

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

135



FROM: Economic Development Agency

SUBMITTAL DATE:

June 3, 2010

SUBJECT: First Amendment to Loan Agreement for the Use of Neighborhood Stabilization Program Funds with Riverside Housing Development Corporation in the Cities of San Jacinto, Temecula, Banning and Lake Elsinore

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the First Amendment to Loan Agreement for the Use of Neighborhood Stabilization Program ("NSP") Funds between the County of Riverside and Riverside Housing Development Corporation in the Cities of San Jacinto, Temecula, Banning and Lake Elsinore ("Second Amendment");
2. Authorize the Chairman of the Board of Supervisors to execute First Amendment (attached); and
3. Authorize the Assistant County Executive Officer/EDA or designee to take all necessary steps to implement the First Amendment including, but not limited to, signing subsequent necessary and relevant documents.

BACKGROUND: (Commences on Page 2)

Robert Field  
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	NO
	Annual Net County Cost:	\$ 0	For Fiscal Year:	09/10

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: Neighborhood Stabilization Program Funds

Positions To Be Deleted Per A-30	<input type="checkbox"/>
Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

BY:

County Executive Office Signature Jennifer L. Sargent

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Benoit, seconded by Supervisor Buster and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Benoit and Ashley  
Nays: None  
Absent: Tavaglione and Stone  
Date: June 15, 2010  
xc: EDA

Kecia Harper-Ihem  
Clerk of the Board

By:   
Deputy

Prev. Agn. Ref.: Item 3.10 of 3/2/10

District: 1,3,5

Agenda Number:

ATTACHMENTS FILED  
WITH THE CLERK OF THE BOARD

3.12

EDA-0013-F11  
Form 11 (Rev 06/2003)

DATE 6/3/10  
Departmental Concurrence  
MICHELLE CLACK

Policy ☒ Policy ☒  
Consent ☐ Consent ☐  
Dep't Recomm.: ☐ Per Exec. Ofc.: ☐



June 3, 2010

Page 2

**BACKGROUND:**

On March 2, 2010, the Board of Supervisors approved a Loan Agreement for the use of NSP Funds with Riverside Housing Development Corporation ("RHDC"), a nonprofit public benefit corporation, in an amount up to \$3,000,000 ("NSP Loan") for financing of acquisition, rehabilitation and resale of vacant, foreclosed and bank-owned single-family properties to low-, moderate-, and middle-income (LMMI) first-time homebuyers within designated NSP Target Areas in the Cities of San Jacinto, Temecula, Banning and Lake Elsinore as defined in the County of Riverside Substantial Amendment to the 2008-2009 One-Year Action Plan (the "Project").

RHDC has acquired eight (8) single-family properties and two (2) additional properties are in escrow for acquisition. RHDC has determined \$38,000 will not be required to complete rehabilitation and resale of the Properties and has requested to reduce the NSP Loan by \$38,000.

Staff recommends to decrease the amount of the NSP Loan from \$3,000,000 to \$2,962,000 whereas amending the NSP Loan Agreement will not hinder the County to fulfill its requirements and national objectives under the Neighborhood Stabilization Program.

County Counsel has reviewed and approved as to form the attached First Amendment to Loan Agreement for the Use of Neighborhood Stabilization Program Funds. Staff recommends that the Board approved the First Amendment to Loan Agreement for the Use of Neighborhood Stabilization Program Funds.



NO FEE FOR RECORDING PURSUANT  
TO GOVERNMENT CODE 6103

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

County of Riverside  
Economic Development Agency  
3403 10th Street, Suite 500  
Riverside, CA 92501  
Attn: Mervyn Manalo

SPACE ABOVE THIS LINE FOR RECORDERS USE

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

This First Amendment to Loan Agreement for the Use of Neighborhood Stabilization Program Funds ("First Amendment") is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2010, by and between the COUNTY OF RIVERSIDE ("COUNTY"), a political subdivision of the State of California and RIVERSIDE HOUSING DEVELOPMENT CORPORATION ("RHDC"), a California nonprofit public benefit corporation.

