

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



**ITEM  
10.1  
(ID # 2959)**

**MEETING DATE:**  
Tuesday, May 2, 2017

**FROM :** HOUSING AUTHORITY:

**SUBJECT:** HOUSING AUTHORITY: Approve the First Amendment to the Affordable Housing Loan Agreement for the Use of Low-Moderate Income Housing Asset Funds, and Third Amendment to Ground Lease, Between the Housing Authority of the County of Riverside and Jurupa Valley Vista Rio Partners LP, relating to Assessor Parcel Number 181-041-015-4, Located in the City of Jurupa Valley, Approve Petition (Including Consent and Waiver) Requesting Annexation of Territory to Community Facility District No. 2006-1 relating to Assessor Parcel Number 181-041-015-4, District 2; [\$900,000], Low-Moderate Income Housing Asset Funds 100%, CEQA Exempt

**RECOMMENDED MOTION:** That the Board of Commissioners:

1. Find that the First Amendment to Affordable Housing Loan Agreement Vista Rio Apartments in Jurupa Valley (Low and Moderate Income Housing Asset Funds), including all exhibits, (First Amendment to Loan Agreement), Third Amendment to Ground Lease, including all exhibits, and Petition (Including Consent and Waiver) Requesting Annexation of Territory to Community Facility District No. 2006-1, are exempt from California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15061 (b)(3) and Section 15301;

**ACTION:** Policy

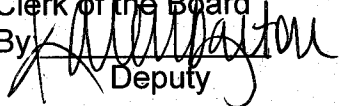
Robert Field, Assistant County Executive Officer/EDA 11/29/2016

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**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:** May 2, 2017  
**xc:** Housing Authority

Kecia Harper-Ihem  
Clerk of the Board  
By   
Deputy

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**RECOMMENDED MOTION:** That the Board of Commissioners:

2. Approve the attached First Amendment to Loan Agreement, including all exhibits, between the Housing Authority of the County of Riverside (Housing Authority) and Jurupa Valley Vista Rio Partners, LP, a California Limited Partnership (Developer), providing additional project financing derived from the Housing Authority's Low and Moderate Income Housing Asset Fund in the amount of \$900,000, to be used to finance a portion of the development costs for the development of a 39 unit multi-family affordable housing rental project in the City of Jurupa Valley;
3. Approve the attached Amendment to Residual Receipts Promissory Note (Amendment to Promissory Note), and First Amendment to Leasehold Deed of Trust, Security Agreement and Fixture Filing (With Assignment of Rents)(Amendment to Deed of Trust), evidencing and securing the additional project financing;
4. Authorize the Executive Director, or designee, to execute the First Amendment to Loan Agreement, Amendment to Deed of Trust and Amendment to Promissory Note, subject to approval by County Counsel;
5. Approve the attached Third Amendment to Ground Lease, including all exhibits, between the Housing Authority (as landlord) and Developer (as tenant), clarifying Developer's obligations to pay all special taxes imposed on both the Housing Authority's underlying fee interest in the subject property identified as Assessor's Parcel Number 181-041-015-4, in the City of Jurupa Valley (Subject Property) and Developer's leasehold interest in the Subject Property;
6. Authorize the Executive Director, or designee, to execute the attached Third Amendment to Ground Lease;
7. Approve the attached Petition (Including Consent and Waiver) Requesting Annexation of Territory to Community Facility District No. 2006-1 (CFD) to annex the Subject Property to the CFD under the provisions of the Mello-Roos Community Facilities Act of 1982 (Petition), which is necessary to carry out the Ground Lease;
8. Authorize the Executive Director, or designee, to execute the attached Petition, subject to approval by County Counsel, and authorize and direct the Executive Director, or designee, to cast a vote in favor of annexation into the CFD on any mailed or hand-delivered ballot;
9. Authorize the Executive Director, or designee, to take all necessary steps to implement the First Amendment to Loan Agreement, Amendment to Deed of Trust, Amendment to Promissory Note, Third Amendment to Ground Lease and Petition, including, but not limited to, signing subsequent necessary and relevant documents, subject to approval by County Counsel; and
10. Direct Housing Authority staff to file the Notice of Exemption with the County Clerk within five working days.

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<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$ 900,000	\$ 0	\$ 900,000	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS:</b> Low and Moderate Income Housing Asset Funds 100%			<b>Budget Adjustment:</b>	No
			<b>For Fiscal Year:</b>	16/17

**C.E.O. RECOMMENDATION:** Approve

**BACKGROUND:**

**Summary**

**Third Amendment to Ground Lease; Petition Requesting Annexation of Territory to Community Facility District No. 2006-1**

The Housing Authority of the County of Riverside (Housing Authority), as landlord, and Jurupa Valley Vista Rio Partners LP, a California Limited Partnership (Developer), as tenant, entered into that certain Ground Lease dated on June 17, 2014, and recorded in the Official Records of the County of Riverside (Official Records) on February 23, 2015 as Document No. 2015-0069888, as amended by that certain First Amendment to Ground Lease dated February 10, 2015 and recorded in the Official Records on February 23, 2015 as Document No. 2015-0069890, and that certain Second Amendment to Ground Lease dated November 10, 2015, and recorded in the Official Records on December 3, 2015 as Document No. 2015-0527475 (collectively, Ground Lease). Under the Ground Lease the Housing Authority conveyed to Developer a 99 year leasehold interest in approximately 3.87 acres of real property (Leased Premises) located at 3901 Briggs Street, in the City of Jurupa Valley, County of Riverside, also known as Assessor Parcel Number 181-041-015-4 (Property). Pursuant to the Ground Lease, Developer is required, among things, to develop, construct and operate on the Leased Premises a 39 unit multi-family affordable housing project, to be rented to and occupied by extremely low, very low and low income households, as more specifically set forth therein (Project).

The City of Jurupa Valley has required as a condition of approval of the Project, that the Property be annexed into the existing Community Facilities District No. 2006-1 of the Jurupa Area Recreation and Park District (CFD) to allow for the levy of special taxes against the Property to pay costs associated with the reconstruction, replacement, and rehabilitation of parks and Parks and Recreational Facilities and/or to create and maintain a capital reserve fund. All costs associated with the annexation shall be paid by Developer. The Housing Authority, as the property owner, has the authority to approve or object to such annexation request. In connection with such request, the Housing Authority has been asked to execute the attached Petition (Including Consent and Waiver) Requesting Annexation of Territory to Community Facilities District No. 2006-1 (Petition). If the Petition is approved, the Jurupa Area Recreation and Park District will prepare a Resolution of Intention regarding the subject

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annexation, which will notice a public hearing and election to be held at least 30 days later. Staff recommends the Board approve the attached Petition and authorize and direct the Executive Director, or designee, to cast a vote in favor of joining the CFD because joining the CFD will allow residents residing in the Project to enjoy the use of the parks and recreational facilities.

To ensure timely payment by Developer of all special taxes levied in connection with the CFD, staff recommends amending the Ground Lease to clarify the Developer's obligation to pay all taxes and fees levied against the Property and the Leased Premises. The proposed Third Amendment to Ground Lease memorializing the Developer's payment obligation is attached. Except for the amendment of the Ground Lease to reflect Developer's obligation to pay all taxes levied against both the Property and the Leased Premises, all other terms of the Ground Lease will remain the same.

**First Amendment to Affordable Housing Loan Agreement**

On November 17, 2015, the Board of Commissioners approved the Affordable Housing Loan Agreement Vista Rio Apartments in Jurupa Valley (Low and Moderate Income Housing Asset Funds) (Loan Agreement) between the Housing Authority and Developer, providing a loan derived from the Housing Authority's Low and Moderate Income Housing Asset Fund in the amount of \$1,898,214 (Original Loan), to be used to pay a portion of the costs to develop and construct the Project on the Leased Premises. The Project is under construction and expected to be completed by late-2017. The Original Loan is evidenced by a promissory note executed by Developer in favor of Housing Authority and is secured by a deed of trust recorded against the Leased Premises.

