

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

136



FROM: Economic Development Agency

SUBMITTAL DATE:

June 3, 2010

SUBJECT: Second Amendment to Loan Agreement for the Use of Neighborhood Stabilization Program Funds with Riverside Housing Development Corporation in the City of Lake Elsinore

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Second 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 City of Lake Elsinore ("Second Amendment");
2. Authorize the Chairman of the Board of Supervisors to execute Second Amendment (attached); and
3. Authorize the Assistant County Executive Officer/EDA, or designee, to take all necessary steps to implement the Second Amendment including, but not limited to, signing subsequent necessary and relevant documents.

BACKGROUND: (Commences on Page 2)

*Robert Field*

Robert Field  
Assistant County Executive Officer/EDA

FINANCIAL  
DATA

Current F.Y. Total Cost: \$ 38,000  
Current F.Y. Net County Cost: \$ 0  
Annual Net County Cost: \$ 0

In Current Year Budget: Yes  
Budget Adjustment: No  
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 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION: APPROVE

BY: *Jennifer L. Sargent*

County Executive Office Signature

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: *[Signature]*  
Deputy

Prev. Agn. Ref.: Item 3.26 6/16/09; Item 3.11 3/23/10 District: 1

Agenda Number:

3.13

ATTACHMENTS FILED  
WITH THE CLERK OF THE BOARD

FORM APPROVED COUNTY COUNSEL  
DATE 4/3/10  
BY: MICHELLE CLACK  
Departmental Concurrence

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



**BACKGROUND:**

On June 16, 2009, 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 \$2,800,000 ("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 city of Lake Elsinore as defined in the County of Riverside Substantial Amendment to the 2008-2009 One-Year Action Plan.

On March 23, 2010, the Board of Supervisors approved a First Amendment to the NSP Loan Agreement to increase the NSP Loan to \$3,000,000.

RHDC has acquired eleven (11) single-family properties and obligated \$3,000,000 (100% of the NSP Loan) through recorded deeds of trust. RHDC has one (1) property sold, four (4) properties in escrow, four (4) properties for sale and two (2) properties under rehabilitation.

RHDC has requested for an additional \$38,000 in NSP funds to complete rehabilitation and resale of the remaining properties.

Staff recommends to increase the amount of the NSP Loan from \$3,000,000 to \$3,038,000 whereas amending the NSP Loan Agreement will assist 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 Second Amendment to Loan Agreement for the Use of Neighborhood Stabilization Program Funds. Staff recommends that the Board approved the Second 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 Tenth Street, Suite 500  
Riverside, CA 92501  
Attn: Mervyn Manalo

SPACE ABOVE THIS LINE FOR RECORDERS USE

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

This Second Amendment to Loan Agreement for the Use of Neighborhood Stabilization Program Funds ("Second 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 June 16, 2009; and

WHEREAS, COUNTY and RHDC amended the NSP Loan Agreement ("First Amendment") on March 23, 2010; and

WHEREAS, pursuant to the First Amendment, 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 eleven (11) single-family properties and obligated \$3,000,000 (100% of the NSP Loan) through recorded deeds of trust; and

WHEREAS, RHDC has one (1) property sold, four (4) properties in escrow, four (4) properties for sale and two (2) properties under rehabilitation; and

1 WHEREAS, RHDC has requested an additional \$38,000 in NSP funds to complete  
2 rehabilitation and resale of the Properties; and

3 WHEREAS, COUNTY desires to amend the NSP Loan Agreement and increase the  
4 NSP Loan from Three Million Dollars (\$3,000,000) to Three Million Thirty Eight Thousand  
5 Dollars (\$3,038,000); and

6 WHEREAS, amending the NSP Loan Agreement will assist the COUNTY to fulfill its  
7 requirements and national objectives under the Neighborhood Stabilization Program.

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

- 11 1. The amount of the NSP Loan shall be modified and increased from \$3,000,000 to  
12 \$3,038,000 in NSP funds.
- 13 2. All other terms and conditions of the NSP Loan Agreement shall remain  
14 unmodified and in full force and effect.
- 15 3. This Second Amendment may be signed by the different parties hereto in  
16 counterparts, each of which shall be an original, but all of which together shall  
17 constitute one and the same agreement.
- 18 4. The effective date of this Second Amendment is the date the parties execute this  
19 Second Amendment. If the parties execute the Second Amendment on more than  
20 one date, then the last date the Second Amendment is executed by a party shall be  
21 the Effective Date.
- 22 5. The Second Amendment is not binding until approved by the Board of Supervisors.

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JUN 15 2010 3.13

STATE OF CALIFORNIA

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COUNTY OF RIVERSIDE

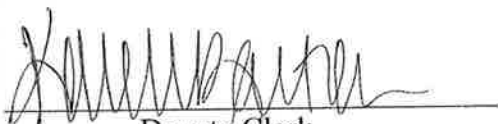
On June 15, 2010, before me, Karen Barton, Board Assistant, personally appeared Marion Ashley, Chairman of the Board of Supervisors, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same 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)



**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

**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