

FORM APPROVED COUNTY COUNSEL
 BY: GREGORY P. PRIAMOS
 DATE: 10/23/14

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

145
A



FROM: Housing Authority

SUBMITTAL DATE:
 October 23, 2014

SUBJECT: Approve Partial Reconveyance of Deed of Trust with Assignment of Rents in Connection with Paseo De Los Heroes, II, in the Unincorporated Community of Mecca, District 4/ District 4, [\$0]

RECOMMENDED MOTION: That the Board of Commissioners:

1. Approve the attached form of Partial Reconveyance (Deed of Trust with Assignment of Rents) partially reconveying and releasing the Housing Authority of the County of Riverside's (Housing Authority) lien relating to the Deed of Trust with Assignment of Rents executed by Paseo Housing Associates, L.P.;

(Continued)

Departmental Concurrence

[Signature]
 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: N/A				Budget Adjustment: No	
				For Fiscal Year: 2014/15	

C.E.O. RECOMMENDATION:

APPROVE
 BY: *[Signature]*
 Rohini Dasika

County Executive Office Signature

MINUTES OF THE HOUSING AUTHORITY BOARD OF COMMISSIONERS

On motion of Commissioner Stone, seconded by Commissioner Ashley and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Stone and Ashley
 Nays: None
 Absent: Benoit
 Date: November 4, 2014
 xc: Housing Authority

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

- A-30
- Positions Added
- 4/5
- Change Order
- Vote

Prev. Agn. Ref.: _____ District: 4/4 Agenda Number: _____

10-2

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

Housing Authority

FORM 11: Approve Partial Reconveyance of Deed of Trust with Assignment of Rents in Connection with Paseo De Los Heroes, II, in the Unincorporated Community of Mecca, District 4/ District 4, [\$0]

DATE: October 23, 2014

PAGE: 2 of 3

RECOMMENDED MOTION: (Continued)

2. Authorize the Executive Director, or designee, to execute a Partial Reconveyance (Deed of Trust with Assignment of Rents) substantially conforming to the attached Partial Reconveyance, and all other documents necessary and required to partially release and/or reconvey the Housing Authority's interests and/or liens in the undeveloped portion of real property owned by Paseo Housing Associates, L.P., in connection with the Paseo De Los Heroes II housing project, including but not limited to required parcel map documentation, subject to approval by County Counsel; and
3. Authorize and direct the Executive Director, or designee, to take all necessary and required steps to implement (i) the Partial Reconveyance (Deed of Trust with Assignment of Rents), and (ii) the partial release and/or reconveyance of the Housing Authority's interests and/or liens in the undeveloped portion of real property owned by Paseo Housing Associates, L.P., in connection with the Paseo De Los Heroes II housing project.

BACKGROUND:

Summary

The former Redevelopment Agency for the County of Riverside (Agency) and Paseo Housing Associates, L.P., a California non-profit public benefit corporation (Paseo), entered into that certain Loan Agreement dated November 4, 2008 and recorded in the Official Records of the County (Official Records) on November 14, 2008, document number 605447 (Loan Agreement). The Loan Agreement provided for, among things, a loan from the Agency to Paseo in the amount of \$1,525,000 (Loan) to pay a portion of the costs to develop and construct a 52-unit affordable mobile home park, also known as the Paseo De Los Heroes, II (Project). The Project is located on 10 acres of a 20 acre parcel on that certain real property known as 63950 Lincoln Street, located in the unincorporated Community of Mecca, also known as Assessor Parcel Number: 727-030-036 (Site).

The Loan is evidenced by a Promissory Note executed in favor of the Agency and secured by a Deed of Trust with Assignment of Rents for the benefit of the Agency recorded in the Official Records on November 14, 2008 as Document Number 605448 (Deed of Trust). The Deed of Trust was recorded in a 3rd priority lien position, junior to a United States Department of Agriculture (USDA) loan in the amount of \$3,000,000 and a California Department of Housing and Community Development (HCD) in the amount of 1,000,000. Although the Project is located on only a portion of the Site, the lien of the Deed of Trust was recorded against the entire Site since it had not yet been parcelized into smaller parcels. Pursuant to the Loan Agreement, development of the Project was only contemplated on 10 acres of the Site. Development of the remaining 10 acres of the Site was not addressed by the Loan Agreement.

Pursuant to Assembly Bill x1 26, the redevelopment dissolution bill, on January 10, 2012, the Riverside County Board of Supervisors adopted Resolution No. 2012-035 which designated the Housing Authority of the County of Riverside (Housing Authority) as the successor housing agency to the former Agency. On the same date, the Housing Authority accepted via adoption of Resolution No. 2012-001, the responsibility for performing all activities as the successor housing agency to the former Agency. On February 1, 2012, all California redevelopment agencies were eliminated, including the former Agency, and the Housing Authority assumed the redevelopment housing functions of the former Agency, including but not limited to the Agency's rights and obligations under the aforementioned Loan Agreement (including all documents executed and recorded in connection therewith).