Following the commencement of construction, Developer identified an unanticipated gap in financing in the amount of \$1,913,445 (Identified Gap) necessary to complete the construction of the Project. The Identified Gap is the result of increased construction costs related to the following items: unexpected relocation of utility poles, on-site improvements (grading, concrete, storm drain and utilities), increased building costs, (lathe and plaster, plumbing and electrical), and additional project costs due to completion delays. In order to partially fill the Identified Gap Developer has agreed to forego collection of (i) a developer fee in the amount of \$858,695, and (ii) \$106,805 in owner equity, and use those funds to pay the Identified Gap as well as reduce soft costs by \$47,954, reducing the Identified Gap to \$900,000.

After exhausting all options to further fund the Identified Gap, Developer has requested additional Low and Moderate Income Housing Asset Funds from the Housing Authority in the amount of \$900,000. Housing staff has identified unencumbered Low and Moderate Income Asset Funds in the amount of \$900,000 (New Loan) and recommends loaning the additional funds to Developer. If the New Loan is approved by the Board, the total loan amount provided to Developer under the Loan Agreement would equal \$2,798,214 (\$900,000 New Loan + \$1,898,214 Original Loan) (collectively, LMIHAF Loan). The proposed New Loan in the amount of \$900,000 is memorialized in the attached First Amendment to Affordable Housing Loan Agreement Vista Rio Apartments in Jurupa Valley (Low and Moderate Income Housing Asset

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Funds) (First Amendment to Loan Agreement). The existing promissory note and deed of trust would also be amended to reflect the addition of the New Loan as memorialized in the attached First Amendment to Leasehold Deed of Trust, Security Agreement and Fixture Filing (With Assignment of Rents) (Amendment to Deed of Trust) and Amendment to Residual Receipts Promissory Note (Amendment to Promissory Note). Except for the amendment of the Loan Agreement to reflect the terms of the New Loan, all other terms of the Loan Agreement will remain the same.

The new total cost for the Project is \$15,656,155. In addition to the LMIHAF Loan from the Housing Authority in the amount of \$2,798,214, other sources of financing include a \$1,000,000 HOME loan from the County of Riverside Economic Development Agency, Ground Lease valued at 2,022,000 a construction loan from JPMorgan Chase, N.A. in the amount of \$7,220,556, a deferred developer's fee in the amount of \$424,704, Tax Credit Equity in the amount of \$1,545,880 and seven Project Based Vouchers from the Housing Authority.

County Counsel has reviewed and approved as to form, the attached Third Amendment to Ground Lease, Petition, First Amendment to Loan Agreement, Amendment to Deed of Trust, and Amendment to Promissory. Staff recommends approval of the attached First Amendment, First Amendment to Deed of Trust, Amended and Restated Promissory Note, Petition (Including Consent and Waiver) Requesting Annexation of Territory to Community Facility District No. 2006-1.

**CEQA Analysis**

Pursuant to the California Environmental Quality Act (CEQA), the Third Amendment to Ground Lease, First Amendment to Loan Agreement, including all exhibits, and Petition, were reviewed and determined to be categorically exempt from CEQA under State CEQA Guideline Section 15301, Class 1 – Existing Facilities and State CEQA Guideline Section 15061(b) (3), General Rule or “Common Sense” Exemption as discussed further below.

Approval of the Petition is categorically exempt from CEQA under State CEQA Guidelines Section 15301, Class 1 – Existing Facilities. Approval of the Petition and an affirmative vote in favor of annexation of the Property into the CFD merely levies a special tax to provide an alternative mechanism for financing and funding service and maintenance activities involving the operation, maintenance, repair and minor alteration of existing public or private structures, facilities, mechanical equipment or topographical features, involving negligible or no expansion of use beyond the previously and currently existing use. The Petition provides no funding to acquire or construct facilities. Instead it results in the provision of funds to provide associated maintenance and services associated with currently existing facilities. Accordingly the Petition is categorically exempt under State CEQA Guideline Section 15301, Class 1 – Existing Facilities.

The Third Amendment to Ground Lease and First Amendment to Loan Agreement, including exhibits, are categorically exempt from CEQA under State CEQA Guidelines Section 15061(b)

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(3), General Rule or "Common Sense" Exemption. The Third Amendment to Ground Lease consists of an amendment to the existing Ground Lease to clarify the Developer's obligation to pay special taxes levied against the Leased Premises and the Property, and the First Amendment to Loan Agreement consists of an amendment to the existing Loan Agreement to provide additional financing in the amount of \$900,000 to complete the affordable housing Project which was already approved by the Board. No expansion of an existing use will occur under both the Third Amendment to Ground Lease and First Amendment to Loan Agreement. In addition, it can be seen with certainty that there is no possibility that the proposed Third Amendment to Ground Lease and First Amendment to Loan Agreement may have a significant effect on the environment and will not lead to any direct or reasonably indirect physical environmental impacts since the impacts of each amendment are purely administrative in nature and will only have financial impacts. The environmental impacts of the 39 unit affordable housing development to be constructed on the Property pursuant to the existing Ground Lease were already adequately analyzed and addressed under CEQA in the Mitigated Negative Declaration associated with Environmental Assessment No. 1206001902 adopted by the County of Riverside Board of Supervisors, as the lead agency under CEQA prior to the incorporation of the City of Jurupa Valley, on May 24, 2011. No substantial changes to the project or circumstances under which the project will be undertaken have occurred necessitating further environmental documentation.

A Notice of Exemption will be filed by staff with the County Clerk within 5 days of the approval of the Third Amendment to Ground Lease, First Amendment to Loan Agreement, including all exhibits, and Petition.

**Impact on Residents and Businesses**

The construction and completion of the 39 unit multi-family affordable housing complex will have a positive impact on residents and businesses by providing affordable housing and creating jobs for the local economy.

**Attachments:**

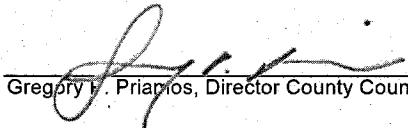
1. Third Amendment to Ground Lease
2. First Amendment to the Affordable Housing Loan Agreement Vista Rio Apartments in Jurupa Valley (Low and Moderate Income Housing Asset Funds), including exhibits
3. First Amendment to Leasehold Deed of Trust, Security Agreement and Fixture Filing (With Assignment of Rents)
4. Amendment to Residual Receipts Promissory Note
5. Petition (Including Consent and Waiver) Requesting Annexation of Territory to Community Facility District No. 2006-1
6. Notice of Exemption
7. CFD Ordinance 02-2014

RF:JVW:HM:SA  
MinuteTraq # 2959

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Nehini Leavina, Principal Management Analyst

4/24/2017

  
Gregory H. Priamos, Director County Counsel

4/13/2017

NO FEE FOR RECORDING PURSUANT  
TO GOVERNMENT CODE SECTION 6103

Escrow No.

Loan No.

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

County of Riverside  
Economic Development Agency  
5555 Arlington Ave  
Riverside, CA 92504  
Attn: Stephanie Adams

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SPACE ABOVE THIS LINE FOR RECORDERS USE

**FIRST AMENDMENT TO AFFORDABLE HOUSING LOAN AGREEMENT  
VISTA RIO APARTMENTS IN JURUPA VALLEY  
(Low and Moderate Income Housing Asset Funds)**

This First Amendment to Affordable Housing Loan Agreement Vista Rio Apartments in Jurupa Valley (Low and Moderate Income Housing Asset Funds) ("First Amendment") is made and entered into as of this \_\_\_\_ day of \_\_\_\_\_, 2017 by and between 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 ("Housing Authority"), and Jurupa Valley Vista Rio Partners LP, a California limited partnership ("Borrower"). Housing Authority and Borrower are collectively referred to herein as the "Parties" and individually as "Party".

