

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



ITEM
10.1
(ID # 3494)

MEETING DATE:

Tuesday, March 7, 2017

FROM : HOUSING AUTHORITY:

SUBJECT: HOUSING AUTHORITY: Approve Standstill Agreement between Bravo Community L.L.C., Capital One Multifamily Finance, LLC, the County of Riverside and the Housing Authority, in connection with Bravo Mobile Home Park Located in the City of Jurupa Valley, County of Riverside, California, Assessor's Parcel Number 169-070-030; District 2, [\$0]

RECOMMENDED MOTION: That the Board of Commissioners:

1. Approve the attached Standstill Agreement between Bravo Community L.L.C., an Arizona limited liability company, Capital One Multifamily Finance, LLC, a Delaware limited liability company, the County of Riverside, and the Housing Authority of the County of Riverside, providing Capital One Multifamily Finance, LLC with a 90 day cure period in the event of a default under existing Regulatory Agreements related to the Bravo Mobile Home Park;
2. Authorize the Chairman of the Board of Commissioners to execute the attached Standstill Agreement on behalf of the Housing Authority; and
3. Authorize the Executive Director, or designee, to take all necessary steps to implement the Standstill Agreement, including, but not limited to signing subsequent necessary and relevant documents, subject to approval by County Counsel.

ACTION: Policy

A handwritten signature in black ink, appearing to read "Robert Field".

Robert Field, Assistant County Executive Officer/EDA 2/1/2017

MINUTES OF THE BOARD OF COMMISSIONERS

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

Ayes: Jeffries, Tavaglione, Washington and Ashley
Nays: None
Absent: None
Date: March 7, 2017
xc: Housing Authority

Kecia Harper-Ihem
Clerk of the Board
By: Deputy

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

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0	\$ 0	\$ 0	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: N/A			Budget Adjustment:	No
			For Fiscal Year:	16/17

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

Bravo Community, L.L.C., an Arizona limited liability company (Owner) is the owner and operator of Bravo Mobile Home Park located at 4041 Pedley Road in the city of Jurupa Valley, County of Riverside, also identified as Assessor's Parcel Number 169-070-030 (Property).

On February 1, 1999, the County of Riverside (County) and The Southern California Housing Development Corporation (SCHDC), an affordable housing developer and Owner's predecessor in interest, entered into an Affordable Housing Agreement (Affordable Housing Agreement) providing for financial assistance through the issuance of revenue bonds to aid in the acquisition, financing, rehabilitation and operation of the Bravo Mobile Home Park located on the Property. Pursuant to the Affordable Housing Agreement, SCHDC, the County, and the former Redevelopment Agency for the County of Riverside, entered into that certain Regulatory Agreement and Declaration of Restrictive Covenants dated February 1, 1999 and recorded on March 17, 1999 in the Official Records as Instrument No. 109948 (Regulatory Agreement No. 1). Under Regulatory Agreement No. 1, the Property is restricted for a minimum period of 30 years for use as a mobile home park, with a minimum of 156 spaces to be rented to and occupied by low and moderate income households.

On March 1, 1999, the County, SCHDC and Dai-Ichi Kangyo Bank of California, a California banking corporation (Trustee), entered into that certain Loan Agreement providing financial assistance to acquire the Property and develop the mobile home park, and that certain Regulatory Agreement and Declaration of Restrictive Covenants dated as of March 1, 1999, and recorded in the Official Records on March 17, 1999, as Document Number 109946 (Regulatory Agreement No. 2). Under Regulatory Agreement No. 2, the Property is restricted for a period of 30 years for use as a mobile home park, with a minimum of 156 spaces to be rented to and occupied by very-low, low and moderate income households. Pursuant to section 23 of Regulatory Agreement No. 2, since the bonds issued under the Loan Agreement have been repaid, the Trustee is no longer a party to Regulatory Agreement No. 2.

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COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

Regulatory Agreement No. 1 and Regulatory Agreement No. 2 are collectively referred to herein as the "Regulatory Agreements."

All loans issued to Owner pursuant to the Affordable Housing Agreement and Loan Agreement have been repaid by Owner.

