

FORM APPROVED COUNTY COUNSEL 3/3/15
 BY: GREGORY P. PRAMOS DATE

Departmental Concurrence

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

301
A



FROM: Housing Authority

SUBMITTAL DATE:
March 12, 2015

SUBJECT: Loan Servicing Fees to be Charged by the Housing Authority of the County of Riverside in its capacity as Housing Successor to the Former Redevelopment Agency for the County of Riverside and the Former Coachella Redevelopment Agency; All Districts; CEQA Exempt; [\$0]

RECOMMENDED MOTION: That the Board of Commissioners:

1. Find the approval of the Project is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15061(b)(3) and Section 15273;
2. Approve and adopt loan servicing fees to be charged by the Housing Authority of the County of Riverside in its capacity as housing successor to the former Redevelopment Agency for the County of Riverside and the former Coachella Redevelopment Agency (Project) (collectively, former RDAs), to recover costs associated with servicing loans, grants and covenants assumed from the former RDAs, as set forth in the attached Schedule of Fees; and

(Continued)

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:
 Rohini Dasika
 County Executive Office Signature

MINUTES OF THE HOUSING AUTHORITY BOARD OF COMMISSIONERS

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

Ayes: Jeffries, Tavaglione, Washington, Benoit and Ashley
Nays: None
Absent: None
Date: March 24, 2015
xc: Housing

Kecia Harper-Ihem
 Clerk of the Board
 By:
 Deputy

Prev. Agn. Ref.: 10-1 of 6/4/13 and 10-1 of 9/30/2014
District: ALL
Agenda Number:

10-1

A-30
 4/5
 Positions Added
 Change Order
 Vote

SUBMITTAL TO THE BOARD OF COMMISSIONERS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA Loan Servicing Fees to be Charged by the Housing Authority of the County of Riverside in its capacity as Housing Successor to the Former Redevelopment Agency for the County of Riverside and the Former Coachella Redevelopment Agency All Districts; CEQA Exempt; [\$0]

DATE: March 12, 2015

PAGE: 2 of 3

RECOMMENDED MOTION: (Continued)

3. Direct Housing Authority staff to file a Notice of Exemption.

BACKGROUND:

Summary

The Housing Authority of the County of Riverside ("Housing Authority"), as housing successor to the former Redevelopment Agency for the County of Riverside and the former Coachella Redevelopment Agency (collectively, "former RDAs"), is responsible for servicing approximately 1,878 loans, grants, and covenants issued by the former RDAs. A few of the Housing Authority's responsibilities include, but are not limited to, reviewing subordination requests and administering existing affordability covenants and security instruments such as deeds of trusts and other liens. The Housing Authority receives a sizable number of subordination requests from homeowners desiring to re-finance their existing senior loan and as a condition to such new senior loan, subordinate the lien of the former RDA deed of trust. The Housing Authority reviews the terms of the new senior loan and considers taking a subordinate position provided certain conditions are satisfied. In addition to the staffing cost, all subordination agreements must also be reviewed and approved by County Counsel and as such are subject to legal fees. In connection with administering covenants and security instruments, when a homeowner sells a property, repays a loan, or upon expiration of a covenant's affordability period, the Housing Authority is required to pay County recordation fees and Department of Housing and Community Development (HCD) fees related to releasing such covenants or other mobile home liens, or reconveying deeds of trusts.

To recover actual operating costs associated with servicing the aforementioned loans, grants, and covenants assumed from the former RDA's and to offset the absence of an ongoing source of funds for the administrative fees necessary to service these obligations with terms of up to 45 years, Housing Authority staff recommends that the Board of Commissioners approve the proposed loan servicing fees set forth in the Schedule of Fees, attached hereto as Attachment "A." The fees set forth in the proposed Schedule of Fees will be charged by the Housing Authority to the subject homeowner requesting the service and will be paid either directly by the homeowner or by a third-party through escrow. The proposed fees are based on the cost of the service provided and reflect staff time plus actual external costs/charges incurred directly by the Housing Authority for the specified service.

California Environmental Quality Act (CEQA) Findings:

Pursuant to CEQA, the Schedule of Fees was reviewed and determined to be categorically exempt under State CEQA Guidelines Section 15061(b)(3), General Rule or "Common Sense" Exemption and Section 15273, Rates, Tolls, Fares and Charges. The Project relates to the establishment of a charge by a public entity designed to cover operating expenses of the existing services of servicing loans, grants and covenants and is therefore exempt under State CEQA Guidelines section 15273. It will not increase services or expand a system. The purposes of the charge is limited to the purposes authorized under subsection (a)(1) of section 15273, i.e. meeting operating expenses. Further, the Schedule of Fees is also exempt under the common sense exemption of State CEQA Guidelines section 15061(b)(3) in that it can be seen with certainty that there is no possibility that the fees may have a significant effect on the environment, as the fees established in the Schedule of Fees will have only financial effects and will not lead to any direct or reasonably indirect physical environmental impacts. A Notice of Exemption will be filed by the Housing Authority staff with the County Clerk within 5 days of the approval of the Schedule of Fees.

(Continued)

SUBMITTAL TO THE BOARD OF COMMISSIONERS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA Loan Servicing Fees to be Charged by the Housing Authority of the County of Riverside in its capacity as Housing Successor to the Former Redevelopment Agency for the County of Riverside and the Former Coachella Redevelopment Agency All Districts; CEQA Exempt; [\$0]

DATE: March 12, 2015

PAGE: 3 of 3

BACKGROUND:

Summary

(Continued)

Required State CEQA Guidelines Section 15273 Findings:

The fees set for in the Schedule of Fees are based on Housing Authority staff's calculations, including direct and indirect costs incurred through the provision of Housing Authority staff's services and are to meet operational expenses of the Housing Authority. These fees are necessary to recover actual costs incurred by the Housing Authority associated with the provision of specific services relating to servicing loans, grants and covenants assumed by the Housing Authority from the former Redevelopment Agency for the County of Riverside and the former Coachella Redevelopment Agency, pursuant to the redevelopment Dissolution Act.

County Counsel has reviewed and approved the attached Schedule of Fees as to form. Staff recommends that the Board of Commissioners approve the attached Schedule of Fees.

Impact on Citizens and Businesses

Servicing former redevelopment agency loans is an essential provision for homeowners and the proposed fees are considered usual, customary and reasonable for such services. Additionally, the ability to refinance to lower interest rates will help individual homeowners sustain long-term affordability.

ATTACHMENT:

Attachment A-Schedule of Fees

Attachment A

Schedule of Fees

Housing Authority of the County of Riverside County

Schedule of Fees

(Servicing former Coachella RDA and former County of Riverside RDA Loans, Grants and Covenants)

Item	Fee
Beneficiary Statement or Payoff Demand Statement	\$ 30 processing fee
Subordination Agreement (review and/or preparation)	\$ 300 application processing fee, plus applicable recording fees, if any
Reconveyance of Deed of Trust, Lien Release, Release of any other Security Instrument or Covenant/Regulatory Agreement	Applicable recording fees or lien release fees charged by the Riverside County Recorder's Office and/or the Ca. Department of Housing and Community Development (HCD)

The Housing Authority will collect a fee of Thirty Dollars (\$30) plus any associated recording fees or lien release fees for furnishing a beneficiary statement or payoff demand statement as provided by Civil Code section 2943.

For subordination of debt secured by a deed of trust, agreement containing covenants or other security instrument where the Housing Authority as successor agency is the beneficiary, the Housing Authority will collect a fee of Three Hundred Dollars (\$300) for processing. Fees will be charged to the homeowner either directly or through escrow.