RECITALS

A. Borrower has a 99-year leasehold interest in that certain real property located in the City of Jurupa Valley, known as Assessor's Parcel Number 181041015 as described in the legal description attached hereto as Attachment No. 1 and incorporated herein by this reference ("Leased Premises") pursuant to that certain Ground Lease dated June 17, 2014 and recorded in the Official Records of the County of Riverside ("Official Records") on February 23, 2015 as Document No. 2015-0069888, as amended by that certain First Amendment to Ground Lease dated February 10, 2015, and recorded in the Official Records on February 23, 2015 as Document No. 2015-0069890, that certain Second Amendment to Ground Lease dated



November 10, 2015, recorded in the Official Records on December 3, 2015 as Document No. 2015-0527475, and that certain Third Amendment to Ground Lease dated on or about the date hereof and recorded concurrently herewith in the Official Records;

B. The Housing Authority and Borrower entered into that certain Affordable Housing Loan Agreement Vista Rio Apartments in Jurupa Valley (Low and Moderate Income Housing Asset Funds), dated November 17, 2015 and recorded in the Official Records on December 3, 2015 as Document No. 2015-0527483 ("Loan Agreement"), relating to, among other things, the Housing Authority's loan of a portion of the financing to develop and construct on the Leased Premises a 39 unit affordable housing complex for low-income families of which 19 units shall be rented to and occupied by extremely low and very low income household ("Project"). All capitalized terms not defined herein shall have the meaning ascribed to such terms in the Loan Agreement;

C. Pursuant to the Loan Agreement, the Housing Authority provided a loan to Borrower in the amount of \$1,898,214 loan ("Original Authority Loan"), which was evidenced by that certain Residual Receipts Promissory Note dated November 17, 2015 executed by Borrower in favor of the Housing Authority ("Authority Note"), and secured by that certain Leasehold Deed of Trust, Security Agreement and Fixture Filing (With Assignment of Rents) dated November 17, 2015 and recorded on December 3, 2015 in the Official Records as Document No. 2015-0527480, ("Authority Deed of Trust");

D. Due to an unanticipated increase in project costs, Borrower has requested that the Original Authority Loan be increased by \$900,000 and Housing Authority desires to provide such additional funding to ensure the Project is completed; and

E. The purpose of this First Amendment is to amend the Loan Agreement by providing for (i) an increase in the Original Authority Loan by \$900,000, (ii) amendment to the Authority Note, Authority Deed of Trust and Method of Financing (Exhibit C to the Loan Agreement), to reflect the additional financial assistance in the amount of \$900,000, and (iii) modifications to certain other obligations of the Parties, all on the terms and conditions as set forth below.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency

of which is hereby mutually acknowledged, the Parties do hereby agree as follows:

1. **Recitals**. The Recitals set forth above are true and correct and incorporated herein by this reference.
2. **Increased Loan Amount; Disbursement Schedule**. The Housing Authority hereby consents to increasing the amount of the financial assistance provided to Developer under the Loan Agreement an additional \$900,000 from the maximum total amount of \$1,898,214 to the new maximum total amount of \$2,798,214. Consistent with Section 108 i. of the Loan Agreement, no more than 90% of the \$900,000 shall be disbursed by Housing Authority to Borrower no later than ten (10) days after all of the following events have occurred, (i) the commencement of the Effective Date, (ii) Housing Authority has received from Developer, an executed original of the Amendment to Residual Receipts Promissory Note substantially conforming in form and substance to the Amendment to Residual Receipts Promissory Note attached hereto as Attachment No. 3 attached hereto and incorporated herein by this reference, (iii) the following documents shall have been recorded in the Official Records of the County of Riverside, (1) Amendment to Leasehold Deed of Trust, Security Agreement and Fixture Filing (With Assignment of Rents), substantially conforming in form and substance to Attachment No. 4 attached hereto and incorporated herein by this reference, and (2) Amendment to Assignment of Rents and Leases, substantially conforming in form and substance to Attachment No. 5 attached hereto and incorporated herein by this reference. Housing Authority shall retain 10% of the \$900,000 pursuant to Section 108 (i) (2) of Loan Agreement.
3. **Amendments to the Loan Agreement:**
  - a. **Definitions**. Section 102 of the Loan Agreement, titled, "Definitions" is hereby amended as follows:
    1. The definition of "Assignment of Rents" is hereby deleted in its entirety and replaced with the following:

“Assignment of Rents” means an instrument substantially in the form of

the Assignment of Rents attached to this Agreement as Exhibit "D" and incorporated herein by this reference, including all amendments, modifications and revisions thereto. The Assignment of Rents shall secure the Authority Promissory Note and be recorded against title to the Leasehold."

2. The definition of "Authority Deed of Trust" is hereby deleted in its entirety and replaced with the following:

““Authority Deed of Trust” means that certain Leasehold Deed of Trust, Security Agreement and Fixture Filing (With Assignment of Rents) dated November 17, 2015 and recorded on December 3, 2015 in the Official Records as Document No. 2015-0527480, securing the Authority Promissory Note, as amended by that certain Amendment to Leasehold Deed of Trust, Security Agreement and Fixture Filing (With Assignment of Rents), the form of which is attached hereto as Exhibit "L" and incorporated herein by this reference. The form of Authority Loan Deed of Trust is attached hereto as Exhibit "E" and incorporated herein by this reference and shall be subordinate to the Senior Loan deed of trust.

3. The definition of "Authority Loan" is hereby deleted in its entirety and replaced with the following:

““Authority Loan” means a loan to be made by Authority to Borrower in the not to exceed amount of \$2,798,214, in which Authority is the initial maker of the loan. The Authority Loan is subject to the CRL. The Authority Loan shall be evidenced by the Authority Promissory Note (Exhibit F) and secured by, among other things, an Authority Deed of Trust (Exhibit D), Assignment of Rents (Exhibit G), Covenant Agreement (Exhibit E) and UCC-1 (Exhibit H).”

4. The definition of "Authority Promissory Note" is hereby deleted in its entirety and replaced with the following:

““Authority Promissory Note” means that certain Residual Receipts

Promissory Note dated November 17, 2015 executed by Borrower in favor of the Authority evidencing the Authority Loan, as amended by that certain Amendment to Residual Receipts Promissory Note. The form of Authority Promissory Note and form of Amendment to Residual Receipts Promissory Note are attached hereto as Exhibits "F" and "M" and are each incorporated herein by this reference."

5. The definition of "Method of Financing" is hereby deleted in its entirety and replaced with the following:

"Method of Financing" means the Amended and Restated Method of Financing attached hereto as Exhibit "I" and incorporated herein by this reference."

6. The definition of "Project Budget" is hereby deleted in its entirety and replaced with the following:

""Project Budget" means the schedule of sources and uses attached to this Agreement as Exhibit "N" and incorporated herein by this reference."

**b. Authority Assistance.** Section 108 of the Loan Agreement, titled, "Authority Assistance" is hereby amended as follows:

1. Section 108 b., titled, "Authority Loan" is hereby deleted in its entirety and replaced with the following:

"b. Authority Loan. In accordance with and subject to the terms and conditions of this Agreement, including the Method of Financing (Exhibit C), the Authority agrees to lend to Borrower, and Borrower agrees to borrow from the Authority, the Authority Loan, as described in the Method of Financing, in an amount not to exceed TWO MILLION SEVEN HUNDRED NINETY EIGHT THOUSAND TWO HUNDRED AND FOURTEEN DOLLARS (\$2,798,214.00), inclusive of the HOUSING AUTHORITY Predevelopment Loan proceeds disbursed to Borrower for eligible predevelopment costs pursuant to the ENA. The Authority Loan shall be

evidenced by the Authority Loan Note (Exhibit "F"), and repayment shall be secured by the Authority Deed of Trust (Exhibit "D"), Covenants (Exhibit "E"), Assignment of Rents (Exhibit "G"), and UCC-1 (Exhibit "H"). The HOUSING AUTHORITY represents and warrants that no portion of the Agency Loan will be funded or subsidized, in whole or in part, directly or indirectly, by the proceeds of any obligation, the interest on which is exempt from Internal Revenue Code or by any grant or loan funded by any federal funds."

2. Subsection 108 c.a. titled "Principal" is hereby deleted in its entirety and replaced with the following:

"a. Principal. The principal of the Housing Authority Loan shall be \$2,798,214.00 and evidenced by a promissory note substantially conforming in form and substance to the Authority Promissory Note attached hereto as Exhibit "F", executed by BORROWER in favor of HOUSING AUTHORITY. Only a portion of the Authority Loan in the maximum amount of \$2,400,000.00 (" \$2,400,000 Portion of Authority Loan") shall be disbursed to Borrower pursuant to this Agreement as the remaining balance in the amount of \$398,214 has already been disbursed to Borrower."

