

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

425



FROM: Economic Development Agency

SUBMITTAL DATE:
April 21, 2011

SUBJECT: First Amendment to Loan Agreement for the Use of Neighborhood Stabilization Program Funds with Norco Redevelopment Agency

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the First Amendment to Loan Agreement for the Use of Neighborhood Stabilization Program Funds with Norco Redevelopment Agency;
2. Authorize the Chairman of the Board of Supervisors to sign the attached First Amendment; 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

Robert Field
Assistant County Executive Officer/EDA

| | | | | |
|-----------------------|-------------------------------|-----------|-------------------------|---------|
| FINANCIAL DATA | Current F.Y. Total Cost: | \$ 73,000 | 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: 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: *Jennifer K. Sargent*
Jennifer K. 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: May 3, 2011
xc: EDA, Auditor

Kecia Harper-Ihem
Clerk of the Board
By: *Kecia Harper-Ihem*
Deputy

Prev. Agn. Ref.: 3.24 of 6/16/2009

District: 2

Agenda Number:

3.13

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

FISCAL PROCEDURES APPROVED
 PAUL ANGLUO, CPA, AUDITOR-CONTROLLER
 BY: *Samuel Wong* 4/14/11
 DATE: 4-13-11
 ANITA C. WILLIS
 FORM APPROVED COUNTY COUNSEL
 BY: *Paul C. Willis*
 Policy Consent
 Policy Consent

BACKGROUND: On June 16, 2009, the Board of Supervisors approved a Loan Agreement for the use of Neighborhood Stabilization Program (NSP) Funds with Norco Redevelopment Agency (Norco) in an amount up to \$1,627,000 for financing the acquisition, rehabilitation and resale of approximately six single-family homes to qualified low-, moderate- and middle-income (LMMI) first-time homebuyers within designated NSP Target Areas in the City of Norco, as defined in the County of Riverside Substantial Amendment to the 2008-2009 One-Year Action Plan.

Norco has completed acquisition of six single-family properties and obligated 100% of the NSP loan through recorded deeds of trust. Norco has completed rehabilitation and sold four properties with an average sales price of \$221,000.

Norco is requesting an additional \$73,000 in NSP funds to complete rehabilitation and resale activities of the remaining properties.

Staff recommends to increase the NSP loan from \$1,627,000 to \$1,700,000. 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 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.

1 NO FEE FOR RECORDING PURSUANT
TO GOVERNMENT CODE 6103

2 RECORDING REQUESTED BY AND
3 WHEN RECORDED MAIL TO:

4 County of Riverside
5 Economic Development Agency
6 3403 10th Street, Suite 500
Riverside, CA 92501
Attn: Mervyn Manalo

7 SPACE ABOVE THIS LINE FOR RECORDERS USE

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

10 This First Amendment to Loan Agreement for the Use of Neighborhood Stabilization
11 Program Funds ("First Amendment") is made and entered into as of the ____ day of
12 _____, 2011, by and between the COUNTY OF RIVERSIDE ("COUNTY"), a
13 political subdivision of the State of California and NORCO REDEVELOPMENT AGENCY
("AGENCY"), a public body, corporate and politic.

14 WITNESSETH:

15 WHEREAS, COUNTY and AGENCY entered into the Loan Agreement for the Use of
16 Neighborhood Stabilization Program Funds (the "Agreement") on June 16, 2009; and

17 WHEREAS, pursuant to the Agreement, COUNTY agreed to lend up to One Million
18 Six Hundred Twenty Seven Thousand Dollars (\$1,627,000) in NSP funds (the "NSP Loan")
19 to AGENCY for individual financing to acquire and rehabilitate six (6) vacant, foreclosed and
20 bank-owned single-family homes ("Properties"), and resale Properties to low-, moderate- and
21 middle-income (LMMI) first-time homebuyers in the County of Riverside, which is further
22 described in Exhibit A of the Agreement; and

23 WHEREAS, AGENCY acquired six (6) single-family properties and obligated 100% of
24 the NSP Loan through recorded deeds of trust for the Project; and

25 WHEREAS, AGENCY has completed rehabilitation and sold four (4) properties with
26 an average sales price of \$221,000; and

27 WHEREAS, AGENCY has requested an additional \$73,000 in NSP funds to complete
28 rehabilitation and resale activities of the remaining properties; and

1 WHEREAS, COUNTY will amend the Agreement and increase the NSP Loan from
2 \$1,627,000 to \$1,700,000; and

3 WHEREAS, amending the Agreement will assist the COUNTY to fulfill its
4 requirements under the Neighborhood Stabilization Program.

5 NOW, THEREFORE, in consideration of the foregoing, and the promises and mutual
6 covenants and conditions hereinafter set forth, COUNTY and AGENCY do hereby agree as
7 follows:

- 8 1. The amount of the NSP Loan shall be modified and increased from \$1,627,000 to
9 \$1,700,000 in NSP funds.
- 10 2. All other terms and conditions of the Agreement shall remain unmodified and in
11 full force and effect.
- 12 3. This First Amendment and the Agreement set forth and contain the entire
13 understanding and agreement of the parties hereto. There are no oral or written
14 representations, understandings, or ancillary covenants, undertakings or
15 agreements, which are not contained or expressly referred to within this First
16 Amendment and the Agreement.
- 17 4. This First Amendment may be signed by the different parties hereto in counterparts,
18 each of which shall be an original, but all of which together shall constitute one and
19 the same agreement.
- 20 5. The effective date of this First Amendment is the date the parties execute this First
21 Amendment. If the parties execute the First Amendment on more than one date,
22 then the last date the First Amendment is executed by a party shall be the Effective
23 Date.
- 24 6. This First Amendment is not binding until approved by the Board of Supervisors.

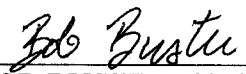
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1 IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of
2 the date first written above.

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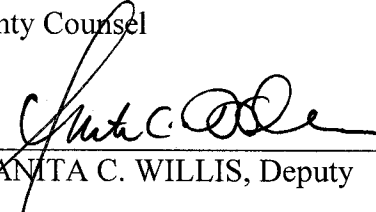
COUNTY OF RIVERSIDE

NORCO REDEVELOPMENT AGENCY

By: 
BOB BUSTER, Chairman
Board of Supervisors

By: 
BETH GROVES
Executive Director

APPROVED AS TO FORM:
PAMELA J. WALLS
County Counsel

By: 
ANITA C. WILLIS, Deputy

ATTEST:
KECIA HARPER-IHEM
Clerk of the Board

By: 
Deputy

(All signatures on this page need to be notarized)

STATE OF CALIFORNIA

COUNTY OF RIVERSIDE

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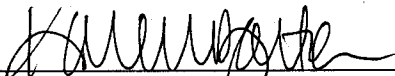
On May 3, 2011, before me, Karen Barton, Board Assistant, personally appeared Bob Buster, Chairman of the Board of Supervisors, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in 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 }

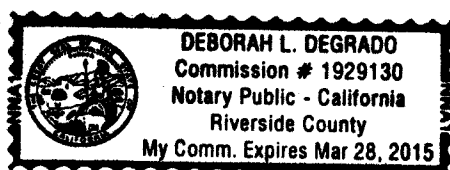
COUNTY OF Riverside }

On April 11, 2011, before me, Deborah L. De Grado, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared BETH GROVES
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.



Place Notary Seal Above

WITNESS my hand and official seal.

Signature [Handwritten 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.

Signature _____

Place Notary Seal Above

Signature of Notary Public