On February 1, 2011, the County approved (i) the sale of the Property including the mobile home park, and (ii) the assignment and assumption of SCHDC's rights and obligations under the related loan and regulatory agreements, from SCHDC to Owner. Although Owner repaid all loans issued pursuant to the Affordable Housing Agreement and Loan Agreement, the Regulatory Agreements each remain in full force and effect until the expiration of their respective terms.

Owner desires to refinance the senior loan secured against the Property and obtain a private loan from Capital One Multifamily Finance, LLC, a Delaware limited liability company (Lender), to construct necessary repairs and improvements to the private roads and community areas on the Property. As a condition to underwrite a new loan under the Fannie Mae Delegated and Underwriting and Servicing Program, the Lender requires the County and Housing Authority, in its capacity as housing successor to the former Redevelopment Agency for the County of Riverside, to agree to allow Lender 90 days to cure an event of default under the Regulatory Agreements before exercising any available remedies. Owner currently has 30 days to cure an event of default under Regulatory Agreement No. 1 and 60 days to cure an event of default under Regulatory Agreement No. 2. Owner will not be able to obtain the Lender loan without the requested 90 day cure period, which request is memorialized in the attached proposed Standstill Agreement. Staff recommends approval of the request since it will result in Owner obtaining the necessary financing to construct necessary improvements to the Property and sustain safe affordable housing for 156 low and moderate income households residing in the mobile home park. Other than agreement to allow Lender 90 days to cure an event of default, no other terms set forth in the Regulatory Agreements will be modified.

County Counsel has reviewed and approved the attached Standstill Agreement as to form. Staff recommends that the Board approve the attached Standstill Agreement. A companion item will be brought before the Board of Supervisors on behalf of the County on this same date.

Impact on Residents and Businesses

Approving this item will have a positive impact on residents and businesses which will allow the mobile home park owner to refinance the existing senior loan and obtain financing to construct necessary improvements to the private roads and community areas on the property, create jobs and sustain safe affordable housing for 156 residence at the mobile home park.

SUPPLEMENTAL:

Additional Fiscal Information

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

No impact upon the County's General Fund; the County's contribution to the project was repaid in 2011.

ATTACHMENTS:

Standstill Agreement

RF:JW:HM:JA:JG:MM:rb

13478

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Nehini Basika, Principal Management Analyst

2/27/2017



Gregory V. Priamos, Director County Counsel

2/15/2017

RECORDING REQUESTED BY:

Edwin C. Cox
Troutman Sanders LLP
P. O. Box 1122
Richmond, Virginia 21218

WHEN RECORDED RETURN TO:

Edwin C. Cox
Troutman Sanders LLP
P. O. Box 1122
Richmond, Virginia 21218

SPACE ABOVE LINE FOR
RECORDER'S USE

STAND STILL AGREEMENT

THIS STANDSTILL AGREEMENT (this "Agreement") is made as of the 7th day of March, 2017 by and among BRAVO COMMUNITY L.L.C., an Arizona limited liability company ("Borrower"), CAPITAL ONE MULTIFAMILY FINANCE, LLC, a Delaware limited liability company ("Lender"), THE COUNTY OF RIVERSIDE, a political subdivision of the State of California ("County"), THE HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public entity corporate and politic ("Housing Authority") in its capacity as the housing successor to the former Redevelopment Agency for the County of Riverside ("Former RDA").

RECITALS:

A. Borrower is the Owner of that certain real property located in the County of Riverside, State of California, as more particularly described on Exhibit A attached hereto (the "Property").

B. Borrower is refinancing a manufactured housing development on the Property; the Property and the improvements constructed on it are referred to in this Agreement as the "Project".

C. Borrower's predecessor in interest, The Southern California Housing Development Corporation ("SCHDC") and the County entered into that certain Affordable Housing Agreement dated as of February 1, 1999, providing for, among other things, financial assistance to aid in the acquisition, financing and rehabilitation and operation of the Project ("Affordable Housing Agreement").

D. Pursuant to the Affordable Housing Agreement, Borrower's predecessor in interest, SCHDC, County and Housing Authority's predecessor in interest, the Former RDA entered into that certain Regulatory Agreement and Declaration of Restrictive Covenants dated as of February 1, 1999 recorded in the Riverside County Recorder's Office ("Official Records") on March 17, 1999, as Document Number 109948, which sets forth certain use restrictions affecting the Project ("February Regulatory Agreement").