3. Section 108 g., titled, "Gap Assistance" is hereby amended to delete paragraph 1., commencing with the words, "The maximum amount" and ending with the words, "to reflect such changes" with the following:

"1. The maximum amount of the Authority Loan shall not exceed TWO MILLION SEVEN HUNDRED NINETY EIGHT THOUSAND TWO HUNDRED AND FOURTEEN DOLLARS (\$2,798,214.00). If there are any increases in the Project's funding gap due to lower tax credit pricing or development cost increases, the additional gap shall be funded by Borrower through additional deferment of Borrower fees, Borrower Equity, or other non- Housing Authority sources. If Borrower proposes to redesign the

Project or add new features to the Project which result in a cost savings, the Authority Loan shall be reduced to reflect such changes.”

All remaining provisions in Section 108 g. shall remain the same.

- c. **\$1,500,000 Portion of Authority Loan.** All references to the, “\$1,500,000 Portion of the Loan” and “\$1,500,000 Portion of Authority Loan” contained in the Loan Agreement, including all attachments thereto, are hereby deleted in their entirety and replaced with reference to the “2,400,000 Portion of Authority Loan.” The term, “2,400,000 Portion of Authority Loan” is defined in Subsection 108.c.a (Principal) of the Loan Agreement as amended by this First Amendment.

4. **Method of Financing.** The Method of Financing attached to the Loan Agreement as Exhibit “C” is hereby deleted in its entirety and replaced with the Amended and Restated Method of Financing attached hereto as **Attachment No. 2** and incorporated herein by this reference.

5. **Housing Authority Promissory Note.** The Loan Agreement is hereby amended to add the Amendment to Residual Receipts Promissory Note, attached hereto as Attachment No. 3 and incorporated herein by reference, as Exhibit “M” to the Loan Agreement. Housing Authority and Borrower shall execute an Amendment to Residual Receipts Promissory Note, substantially conforming in form and substance to Attachment No. 3, and deliver it into escrow, no later than 10 days after the Effective Date of this First Amendment. The Amendment to Residual Receipts Promissory Note shall amend that certain Residual Receipts Promissory Note dated November 17, 2015 executed by Borrower in favor of the Housing Authority, evidencing the Original Authority Loan (“Authority Promissory Note”).

6. **Housing Authority Deed of Trust.** The Loan Agreement is hereby amended to add the Amendment to Leasehold Deed of Trust, Security Agreement and Fixture Filing (With Assignment of Rents), attached hereto as Attachment No. 4 and incorporated herein by reference, as Exhibit “L” to the Loan Agreement. Housing Authority and

Borrower shall execute an Amendment to Leasehold Deed of Trust, Security Agreement and Fixture Filing (With Assignment of Rents), substantially conforming in form and substance to Attachment No. 4, in recordable form, and deliver it into escrow, no later than 10 days after the Effective Date of this First Amendment. The Amendment to Leasehold Deed of Trust, Security Agreement and Fixture Filing (With Assignment of Rents) shall amend that that certain Leasehold Deed of Trust, Security Agreement and Fixture Filing (With Assignment of Rents) dated November 17, 2015 and recorded on December 3, 2015 in the Official Records as Document No. 2015-0527480, securing the Authority Promissory Note. The Amendment to Leasehold Deed of Trust, Security Agreement and Fixture Filing (With Assignment of Rents) shall be recorded against the Leased Premises.

7. **Assignment of Rents.** The Loan Agreement is hereby amended to add the Amendment to Assignment of Rents, attached hereto as Attachment No. 5 and incorporated herein by reference, as Exhibit "O" to the Loan Agreement. Housing Authority and Borrower shall execute an Amendment to Assignment of Rents, substantially conforming in form and substance to Attachment No. 5, in recordable form, and deliver it into escrow, no later than 10 days after the Effective Date of this First Amendment. The Amendment to Assignment of Rents shall amend that certain Assignment of Rents executed by Borrower for the benefit of the Housing Authority dated November 17, 2015 and recorded in the Official Records on December 3, 2015 as Instrument No. 2015-0527481. The Amendment to Assignment of Rents shall be recorded against the Leased Premises.
8. **Project Budget.** The Loan Agreement is hereby amended to add the Project Budget attached hereto as Attachment No. 6 and incorporated herein by this reference, as Exhibit "N" to the Loan Agreement.
9. **UCC-1 Financing Statement.** The Loan Agreement is amended to add the UCC

Financing Statement Amendment attached hereto as Attachment No. 7 and incorporated herein by this reference. The UCC Financing Statement Amendment shall amend that certain UCC Financing Statement recorded in the Official Records on December 3, 2015 as Document No. 2015-0527482 to reflect the increase in the obligation secured from \$1,898,214 to \$2,798,214. The UCC Financing Statement Amendment shall be filed with the Secretary of State no later than 10 days after the Effective Date. Borrower hereby consents to the filing of the UCC Financing Statement Amendment.

10. **Miscellaneous.**

- a. **Further Cooperation.** The Parties agree to execute such other instruments, agreements and amendments to documents as may be necessary or appropriate to effectuate the Loan Agreement as amended by this First Amendment.
- b. **Interpretation.** This First Amendment, when combined with the Loan Agreement, sets forth and contains the entire understanding and agreement of the Parties hereto and correctly sets forth the rights, duties and obligations of each to the other as of this date.
- c. **Waivers; Amendments.** All waivers of the provisions of this First Amendment and all amendments hereto must be in writing and signed by the appropriate authorities of Parties.
- d. **Attachments.** Each of the attachments and exhibits attached hereto are incorporated herein by this reference.
- e. **Effectiveness of Loan Agreement.** Except as modified and amended by this First Amendment all other terms and conditions of the Loan Agreement remain unmodified and in full force and effect.
- f. **Counterparts.** This First Amendment may be signed by the different parties hereto in counterparts, each of which shall be an original but all of which together shall constitute one and the same agreement.
- g. **Effective Date.** The effective date of this First Amendment is the date the Parties execute this First Amendment. If the Parties execute this First



Amendment on more than one date, then the last date this First Amendment is executed by a party shall be the Effective Date.

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**ATTACHMENTS**

**ATTACHMENT NO. 1** LEGAL DESCRIPTION

**ATTACHMENT NO. 2** AMENDED AND RESTATED METHOD OF FINANCING

**ATTACHMENT NO. 3** AMENDMENT TO RESIDUAL RECEIPTS PROMISSORY  
NOTE

**ATTACHMENT NO. 4** AMENDMENT TO LEASEHOLD DEED OF TRUST,  
SECURITY AGREEMENT AND FIXTURE FILING (WITH ASSIGNMENT OF RENTS)

**ATTACHMENT NO. 5** AMENDMENT TO ASSIGNMENT OF RENTS

**ATTACHMENT NO. 6** PROJECT BUDGET

**ATTACHMENT NO. 7** UCC FINANCING STATEMENT AMENDMENT

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[Signatures on the Following Page]

IN WITNESS WHEREOF, the Parties have executed this First Amendment as of  
the dates written below.

HOUSING AUTHORITY:

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: \_\_\_\_\_

Heidi Marshall, Deputy Executive Director

Date: \_\_\_\_\_

APPROVED AS TO FORM:  
GREGORY P. PRIAMOS, County Counsel

By: \_\_\_\_\_  
Jhaila Brown  
Deputy County Counsel

BORROWER:

JURUPA VALLEY VISTA RIO PARTNERS  
LP, a California limited Partnership

By: PC Jurupa Valley Vista Rio Developers,  
LLC.

a California limited liability company,  
its Administrative General Partner

By: \_\_\_\_\_

Danavon Horn

Date: \_\_\_\_\_

By: Housing Corporation of America,  
a Utah non-profit corporation,  
its Managing General Partner

By: \_\_\_\_\_

Ronald H. Olson, President

Date: \_\_\_\_\_

**(Signatures need to be notarized)**

**(notary acknowledgement)**

## ATTACHMENT NO. 1

### LEGAL DESCRIPTION OF PROPERTY

All that real property located in the County of Riverside, State of California, legally described as follows:

