The Parties acknowledge and
6 agree that the requirement by Developer to install and/or cause the installation of solar
7 panels on each of the 39 single family homes to be developed on the Property pursuant
8 to the DDA, is hereby eliminated as a Developer obligation under the DDA.

9 3. **Amendments to the DDA.**

10 a. **Definition.** The definition of the Scope of Development contained in Section 1.1 of
11 the DDA is hereby deleted in its entirety and replaced with the following:

12 “ “Amended Scope of Development” means the Amended Scope of
13 Development attached hereto as Attachment No. 5 and incorporated herein by
14 this reference.”

15 b. **Scope of Development.** All references to the term “Scope of Development” contained
16 in the DDA and all exhibits to the DDA, including, but not limited to the Method of
17 Financing (Attachment No. 2 to the DDA), are hereby deleted in their entirety and
18 replaced with the term “Amended Scope of Development.”

19 4. **Attachment No. 5 Scope of Development.** The Scope of Development attached to
20 the DDA as Attachment No. 5 is hereby deleted in its entirety and replaced with the
21 Amended Scope of Development attached hereto as Exhibit No. 2 and incorporated
22 herein by this reference.

23 5. **Miscellaneous.**

24 a. **Further Cooperation.** The Parties agree to execute such other instruments,
25 agreements and amendments to documents as may be necessary or appropriate to
26 effectuate the DDA as amended by this Amendment.

27 b. **Interpretation.** This Amendment, when combined with the DDA, sets forth and
28 contains the entire understanding and agreement of the parties hereto. There are no

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oral or written representations, understandings, or ancillary covenants, undertakings or agreements, which are not contained or expressly referred to within this Amendment or the DDA.

- c. **Attachments.** Each of the attachments and exhibits attached hereto are incorporated herein by this reference.
- d. **Effectiveness of DDA.** Except as modified and amended by this Amendment, all other terms and conditions of the DDA remain unmodified and in full force and effect.
- e. **Counterparts.** This 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.
- f. **Effective Date.** The effective date of this Amendment is the date the Parties execute this Amendment. If the parties execute this Amendment on more than one date, then the last date this Amendment is executed by a party shall be the effective date.
- g. **Board of Commissioners.** This Amendment is subject to the approval of AUTHORITY's Board of Commissioners.

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[Signatures on Following Page]

1 IN WITNESS WHEREOF, the Parties have executed this Amendment as of the dates written
2 below.

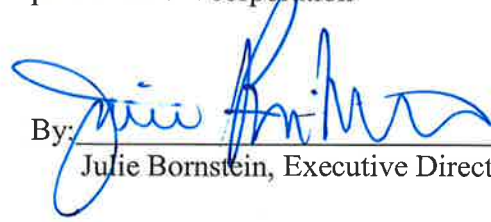
3
4 **AUTHORITY:**

DEVELOPER:

5 HOUSING AUTHORITY OF THE COUNTY OF
6 RIVERSIDE, a public entity, corporate and politic,
7 in its capacity as housing successor to the former
8 Coachella Redevelopment Agency

THE COACHELLA VALLEY HOUSING
COALITION, a California non-profit
public benefit corporation

8 By: _____
9 John J. Benoit, Chairman
10 Board of Commissioners

By: 
Julie Bornstein, Executive Director

10 Date: _____

Date: Sept. 1, 2016

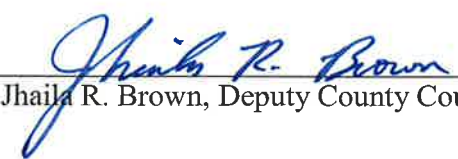
11 **ATTEST:**

12 KECIA HARPER-IHEM
13 Clerk of the Board

14
15 By: _____
16 Deputy

17 **APPROVED AS TO FORM:**

18 GREGORY P. PRIAMOS
19 COUNTY COUNSEL

20 By: 
21 Jhaila R. Brown, Deputy County Counsel

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25 **(AUTHORITY and DEVELOPER signatures need to be notarized)**
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ATTACHMENT NO. 1
LEGAL DESCRIPTION

(behind this page)

ATTACHMENT NO. 1
LEGAL DESCRIPTION

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3 Real property in the City of Coachella, County of Riverside, State of California, described as
4 follows:

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6 LOTS 24 THROUGH 31, 55 THROUGH 58 AND 78 THROUGH 104, INCLUSIVE OF
7 TRACT NO. 31158, IN THE CITY OF COACHELLA, COUNTY OF RIVERSIDE, STATE OF
8 CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 397, PAGES 1 TO 5 INCLUSIVE
9 OF MAPS, IN THE OFFICE OF THE RIVERSIDE COUNTY RECORDER.