(Continued)

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

Housing Authority

FORM 11: Approve Partial Reconveyance of Deed of Trust with Assignment of Rents in Connection with Paseo De Los Heroes, II, in the Unincorporated Community of Mecca, District 4/ District 4, [\$0]

DATE: October 23, 2014

PAGE: 3 of 3

BACKGROUND:

Summary (Continued)

Paseo is currently processing a parcel map to have the Site split into two separate 10 acre parcels. Once the parcel map is completed, Housing Authority staff recommends the Housing Authority (i) partially reconvey the lien of the Deed of Trust as to the remaining undeveloped 10 acres of the Site only, and (ii) partially release any other Housing Authority liens encumbering the remaining undeveloped 10 acres of the Site only. Partially reconveying the lien of the Deed of Trust as to the undeveloped portion of the Site will allow Paseo to secure funding for future development of the remaining 10 acres of the Site. The current value of the Site, split into two separate 10 acre parcels, has not yet been determined. Staff recommends approval of the partial reconveyance discussed herein for the following reasons, (i) it will result in future development, and (ii) the Loan will remain secured by the developed 10 acre portion of the Site that includes 52 mobile homes. Both the USDA and HCD will also partially reconvey their interests as to the undeveloped 10 acres of the Site.

County Counsel has reviewed and approved the attached form of Partial Reconveyance (Deed of Trust with Assignment of Rents). Staff recommends that the Board approves the attached form of Partial Reconveyance (Deed of Trust with Assignment of Rents) and authorizes the Executive Director, or designee, to take all necessary and required steps to implement (i) the Partial Reconveyance (Deed of Trust with Assignment of Rents), and (ii) the release and/or reconveyance of any additional Housing Authority interests and/or liens encumbering the undeveloped portion of the Site.

Impact on Citizens and Businesses

Partially reconveying and releasing the Housing Authority's lien as to the undeveloped portions of the Site only will have a positive impact on citizens and businesses as it allows the Site to be developed for future housing needs.

Attachment:

Partial Reconveyance (Deed of Trust with Assignment of Rents)

OFFICIAL BUSINESS

Document entitled to free recording
Per Government Code Section 6103 and 27383

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:
Housing Authority of the County of Riverside
5555 Arlington Avenue
Riverside, CA 92504
Attention: Stephanie Adams

PARTIAL RECONVEYANCE

(Deed of Trust With Assignment of Rents)

The following is made with reference to that certain Deed of Trust With Assignment of Rent dated November 4, 2008 and recorded in the Official Records of the Recorder's Office of the County of Riverside ("**Official Records**") on November 14, 2008, as Document No. 605448 (the "**Deed of Trust**") executed by PASEO HOUSING ASSOCIATES, L.P., a California nonprofit public benefit corporation, as trustor, ("**Trustor**"), in favor of THE RIVERSIDE COUNTY ECONOMIC DEVELOPMENT AGENCY, as trustee, ("**Trustee**"), to hold for the benefit of THE HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public entity corporate and politic, acting in its capacity as Successor Housing Agency to the Redevelopment Agency for the County of Riverside, as beneficiary, ("**Beneficiary**").

The undersigned present Beneficiary desires to substitute a new Trustee under said Deed of Trust in place and instead of THE RIVERSIDE COUNTY ECONOMIC DEVELOPMENT AGENCY.

Now therefore, the undersigned hereby substitutes himself/herself/themselves as Trustee under said Deed of Trust and does hereby reconvey, without warranty, to the person or persons legally entitled hereto, the Estate now held by him thereunder. Whenever the context hereof so requires, the masculine gender includes the feminine and/or neuter, and the singular numbers includes the plural.

[Intentionally Blank]

[Continued on following Page]

The undersigned hereby accepts said appointment as trustee under the above Deed of Trust, and as successor trustee, and pursuant to the request of said owner and holder and in accordance with the provisions of said Deed of Trust hereby partially reconveys and releases to the person or persons legally entitled thereto, without warranty, that portion of the property encumbered by the Deed of Trust more particularly described on Exhibit "A" attached hereto and by this reference incorporated herein and now held by Trustee under the Deed of Trust. The execution and delivery of this instrument of partial reconveyance: (a) does not constitute a reconveyance of any portion of the property encumbered by the Deed of Trust other than the portion of such real property specifically described in Exhibit "A" attached hereto, and (b) does not constitute a release or reduction of all or any part of the indebtedness or other obligations secured by the Deed of Trust.

[Intentionally Blank]

[Signatures on Following Page]

Beneficiary and New Trustee

Housing Authority of the County Of
Riverside, a public entity corporate and
politic

As: Housing Successor Agency to the
Redevelopment Agency for the County of
Riverside

By: _____
Heidi Marshall
Deputy Executive Director

Date: _____

APPROVED AS TO FORM:
Gregory P. Priamos
County Counsel

By: _____
Jhaila R. Brown, Deputy

State of California)
County of _____)

On _____ before me, _____,
a Notary Public, personally appeared _____, 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 _____ (Seal)

State of California)
County of _____)

On _____ before me, _____,
a Notary Public, personally appeared _____, 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 _____ (Seal)