#### EXHIBIT "A" - LEGAL DESCRIPTION LOT LINE ADJUSTMENT NO. 05411

#### PARCEL B

Those portions of Lots 5, 6 and 7, of T. M. Parson's Survey of a portion of the Jurupa Rancho, as shown by map on file in Book 1 of Maps at page 68 thereof, Records of San Bernardino County, California, **together with** portions of Lot "A". Lot "E" and Lot 1 and all of Lot "B" and Lot 2 of Mayfair Square Unit 1, as shown by map on file in Book 39 of Maps at pages 50 and 51, Records of Riverside County, California, said portions being more particularly described as follows:

**COMMENCING** at the most northerly corner of Lot "D" (Alley, 20.00 feet in width) of said Mayfair Square Unit 1, said corner being on the southeasterly line of said Lot 7 of T. M. Parson's Survey;

Thence North 33°53'22" East along said southeasterly line, a distance of 177.36 feet to the most northerly corner of that certain parcel of land conveyed to the Redevelopment Agency for the County of Riverside by Grant Deed recorded May 15, 2007 as Document No. 2007-0322534, Official Records of Riverside County, California;

Thence South 56°27'20" East along the northeasterly line of said parcel so conveyed, a distance of 50.85 feet more or less to a point 308.00 feet distant from the northeasterly corner of said parcel so conveyed, said point also being the **TRUE POINT OF BEGINNING**;

Thence leaving said northeasterly line North 33°26'24" East, a distance of 142.02 feet to the beginning of a tangent curve, concave to the west, having a radius of 300.00 feet;

Thence northeasterly and northerly along said curve, to the left, through a central angle of 32°44'43", an arc distance of 171.45 feet;

Thence South 89°21'45" East, a distance of 37.00 feet;

Thence South  $58^{\circ}54'06''$  East, a distance of 450.49 feet to the beginning of a non-tangent curve, concave to the south, having a radius of 52.00 feet, the radial line to said point bears North  $20^{\circ}52'30''$  West;

Thence easterly along said curve, to the right, through a central angle of  $27^{\circ}11'09''$ , an arc distance of 24.67 feet more or less to a point on the northwesterly right of way line of Briggs Street (Lot "E", 36.00 feet in half width) of said Mayfair Square Unit 1;

Thence North  $33^{\circ}46'10''$  East along said northwesterly right of way line, a distance of 5.61 feet to the northwesterly corner of said Lot "E";

Thence South  $56^{\circ}27'10''$  East along the northeasterly line of said Lot "E", a distance of 36.00 feet to a point of intersection with the centerline of said Briggs Street;

Thence South  $33^{\circ}46'10''$  West along said centerline, a distance of 373.03 feet to a point of intersection with the southeasterly prolongation of the southwesterly line of said Lot 2 of Mayfair Square Unit 1;

Thence North  $56^{\circ}29'50''$  West along said southeasterly prolongation and along the southwesterly line of said Lot 2, a distance of 178.00 feet to the most westerly corner of said Lot 2, said corner being on the southeasterly line of said parcel so conveyed to the Redevelopment Agency for the County of Riverside;

Thence North  $33^{\circ}46'10''$  East along the northwesterly line of said Lot 2 and along said southeasterly line of said parcel so conveyed, a distance of 8.03 feet to the northeasterly corner of parcel so conveyed;

Thence North  $56^{\circ}27'20''$  West along the northeasterly line of said parcel so conveyed, a distance of 308.00 feet to the **TRUE POINT OF BEGINNING**.

Containing 3.87 acres, more or less.

**Attachment No.**  
**“Method of Financing”**

## AMENDED AND RESTATED METHOD OF FINANCING

This is the Amended and Restated Method of Financing attached to the Affordable Housing Loan Agreement, Vista Rio Apartments in Jurupa Valley for the Use of Low-Moderate Income Housing Asset Funds ("Loan Agreement") by and between the Housing Authority of the County of Riverside ("Housing Authority") and Jurupa Valley Vista Rio Partners, LP, a California limited partnership ("Developer"), pertaining to the development of a 39-unit multi-family housing project located on Assessor Parcel Numbers 181-041-015-4 and, in the City of Jurupa Valley, which shall be operated as rental housing that is affordable to extremely-low, very-low, low-income, any other income households ("Project"), as more specifically described in the Loan Agreement. Loan Agreement as used herein shall mean, refer to and include the Loan Agreement, as well as any riders, exhibits, addenda, implementation agreements, amendments and attachments thereto (which are hereby incorporated herein by this reference) or other documents expressly incorporated by reference in the Loan Agreement. Any capitalized term not otherwise defined herein shall have the meaning ascribed to such term in the Loan Agreement.

1. Development Costs. The parties estimate that the cost of developing the Property will be approximately \$15,676,155 during the construction financing period. The sources of financing during the construction financing period are set forth in Section 2 of this Method of Financing.

2. Sources of Financing. The parties anticipate that the costs of developing and constructing the Improvements thereon (the "Development Costs") shall be financed with a combination of loans and equity, as set forth in the following chart and as described below, which chart shall be updated if the costs of developing and constructing the Improvements change, or if the financing changes, all subject to the approval of the Housing Authority (as updated, the "Sources of Financing"):

Source of Funds	Construction	Permanent
Tax Credit Equity	\$1,548,880	\$8,538,390
JP Morgan Chase	\$7,220,556	\$500,000

County of Riverside HOME Loan	\$1,000,000	\$1,000,000
Low-Moderate Income Housing	\$2,798,214	\$2,798,214
Asset Fund Loan		
Land Lease	\$2,022,000	\$2,022,000
TUMF/DIF Waivers	\$392,847	\$392,847
Developer Equity	\$271,954	\$271,954
Deferred Developer Fee	\$424,704	\$424,704
<b>TOTALS</b>	<b>\$15,676,155</b>	<b>\$15,676,155</b>

## 2.1 Construction Period Financing

- a. Construction Loan Financing. The financing derived from the proceeds of a construction loan in the approximate original principal amount of \$8,538,390 during the construction period (the "Construction Loan") shall be used as part of the construction financing for the Project and shall be secured by one or more senior priority deeds of trust against the Leasehold ( the "Senior Construction Lenders" and, together with the Senior Permanent Lenders described below, referred to as the "Senior Lenders").
- (1) Tenant shall not refinance the Senior Loan and/or the Permanent Loan for the Project or place any additional financing on the Leasehold Estate except as set forth in this Method of Financing and the GROUND LEASE without the advanced and express written consent of the Housing Authority Executive Director or designee.
- b. Tenant Equity. Equity from the Tenant (the "Tenant Equity") consisting of the following:
- (1) Approximately \$8,538,390, to be provided by the Tax Credit Equity Investor, derived from Low Income Housing Tax Credits, a portion of which shall be disbursed during construction period and a balance shall be disbursed to pay off the construction loan.
- (2) A deferred portion of the Tenant Fee, in the amount of \$424,704 (the "Deferred Tenant Fee"), constituting that portion of the Tenant Fee to be paid to Tenant from operating revenues, before calculating residual receipts, with the balance of the Tenant Fee in the amount of \$913,413 payable to Tenant during construction of the Project, in accordance with the following schedule of disbursements:



- i. 20% upon Closing;
- ii. 30% upon C of O;
- iii. 2.5% upon Perm Conversion; and
- iv. 47.5% upon 8609.

- (3) Tenant shall be responsible for providing any additional funds which may be needed to pay for cost overruns and contingencies not otherwise funded by the Sources of Financing described above.
- (4) Tenant Equity described in this subsection (c) shall consist of funds provided by Tenant or borrowed funds, repayment of which shall not be secured by any deed of trust on the Leasehold and/or the Property.
- (5) All cost savings from improved debt or equity pricing compared to the terms in this Method of Financing will be used to reduce the deferred portion of the Tenant Fee. If proceeds from debt or equity are lower than projected, Tenant shall be financially responsible for any differences.

- c. TUMF. Transportation Uniform Mitigation Fee Program waiver in the approximate amount of \$243,009.
- d. DIF. Development Impact Fee Program waiver in the approximate amount of \$149,838.
- e. Affordable Housing Loan-Housing Authority of the County of Riverside in the amount of \$2,798,214 which includes a pre-development loan from the Housing Authority of the County of Riverside in the approximate amount of \$398,214. The tenant acknowledges that the former Redevelopment Agency Pre-Development Loan in the amount of \$398,214 was paid to and received by Tenant in full and no further disbursements are due from the County in connection with such loan.
- f. County of Riverside HOME Loan in the amount of \$1,000,000

2.2 Permanent Sources of Financing

- a. The Affordable Housing Loan as described in subsection (e) of 2.1 above.
- b. The County of Riverside HOME Loan in the amount of \$1,000,000 as described in subsection (f) of 2.1 above.
- c. Tenant Equity, as described in subsection (b) of Section 2.1, above.
- d. TUMF financing sources, as described in subsection (c) of Section 2.1, above.