10 ASSESSOR PARCEL NUMBERS 768-361-010 THROUGH -012, AND 768-362-001
11 THROUGH -016, AND 768-371-001 THROUGH -019, AND 768-372-015.
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ATTACHMENT NO. 2
AMENDED SCOPE OF DEVELOPMENT

(behind this page)

ATTACHMENT NO. 2

AMENDED SCOPE OF DEVELOPMENT

Pursuant to the Disposition and Development Agreement (DDA) executed by and between the Housing Authority of the County of Riverside (“Authority”) and Coachella Valley Housing Coalition (“Developer”), Developer shall develop 39 new residential single family homes through the Self Help Method for qualified Low Income Households. The 39 homes range from 3 to 4 bedrooms each with a parking garage. It is anticipated that the Project will be sold to qualified Purchasers and developed in three phases, with 13 Restricted Units constructed in the first phase, 13 Restricted Units constructed in the second phase and 13 Restricted Units constructed in the third phase. Each Purchaser must qualify as a Low Income First Time Homebuyer with income at or below eighty percent (80%) of the Area Median Income (AMI), adjusted by family size at the time of occupancy, for the County of Riverside. The homes shall be affordable for fifteen (15) years following the issuance of a Certificate of Occupancy for each respective Restricted Unit. All capitalized terms not defined herein shall have the meaning ascribed to such terms in the DDA.

The project shall consist of 39 individual single story homes situated on individual single family lots. The homes will incorporate Energy Efficient standards to assist with affordability during the Restricted Period (as defined in the DDA). There will be approximately six (6) 3-bedroom/2 bath homes (approximately 1,400 square feet) and thirty-three (33) 4-bedroom/2 bath homes (approximately 1,600 square feet) as specified in the Plans and specifications approved by the City of Coachella. The design includes a California Spanish / Mediterranean style as well as street-facing porches to encourage neighborhood participation. All of the homes shall be situated in the Tierra Bonita Subdivision, near a community park and schools. A Landscape and Lighting District has been established to ensure maintenance of common areas.

The homes, designed to Energy Efficient standards, include energy saving features:

- Tankless Hot Water Heaters
- Energy Star rated HVAC units & appliances
- Evaporative Coolers
- Radiant Barrier roof decking

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- Solar tubes in rooms without windows to eliminate the need for lights during the day
- R-15 insulation in the walls and R-30 insulation in the attic spaces

Green Features:

The Project shall achieve Energy Efficient rating and will include LED lighting, ceiling fans in each bedroom and living room, tankless hot water heaters, radiant barrier in the roofs, evaporative cooler, HVAC units and efficient appliances to reduce utility costs.

All 39 homes are designed and will be built to sustain solar panels, including installation of conduit to the roof, to facilitate later installation of solar panels at the Purchaser's discretion.

Amenities:

All 39 homes will have a front and back yard for families to enjoy. In addition, the development is approximately one mile away from a community park.

Parking:

Each home will have parking for two cars inside the garage as well as two cars in the driveway if necessary. The interior streets will have room for parking on both sides of the streets to accommodate visitor parking.

Unique to this Project are the supportive services for first time homebuyers. As a requirement of the Self Help program, participant families attend a series of classes to promote successful homeownership. These include pre and post purchase homeownership training classes that include budget planning; credit counseling and home maintenance & repair.

1 A notary public or other officer completing this certificate verifies only the identity of the
2 individual who signed the document to which this certificate is attached, and not the
3 truthfulness, accuracy, or validity of that document.

4 STATE OF CALIFORNIA)

5
6 COUNTY OF Riverside)

7 On September 1, 2016 before me, Patricia Sabala, a
8 Notary Public, personally appeared Julie Bornstein, who proved to me
9 on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to
10 the within instrument and acknowledged to me that ~~he~~/she/~~they~~ executed the same in
11 ~~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.

12 I certify under PENALTY OF PERJURY under the laws of the State of California that the
13 foregoing paragraph is true and correct.

14 WITNESS my hand and official seal.



15 Signature Patricia Sabala (Seal)

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