MAR 07 2017 10.1

E. County, Trustee's predecessor in interest, Dai-Ichi Kangyo Bank of California, and Borrower's predecessor in interest, SCHDC, entered into that certain Loan Agreement dated March 1, 1999, which provided for a loan to Borrower's predecessor in interest, SCHDC, to finance the Project ("Loan Agreement").

F. Pursuant to the Loan Agreement, Borrower's predecessor in interest, SCHDC, and County entered into that certain Regulatory Agreement and Declaration of Restrictive Covenants dated as of March 1, 1999, and recorded in the Official Records on March 17, 1999, as Document Number 109946, which sets forth certain use restrictions affecting the Project (the "March Regulatory Agreement"). The February Regulatory Agreement and the March Regulatory Agreement are hereinafter referred to individually and together as the "Regulatory Agreement").

G. The Lender is making a loan (the "Loan") to the Borrower in the amount of \$ _____ under the Fannie Mae Delegated and Underwriting and Servicing Program in accordance with the requirements therein (the "Fannie Mae Requirements"), and will sell the loan to Fannie Mae.

H. The Loan will be evidenced by a multifamily note which will be secured by a Multifamily Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing (the "Deed of Trust").

I. As a condition to making the Loan, Lender requires that County and Housing Authority not exercise certain remedies under the Regulatory Agreement as long as Lender satisfies the conditions set forth in Section 2 below. Lender will not make the Loan unless County, Housing Authority and Borrower agree to this Agreement.

J. Borrower, County and Housing Authority hereby agree to the stand still provisions relating to the Regulatory Agreement set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Recitals. The foregoing Recitals are hereby incorporated into this Agreement as agreements among the parties.

2. Stand Still/Cure Period. Upon a default under the Regulatory Agreement, County or Housing Authority shall provide notice to Lender at the time it provides notice to Borrower of such default. Other than to seek specific performance to enforce covenants and agreements of Borrower relating to income, rent or affordability restrictions contained in the Regulatory Agreement, County and Housing Authority shall not exercise any remedies under the Regulatory Agreement for a period of ninety (90) days after delivery of a notice of default under the Regulatory Agreement to Lender (the "Stand Still Period"), so long as the Lender is diligently pursuing (i) Lender's remedies pursuant to the terms of the loan documents executed in connection with the Loan and (ii) enforcement of the terms of the Regulatory Agreement. Lender shall have the right, but not the obligation, to cure a default under the Regulatory Agreement during the Stand Still Period.

3. Notice.

(a) Process of Serving Notice.

All notices under this Agreement shall be:

(1) in writing and shall be:

(A) delivered, in person;

(B) mailed, postage prepaid, either by registered or certified delivery, return receipt requested; or

(C) sent by overnight courier;

(2) addressed to the intended recipient at the address(es) below the signature block, as applicable; and

(3) deemed given on the earlier to occur of:

(A) two (2) days after the date when the notice is mailed or delivered by County to the addressee; or

(B) if the recipient refuses or rejects delivery, the date on which the notice is so refused or rejected, as conclusively established by the records of the United States Postal Service or any express courier service.

(b) Change of Address.

Any party to this Agreement may change the address to which notices intended for it are to be directed by means of notice given to the other parties identified in this Agreement.

(c) Receipt of Notices.

Lender, County, Housing Authority or Borrower shall not refuse or reject delivery of any notice given in accordance with this Agreement. Each party is required to acknowledge, in writing, the receipt of any notice upon request by the other party.

4. Entire Agreement. This Agreement represents the entire understanding and agreement between the parties hereto and shall supersede and cancel any prior agreements with regard to this subject matter.

5. Binding Provisions. The covenants and agreements contained in this Agreement shall be binding upon the heirs, personal representatives, successors and assigns of the respective parties to this Agreement.

6. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California. Any legal action related to the performance or interpretation of this Agreement shall be filed only in the Superior Court of the State of California located in Riverside, California, and the parties waive any provision of law providing for a change of venue to another location. If any of the provisions or terms of this Agreement shall for any reason be held invalid or unenforceable, such invalidity or unenforceability shall

not affect any other of the terms hereof, and this Agreement shall be construed as if such unenforceable term had never been contained herein.

7. Amendment. This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto or their respective successors in interest.

8. Further Instruments. Each of the parties hereto will, whenever and as often as reasonably requested to do so by the other, execute, acknowledge and deliver, or cause to be executed, acknowledged or delivered, any and all such further instruments and documents, first approved as to form and content by Lender, County and Housing Authority (and their respective legal counsel), as may be reasonably necessary to carry out the intent and purpose of this Agreement, and to do any and all further acts reasonably necessary to carry out the intent and purpose of this Agreement.

9. Valid Authorization. Each person executing this Agreement on behalf of a party hereto represents and warrants that such person is duly and validly authorized to do so on behalf of such party with full right and authority to execute this Agreement and to bind such party with respect to all of its obligations hereunder.

10. Counterparts. This Agreement may be executed in counterparts each of which shall be deemed an original and all of which when taken together constitute one and the same instrument, binding on all of the parties. The signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

[DOCUMENT EXECUTION OCCURS ON THE FOLLOWING PAGES]

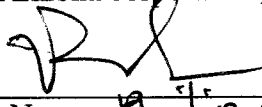
IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year above written.

BORROWER:

BRAVO COMMUNITY L.L.C., an Arizona limited liability company

By: Bravo Management L.L.C., an Arizona limited liability company, its manager

By: Saunders & Amos Management, Inc., an Arizona corporation, its manager

By: 
Name: Philip Amos
Title: managing member

Address: 3945 E. Paradise Falls Drive, Suite 291
Tucson, Arizona 85712

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

ACKNOWLEDGMENT

State of Arizona

County of Pima

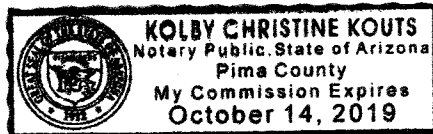
On Feb 3, 2017 before me, Kolby Christine Kouts,
(Insert Name and Title of the Officer)

personally appeared Philip Amos, 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 Kolby Christine Kouts (Seal)

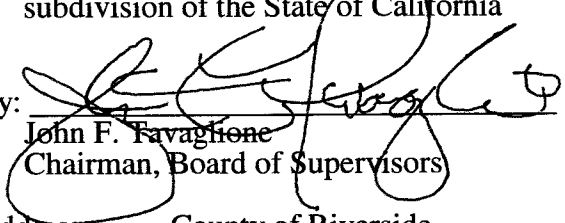


AGREED TO AND ACCEPTED:

COUNTY:

THE COUNTY OF RIVERSIDE, a political
subdivision of the State of California

By:


John F. Favaghione
Chairman, Board of Supervisors

Address:

County of Riverside
c/o Housing Authority of the County
of Riverside County
5555 Arlington Avenue
Riverside, California 92504
Attention: Assistant Director

APPROVED AS TO FORM:

GREGORY P. PRIAMOS, County Counsel

By:


Marsha Victor, Chief Deputy County Counsel

ATTEST:

KECIA HARPER-IHEM, Clerk


DEPUTY

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ACKNOWLEDGMENT

State of California

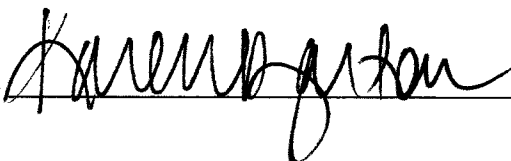
County of Riverside

On March 7, 2017 before me, Karen Barton, Board Assistant
(Insert Name and Title of the Officer)

personally appeared John F. Tavaglione, 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)

AGREED TO AND ACCEPTED:

LENDER:

**CAPITAL ONE MULTIFAMILY FINANCE,
LLC, a Delaware limited liability company**

By: 
Douglas C. Blake
Vice President

Address: 2 Bethesda Metro Center, 10th Floor
Bethesda, Maryland 20814
Attention: Asset Management