- e. DIF financing sources, as described in subsection (d) of Section 2.1, above.
  - f. Land Value for TCAC application in the approximate amount of \$2,022,000.
  - g. Permanent Loan in the amount of \$500,000.
3. Project Budget

The parties anticipate that all Development Costs shall be as set forth in the Project Budget as attached hereto titled "Permanent Sources and Uses of Funds incorporated herein by this reference. Any change order in excess of One Hundred Thousand Dollars (\$100,000) or any amendment to the total Project Budget in excess of One Hundred Thousand Dollars (\$100,000) (collectively referred to as a "Revision") shall require the written approval of the Executive Director or designee in addition to any approval required by any Senior Lender. Except as provided in the previous sentence, the Executive Director or designee shall not unreasonably withhold or delay approval of any requested Revision for which the Senior Lender's approval is not required, under the terms of the Senior Loan documents, or which has been approved by the Senior Lender if, within five (5) working days after receipt of the request, Housing Authority receives such explanation and/or back-up information as was received and relied upon by the Senior Lender in connection with its approval of the Revision, and if the following conditions are satisfied:

- a. to the extent the Revision is limited to a reallocation of budgeted funds among Project Budget line items without any increase in the total Project Budget, (i) the funds in the line item(s) to be reduced remain sufficient for completion of the Project, and (ii) the requested increase in one or more line item(s) is to be used to pay approved costs; and
- b. to the extent the Revision involves an increase in the total Project Budget, (i) additional funds in an amount equal to the increase in the total Project Budget will be provided by Tenant, the Senior Lender or another funding source reasonably approved by the Housing Authority and (ii) the requested increase in the Project Budget is to be used to pay approved costs.

Upon written approval of any Revision, the Project Budget shall be replaced by the approved revised Project Budget.

4. Evidence of Financing

The sum of the Senior Sources of Financing described in Section 2 above shall be sufficient at all times to pay all Development Costs as set forth in the most recently approved Project Budget, and the sum of the permanent Senior Sources of Financing described in Section 2 above, shall be at least equal at all times to the sum of the construction Sources of Financing plus all other Development Costs. Within the time provided therefor in the Schedule of Performance as stated in Exhibit "A" of the Affordable Housing Loan, Tenant shall submit for approval by the Executive Director or designee, evidence of such financing, including all documents required by the Construction Lender relating to the Construction Loan the Project and all documents evidencing the availability of permanent financing for the Project upon Completion. The Executive Director or designee shall not unreasonably withhold his or her approval. Tenant shall provide written certification to the Housing Authority that such financing documents are correct copies of the actual documents to be executed by Tenant on or before the Closing Date. To the extent that the sum of the Sources of Financing described in Section 2, 2.1 and 2.2 above is insufficient to pay all Development Costs, Tenant shall demonstrate the availability prior to the Closing of increased Tenant's Equity equal to the shortfall.

**ATTACHMENT NO. 3**

**(First Amendment to Promissory Note)**

3% Interest  
\$2,798,214

First Amendment to Promissory Note to the  
Housing Authority of the County of Riverside

This First Amendment to Promissory Note to the Housing Authority of the County of Riverside (the "First Amendment to Promissory Note") is dated as of \_\_\_\_\_, 2016 by Jurupa Valley Vista Rio Partners, a California limited partnership ("Borrower"), in favor of the HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE (HOUSING AUTHORITY), a public entity, corporate and politic, in its capacity as housing successor to the former Redevelopment Agency for the County of Riverside.

I. [§100] PURPOSE OF AMENDMENT TO PROMISSORY NOTE

The HOUSING AUTHORITY and Borrower entered into that certain Affordable Housing Loan Agreement Vista Rio Apartments in Jurupa Valley (Low and Moderate Income Housing Asset Funds), dated November 17, 2015 and recorded in the Official Records of the Riverside County Recorder's Office ("Official Records") on December 3, 2015 as Document No. 2015-0527483 ("Loan Agreement") as amended by that certain First Amendment to Affordable Housing Loan Agreement Vista Rio Apartments in Jurupa Valley (Low and Moderate Income Housing Asset Funds), dated \_\_\_\_\_ and recorded in the Official Records on \_\_\_\_\_ as Document No. \_\_\_\_\_ ("First Amendment to Loan Agreement"). Borrower executed in favor of the HOUSING AUTHORITY and delivered to HOUSING AUTHORITY, that certain Promissory Note (Note), dated November 17, 2015, as secured by that certain Leasehold Deed of Trust, Security Agreement and Fixture Filing (With Assignment of Rents), dated November 17, 2015 and recorded in of the Official Records of the Riverside County Recorder's Office ("Official Records") on December 3, 2015 as Document No. 2015-0527480.

Note secured a loan amount of \$1,898,214 ("Original Note Amount"), of which \$398,214 was disbursed to Borrower prior to the execution of Note, resulting in the maximum amount of \$1,500,000 (\$1,500,000 Portion of Authority Loan") to be disbursed to Borrower following the execution of Note. HOUSING AUTHORITY and Borrower desire to amend that certain Note to reflect an increased loan amount of \$900,000 and amend the secured loan amount to \$2,798,214 ("LMIHAF Loan" or "Note Amount").

II AMENDMENT TO NOTE

The Note in its entirety, including but not limited to the first three paragraphs of Note and Sections 1 through 25, shall be amended to reflect the following:

- (i) Any reference to \$1,898,214 shall be deleted and replaced in its entirety with \$2,798,214

(ii) Any reference to \$1,500,000 shall be deleted and replaced in its entirety with \$2,400,000

III.

**DUPLICATE ORIGINALS**

This Amendment to Promissory Note may be signed in counterparts, each of which shall be deemed an original, and all such counterparts shall constitute one and the same instrument.

IN WITNESS WHEREOF, Borrower and the HACR have caused this instrument to be executed on their behalf by their respective officers hereunto duly authorized on the date set forth above.

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(Signatures Continue on Next Page)

**ATTACHMENT NO. 4**  
**AMENDMENT TO LEASEHOLD DEED OF TRUST, SECURITY AGREEMENT AND**  
**FIXTURE FILING (WITH ASSIGNMENT OF RENTS)**

EXEMPT RECORDING FEE CODE 6103  
RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

County of Riverside  
Economic Development Agency  
5555 Arlington Ave  
Riverside, CA 92504  
Attn: Mervyn Manalo

---

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**FIRST AMENDMENT TO LEASEHOLD DEED OF TRUST, SECURITY  
AGREEMENT AND FIXTURE FILING  
(WITH ASSIGNMENT OF RENTS)**

This FIRST AMENDMENT TO LEASEHOLD DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING (WITH ASSIGNMENT OF RENTS) ("First Amendment to Deed of Trust") is made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 2017, by and between JURUPA VALLEY VISTA RIO PARTNERS, L.P., a California limited partnership ("Trustor"), whose address is, 100 Pacifica, Suite 205, Irvine, CA 92618, to \_\_\_\_\_, (hereinafter called "Trustee"), for the benefit of the HOUSING AUHTORITY OF THE COUNTY OF RIVERSIDE ("Housing Authority"), a public entity, corporate and politic, in its capacity as housing successor to the Redevelopment Agency of the County of Riverside, (hereinafter called "Beneficiary"), whose address is 5555 Arlington Avenue, Riverside, CA 92504.

I. PURPOSE OF FIRST AMENDMENT TO DEED OF TRUST

This First Amendment to Leasehold Deed of Trust, Security Agreement and Fixture Filing (with Assignment of Rents)("First Amendment to Deed of Trust") is entered into pursuant to that certain Affordable Housing Loan Agreement Vista Rio Apartments in Jurupa Valley (Low and Moderate Income Housing Asset Funds), dated November 17, 2015 and recorded in the Official Records of the Riverside County Recorder's Office ("Official Records") on December 3, 2015 as Document No. 2015-0527483 as amended by that certain First Amendment to Affordable Housing Loan Agreement Vista Rio Apartments in Jurupa Valley (Low and Moderate Income Housing Asset Funds), dated \_\_\_\_\_ and recorded in the Official Records on \_\_\_\_\_ as Document No. \_\_\_\_\_ (collectively "Loan Agreement"), relating to among other things, financing a portion of the development of that certain real property described in the legal description attached hereto as **Exhibit A** and incorporated herein by this reference.

