

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

923



FROM: Economic Development Agency

SUBMITTAL DATE:

December 2, 2010

SUBJECT: Second Amendment to Loan Agreement for the Use of Neighborhood Stabilization Program Funds with Housing Authority of the County of Riverside

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 Housing Authority of the County of Riverside (Second Amendment);
2. Authorize the Chairman of the Board of Supervisors to execute the attached Second Amendment; 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:

\$ 0

In Current Year Budget:

Yes

Current F.Y. Net County Cost:

\$ 0

Budget Adjustment:

No

Annual Net County Cost:

\$ 0

For Fiscal Year:

2010/11

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: Yes

SOURCE OF FUNDS: Neighborhood Stabilization Program Funds

Positions To Be
Deleted Per A-30

☐

Requires 4/5 Vote

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C.E.O. RECOMMENDATION:

APPROVE

BY:

Jennifer L. Sargent

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Buster, Tavaglione, Stone, Benoit and Ashley
Nays: None
Absent: None
Date: December 14, 2010
xc: EDA, Housing

Kecia Harper-Ihem
Clerk of the Board

By: *Kecia Harper-Ihem*
Deputy

(Comp. Item 10.2)

Prev. Agn. Ref.: 3.16-12/22/2009; 3.23-6/16/2009

District: 1, 2, 3, 5

Agenda Number:

3.18

BACKGROUND:

On June 16, 2009, the Board of Supervisors approved a loan agreement for the use of NSP Funds with the Housing Authority of the County of Riverside (HACR), in the amount up to \$3,000,000 for financing of acquisition, rehabilitation and disposition of approximately twelve single-family homes to qualified low-, moderate- and middle-income (LMMI) first-time homebuyers in designated Target Areas, as defined in the County of Riverside Substantial Amendment to the 2008-2009 One-Year Action Plan, within Lake Elsinore, Canyon Lake, Temecula, Beaumont, Rubidoux, Murrieta, San Jacinto, Eastvale, Home Gardens, and French Valley.

Subsequent to that, a first amendment to the loan agreement was approved and executed by the Board on December 22, 2009. The first amendment to the loan agreement allowed the HACR to purchase and rehab homes up to 50 years old and perform lead abatement as needed.

HACR has acquired 15 single-family properties and obligated approximately \$3,000,000 (100% of the NSP loan) through recorded Deeds of Trust for the project.

In light of a recent NSP guidance requirement the HACR has to be reclassified as a public entity subrecipient of NSP funds in accordance with 24 CFR 570.202(b)(1). As a public entity subrecipient the HACR will not be eligible to receive the 10% developer fee allowed under the NSP loan agreement. Therefore, the HACR is requesting \$300,000 in NSP admin funds from the County in order to pay for costs associated with administering the NSP funds. The total NSP loan amount of \$3,000,000 will not change.

Staff recommends awarding the HACR up to \$300,000 in NSP admin funds. Amending the NSP loan agreement will assist the County to fulfill its requirements 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 approve the first amendment to loan agreement for the Use of Neighborhood Stabilization Program Funds.