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

ACKNOWLEDGMENT

State of Maryland

County of Anne Arundel

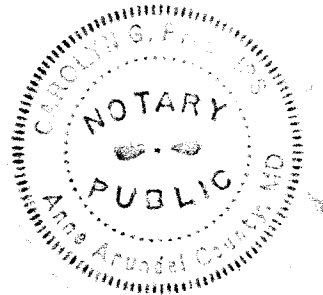
On February 8, 2017 before me, Carolyn C Phillips Notary,
(Insert Name and Title of the Officer)

personally appeared Douglas C. Blake, 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 Maryland that the foregoing paragraph is true and correct.
CP

WITNESS my hand and official seal.

Signature  (Seal)
Exp 9-6-2019

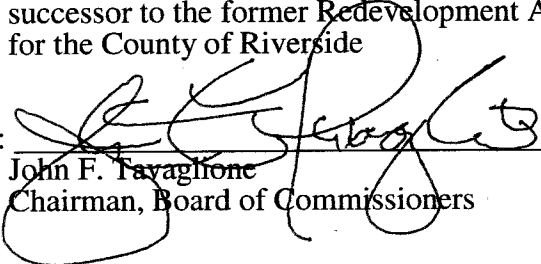


AGREED TO AND ACCEPTED:

HOUSING AUTHORITY:

**THE HOUSING AUTHORITY OF THE
COUNTY OF RIVERSIDE**, a public entity
corporate and politic, in its capacity as housing
successor to the former Redevelopment Agency
for the County of Riverside

By:

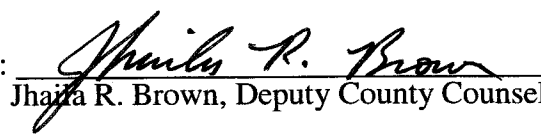

John F. Favaglione
Chairman, Board of Commissioners

Address: Housing Authority of the County of
Riverside County
5555 Arlington Avenue
Riverside, California 92504
Attention: Deputy Executive
Director

APPROVED AS TO FORM:

GREGORY P. PRIAMOS, County Counsel

By:


Jhanna R. Brown, Deputy County Counsel

ATTEST:

KEGIA HARPER-JHEM, Clerk

By


DEPUTY

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

ACKNOWLEDGMENT

State of California

County of Riverside

On March 7, 2017 before me, Karen Barton, Board Assistant
(Insert Name and Title of the Officer)

personally appeared John F. Tavaglione, 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 Karen Barton, deputy (Seal)

**EXHIBIT A
LEGAL DESCRIPTION**

EXHIBIT A

LEGAL DESCRIPTION OF PROJECT

THE LAND REFERRED TO IN THIS REPORT IS SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

THOSE PORTIONS OF GOVERNMENT LOT 2 AND THE NORTHWEST 1/4 OF THE FRACTIONAL NORTHEAST 1/4 OF SECTION 11, TOWNSHIP 2 SOUTH, RANGE 6 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF; AND

THAT PORTION OF LOT 3, LA BONITA TRACT, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1, PAGE 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING WESTERLY OF THE WESTERLY LINE OF PEDLEY ROAD, BY DEED RECORDED MARCH 13, 1970, AS INSTRUMENT NO. 23954 OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

EXCEPT THAT PORTION OF THE WEST 330.50 FEET OF SAID LOT 3 LYING SOUTH OF THE SOUTH LINE OF THE NORTH 5.00 ACRES OF SAID LOT 3, SAID SOUTH LINE BEING AT RIGHT ANGLES TO THE EAST AND WEST LINES OF SAID LOT 3;

ALSO EXCEPT THOSE CERTAIN PARCELS DESCRIBED IN DEED TO SAID COUNTY OF RIVERSIDE, RECORDED OCTOBER 28, 1971 AS INSTRUMENT NO. 123306 OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

ALSO EXCEPT THAT PORTION CONVEYED TO THE COUNTY OF RIVERSIDE BY GRANT DEED RECORDED APRIL 27, 1989 AS INSTRUMENT NO. 135309 OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

ALSO EXCEPT THAT PORTION CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED MAY 17, 1972 AS INSTRUMENT NO. 63859 OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.