Trustor executed that certain Leasehold Deed of Trust, Security Agreement and Fixture Filing (With Assignment of Rents), on November 17, 2015 and recorded in the Official Records as



Document No. 2015-0527480 on December 3, 2015 ("Deed of Trust"). The Deed of Trust secures that certain Promissory Note dated November 17, 2015 executed by Trustor in favor of Housing Authority, evidencing a loan in the amount of \$1,898,214 ("Original Loan Amount").

The purpose of this First Amendment to Deed of Trust is to provide for the following revisions: (i) Increase Payment of indebtedness of the Trustor to the beneficiary by \$900,000 and (ii) delete all references to the payment of indebtedness of \$1,898,214 and replace with \$2,798,214.

II. AMENDMENT TO SECURED OBLIGATIONS AND IDENTITY OF TRUSTOR UNDER DEED OF TRUST

NOW, THEREFORE, the Deed of Trust is hereby amended as follows:

1. Amendment to Payment of Indebtedness of the Trustor.

- a. All references to "\$1,898,214" shall be deleted in its entirety and replaced with \$2,798,214.

III. EFFECT OF FIRST AMENDMENT TO DEED OF TRUST

Except as expressly provided otherwise in this First Amendment to Deed of Trust, the Deed of Trust remains in full force and effect, enforceable in accordance with its terms, without diminution or waiver of any kind of any right or remedy of the Housing Authority as beneficiary thereunder.

IV. DUPLICATE ORIGINALS

This First Amendment to Deed of Trust may be signed in counterparts, each of which shall be deemed an original, and all such counterparts shall constitute one and the same instrument.

[Remainder of Page Intentionally Blank]

[Signatures on the Following Page]

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed on their behalf by their respective officers hereunto duly authorized on the dates set forth below.

(TRUSTOR SIGNATURES MUST BE NOTARIZED)

(SIGNATURES CONTINUE ON NEXT PAGE)

**ATTACHMENT NO. 5**  
**(AMENDMENT TO ASSIGNMENT OF RENTS)**

**ATTACHMENT NO. 6**

(Project Budget)

**Permanent Sources and Uses of Fund:**

**Sources (Construction)**

County of Riverside HOME Loan	\$	1,000,000
Low-Moderate Income Housing Asset Fund Loan	\$	2,798,214
County – Land Lease	\$	2,022,000
Tax Credit Equity	\$	1,548,880
TUMF/DIF Waivers	\$	392,847
Deferred Developer Fee	\$	424,704
Developer Equity	\$	271,954
JP Morgan Chase Loan	\$	<u>7,220,556</u>
<b>Total Sources</b>	\$	<b>15,676,155</b>

**Sources (Permanent)**

County of Riverside HOME Loan	\$	1,000,000
Low-Moderate Income Housing Asset Fund Loan	\$	2,798,214
County – Land Lease	\$	\$2,022,000
Tax Credit Equity	\$	8,538,390
TUMF/DIF Waivers	\$	392,847
JP Morgan Chase	\$	500,000
Deferred Developer Fee	\$	<u>424,704</u>
<b>Total Sources</b>	\$	<b>15,676,155</b>

**Uses:**

Land & Acquisition	\$	2,022,000
Insurance	\$	199,714
Architecture and Engineering	\$	1,047,360
Permit and Impact Fees	\$	1,359,773
Furniture Fixtures and Equipment	\$	50,000
Construction Contract	\$	8,354,096
Soft Cost	\$	382,574
Loan Fees and Interest	\$	457,420
Legal Costs	\$	186,146
Operating Reserves	\$	54,795
Developer Fee	\$	1,338,117
Project Contingency	\$	<u>196,568</u>
<b>Total Uses</b>	\$	<b>15,676,155</b>

1 NO FEE FOR RECORDING PURSUANT  
TO GOVERNMENT CODE SECTION 6103

2 Escrow No.  
3 Loan No.

4 RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

5 Housing Authority of the County of Riverside  
6 5555 Arlington Ave  
Riverside, CA 92504  
Attn: Stephanie Adams

7 SPACE ABOVE THIS LINE FOR RECORDERS USE

8 **THIRD AMENDMENT TO GROUND LEASE**

9  
10 This Third Amendment to Ground Lease ("Third Amendment") is made and  
11 entered into this \_\_\_\_ day of \_\_\_\_\_, 2016 by and between THE HOUSING  
12 AUTHORITY OF THE COUNTY OF RIVERSIDE, a public entity, corporate and politic, in  
13 its capacity as housing successor to the former Redevelopment Agency for the County of  
14 Riverside ("LANDLORD"), and JURUPA VALLEY VISTA RIO PARTNERS LP, a  
15 California Limited Partnership ("TENANT"). Tenant and Landlord shall collectively be  
16 referred to herein as the "Parties" and individually as a "Party."

17 RECITALS:

18 WHEREAS, LANDLORD and TENANT entered into that certain Ground Lease  
19 dated June 17, 2014 and recorded in the Official Records of the County of Riverside ("Official  
20 Records") on February 23, 2015 as Document No. 2015-0069888, as amended by that certain  
21 First Amendment to Ground Lease dated February 10, 2015, recorded in the Official Records  
22 on February 23, 2015 as Document No. 2015-0069890, and that certain Second Amendment to  
23 Ground Lease dated November 10, 2015, recorded in the Official Records on December 3,  
24 2015 as Document No. 2015-0527475 (collectively, the "Ground Lease") wherein  
25 LANDLORD conveyed to TENANT a 99 year leasehold estate in approximately 3.87 acres of  
26 real property located at 3901 Briggs Street, within the City of Jurupa Valley, identified as  
27 Assessor Parcel Number 181-041-015-4, as described in the legal description attached hereto  
28 as Attachment No. 1 and incorporated herein by this reference ("Leased Premises"). All

1 capitalized terms not described herein shall have the meaning ascribed to them in the Ground  
2 Lease;

3 WHEREAS, pursuant to the Ground Lease TENANT is required, among other  
4 things, to develop, construct and operate on the Leased Premises a 39-unit multi-family  
5 housing project, which shall be operated as rental housing that is affordable to Extremely Low,  
6 Very Low, Low, and Other Income Households (as defined in the Ground Lease), a community  
7 center and related parking (collectively the "Project"), as more specifically described in the  
8 Ground Lease;

9 WHEREAS, TENANT and LANDLORD executed that certain Petition (Including  
10 Consent and Waiver) Requesting Annexation of Territory to Community Facility District No.  
11 2006-1 ("CFD"), dated \_\_\_\_\_, 2017 under the provisions of the Mello-Roos Community  
12 Facilities Act of 1982, being Chapter 2.5 of Part 1 of Division 2 of title 5 (commencing with  
13 Section 53311) of the California Government Code. The annexation is a condition of approval  
14 of the Project by the City of Jurupa Valley and necessary to carry out and implement the  
15 Ground Lease;

16 WHEREAS, once annexed the both the Property (as defined in the Ground Lease) and  
17 the Leased Premises, including all improvements located thereon, shall be subject to a special  
18 tax derived from the CFD; and

19 WHEREAS, LANDLORD and TENANT desire to clarify and amend the Ground Lease  
20 to provide that TENANT shall be responsible for paying any all special taxes, including but not  
21 limited to any special taxes incurred as a result of the CFD, imposed on both the Leased  
22 Premises, including all improvements located thereon, and the Property (as defined in the  
23 Ground Lease).

24 NOW, THEREFORE, for good and valuable consideration, the receipt and  
25 sufficiency of which is hereby mutually acknowledged, the Parties do hereby agree as follows:

- 26 1. **Recitals.** The Recitals and attachments referenced above are incorporated herein by this  
27 reference and adopted by the Parties to be true and correct.
- 28 2. **Tenant to Pay Impositions.** The Parties acknowledge and agree that TENANT will

1 be responsible for paying any and all special taxes imposed on both the Leased Premises  
2 and the Landlord's underlying fee interest in the Property (as defined in the Ground  
3 Lease), including, but not limited to special taxes levied against the Leased Premises and  
4 the Property as a result of the annexation of the Property into the CFD.