WITNESSETH:

WHEREAS, COUNTY and RHDC entered into a Loan Agreement for the Use of Neighborhood Stabilization Program Funds ("NSP Loan Agreement") on March 2, 2010; and

WHEREAS, pursuant to the NSP Loan Agreement, COUNTY agreed to lend up to Three Million Dollars (\$3,000,000) in NSP funds (the "NSP Loan") to RHDC for individual financing to acquire and rehabilitate vacant, foreclosed and bank-owned single-family properties ("Properties") and resale homes to qualified low-, moderate-, and middle-income (LMMI) first-time homebuyers in the County of Riverside; and

WHEREAS, RHDC has acquired ten (10) single-family properties; and

WHEREAS, COUNTY has disbursed approximately \$1,591,000 to acquire the Properties; and

WHEREAS, approximately \$1,409,000 is the balance for rehabilitation and disposition of the Properties; and

1 WHEREAS, RHDC has determined \$38,000 will not be required to complete  
2 rehabilitation and resale of the Properties; and

3 WHEREAS, RHDC has requested to reduce the NSP Loan by \$38,000; and

4 WHEREAS, COUNTY desires to amend the NSP Loan Agreement and decrease the  
5 NSP Loan from Three Million Dollars (\$3,000,000) to Two Million Nine Hundred Sixty Two  
6 Thousand Dollars (\$2,962,000); and

7 WHEREAS, amending the NSP Loan Agreement will not hinder the COUNTY to  
8 fulfill its requirements and national objectives under the Neighborhood Stabilization Program.

9 NOW, THEREFORE, in consideration of the foregoing, and the promises and mutual  
10 covenants and conditions hereinafter set forth, COUNTY and RHDC do hereby agree as  
11 follows:

- 12 1. The amount of the NSP Loan shall be modified and decreased from \$3,000,000 to  
13 \$2,962,000 in NSP funds.
- 14 2. All other terms and conditions of the NSP Loan Agreement shall remain  
15 unmodified and in full force and effect.
- 16 3. This First Amendment may be signed by the different parties hereto in counterparts,  
17 each of which shall be an original, but all of which together shall constitute one and  
18 the same agreement.
- 19 4. The effective date of this First Amendment is the date the parties execute this First  
20 Amendment. If the parties execute the First Amendment on more than one date,  
21 then the last date the First Amendment is executed by a party shall be the Effective  
22 Date.
- 23 5. The First Amendment is not binding until approved by the Board of Supervisors.

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

COUNTY OF RIVERSIDE

RIVERSIDE HOUSING DEVELOPMENT  
CORPORATION,  
a California nonprofit public benefit corporation

By: Marion Ashley By: Bruce Kulpa  
MARION ASHLEY BRUCE KULPA  
Chairman, Board of Supervisors Executive Director

APPROVED AS TO FORM:  
PAMELA J. WALLS  
County Counsel

By: Michelle Clack  
Deputy, Michelle Clack 6/3/10

ATTEST:  
KECIA HARPER-IHEM  
Clerk of the Board

By: [Signature]  
Deputy

(Signatures on this page need to be notarized)

STATE OF CALIFORNIA

COUNTY OF RIVERSIDE

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On June 15, 2010, before me, Karen Barton, Board Assistant, personally appeared Marion Ashley, Chairman of the Board of Supervisors, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument; and that a copy of this paper, document or instrument has been delivered to the chairperson.

I certify under the 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

Kecia Harper-Ihem  
Clerk of the Board of Supervisors

By:

  
Deputy Clerk

(SEAL)



STATE OF CALIFORNIA }  
COUNTY OF \_\_\_\_\_ }

personally appeared \_\_\_\_\_  
Name(s) of Signer(s)

Signature \_\_\_\_\_  
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.

Place Notary Seal Above

Signature \_\_\_\_\_  
Signature of Notary Public