- 5 3. **Amendment to Ground Lease; Article 10 Taxes and Impositions** Subsection 10.1.1  
6 of Section 10.1 (Tenant to Pay Impositions) of Article 10 (Taxes and Impositions) of  
7 the Ground Lease, is hereby deleted in its entirety and replaced with the following:

8 "10.1.1 In addition to the Rent and other payments required to be paid under this Lease,  
9 Tenant shall pay or cause to be paid any and all taxes (including possessory interest taxes)  
10 and assessments, including, but not limited to special taxes arising out of or related in any  
11 way to a community facilities district or assessment district, (collectively, "Impositions")  
12 levied or assessed from the Commencement Date until the termination of this Lease by any  
13 governmental agency or entity on or against any interest in the Property, or any portion  
14 thereof, the Leased Premises (including the leasehold interest created by this Lease), or any  
15 Improvements or other property in or on the Leased Premises and/or the Property. The  
16 timely payment of the Impositions is a material term of this Lease, and, to the extent the  
17 above-referenced items are payable to Landlord or its successors or assigns, they shall  
18 constitute Additional Rent hereunder. Failure to timely pay such Impositions shall  
19 constitute a breach under this Lease.

20 In addition to Tenant's obligations set forth in this Lease, Tenant hereby acknowledges and  
21 agrees to timely pay all special taxes imposed on the Leased Premises, or any portion  
22 thereof, and the Property, or any portion thereof, as a result of the annexation of the  
23 Property to Community Facilities District No. 2006-1 of the Jurupa Area Recreation and  
24 Park District."

25 4. **Miscellaneous.**

- 26 a. **Further Cooperation.** The Parties agree to execute such other instruments,  
27 agreements and amendments to documents as may be necessary or appropriate to  
28 effectuate the Ground Lease as amended by this Third Amendment.



- 1 b. **Interpretation.** This Third Amendment, when combined with the Ground Lease, sets  
2 forth and contains the entire understanding and agreement of the parties hereto. There  
3 are no oral or written representations, understandings, or ancillary covenants,  
4 undertakings or agreements, which are not contained or expressly referred to within  
5 this Third Amendment or the Ground Lease.
- 6 c. **Attachments.** Each of the attachments and exhibits attached hereto are incorporated  
7 herein by this reference.
- 8 d. **Effectiveness of Ground Lease.** Except as modified and amended by this Third  
9 Amendment, all other terms and conditions of the Ground Lease remain unmodified  
10 and in full force and effect.
- 11 e. **Counterparts.** This Third Amendment may be signed by the different parties hereto  
12 in counterparts, each of which shall be an original but all of which together shall  
13 constitute one and the same agreement.
- 14 f. **Effective Date.** The effective date of this Third Amendment is the date that this Third  
15 Amendment is executed by Landlord's Chairman of the Board of Commissioners.
- 16 g. **Board of Commissioners.** This Third Amendment is subject to the approval of  
17 Landlord's Board of Commissioners.

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21 [Remainder of page Intentionally Blank]

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23 [Signatures on Following Page]  
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**“LANDLORD”**

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: Heidi Marshall, Executive Director

Date: \_\_\_\_\_

APPROVED AS TO FORM:  
Gregory P. Priamos, County Counsel

By: Jhaila Brown  
Deputy County Counsel

**“TENANT”**

JURUPA VALLEY VISTA RIO PARTNERS LP, a California limited partnership

By: PC JURUPA VALLEY VISTA RIO DEVELOP LLC, a California limited liability company, its general partner

By: PALM COMMUNITIES, a California corporation, its sole member

By: Danavon Horn, President

Date: \_\_\_\_\_

(Insert Notary Acknowledgement)

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**ATTACHMENT NO. 1**

**LEASED PREMISES**

**LEGAL DESCRIPTION**

(behind this page)

TO: Board of Directors of the Jurupa Area Recreation  
and Park District

FROM: Jose Ulloa on behalf of  
Jurupa Valley Vista Rio Partners, LP and  
Housing Authority of the County of Riverside

**PETITION (INCLUDING CONSENT AND WAIVER)  
REQUESTING ANNEXATION OF TERRITORY TO  
COMMUNITY FACILITY DISTRICT NO. 2006-1**

The undersigned, on behalf of Jurupa Valley Vista Rio Partners, LP, a California limited partnership and the Housing Authority of the County of Riverside, a public entity, corporate and politic (collectively referred to herein as the "Property Owner"), does hereby certify under penalty of perjury that the following statements are all true and correct:

1. The undersigned is authorized to represent the Property Owner and is its designated representative to petition the Board of Directors (the "Board ") of the Jurupa Area Recreation and Park District (the "District") and to give the consent and waiver contained herein with respect to annexation of territory owned by Property Owner to Community Facilities District No. 2006-1 of the District (the "CFD") under the provisions of the Mello-Roos Community Facilities Act of 1982 (the "Act"), being Chapter 2.5 of Part 1 of Division 2 of title 5 (commencing with Section 53311) of the California Government Code.

2. The undersigned hereby certifies that as of the date indicated opposite his signature, the Property Owner is the owner of the property within the proposed boundary of the CFD identified as Riverside County Assessor's Parcel Nos. 181-041-015 (the "Property").

3. The undersigned, pursuant to Section 53318 of the Act, hereby requests that proceedings be commenced (i) to annex the Property to the CFD for the purpose of financing the services provided within the CFD on the Property and (ii) to establish or amend the appropriations limit for the CFD.

4. In accordance with the provisions of the Act, and specifically Sections 53326(a) and 53327(b) thereof allowing certain time and conduct requirements relative to a special landowner election to be waived with the unanimous consent of all the landowners to be included in a community facilities district and concurrence of the election official conducting the election, the undersigned (i) expressly consents to the conduct of the special election at the earliest possible time following the adoption by the Board of a Resolution of Annexation, annexing the Property to the CFD and (ii) expressly waives any requirement to have the special election conducted within the time periods specified in Section 53326 of the Act or in the California Elections Code.

5. The undersigned waives any requirement for the mailing of the ballot for the special election and expressly agrees that said election may be conducted by mailed or hand-delivered ballot to be returned as quickly as possible to the designated election official, being the office of the Board Secretary and the undersigned requests that the results of said election be canvassed and reported to the Board at the same meeting of the Board as the public hearing on the annexation to the CFD or the next available meeting.

6. The undersigned expressly waives all applicable waiting periods for the election and waives the requirement for analysis and arguments relating to the special election, as set forth in Section 53327 of the Act, and consents to not having such materials provided to the landowner in the ballot packet, and expressly waives any requirements as to the form of the ballot.


7. The undersigned expressly waives all notice requirements relating to hearings and special elections, whether by posting, publishing or mailing, and whether such requirements are found in the California Elections Code, the California Government Code or other laws or procedures, including but not limited to any notice provided for by compliance with the provisions of Section 4101 of the California Elections Code.

8. The undersigned has advanced the amount of \$5,700 to reimburse the District for its costs and expenses involved in processing the annexation of the Property into the CFD. To the extent the actual cost incurred by the District in processing such annexation exceeds the amount deposited, then Jurupa Valley Vista Rio Partners L.P. agrees to pay such additional amount upon demand. To the extent that the cost incurred by the District in processing such annexation is less than the amount deposited by Jurupa Valley Vista Rio Partners L.P., then District agrees to refund such amount to Jurupa Valley Vista Rio Partners L.P.

9. The Housing Authority of the County of Riverside, by execution of this Petition, does hereby (a) authorize Jurupa Valley Vista Rio Partners L.P. to take all further actions as may reasonably be required, including casting of any ballots, waiving of any notice or other provision and execution of any and all documents required for the Annexation of the Property into CFD 2006-1, and (b) consents to the placement of the special tax lien against the Property that will result from the annexation of the Property.

IN WITNESS WHEREOF, I hereunto set my hand this \_\_\_ day of \_\_\_\_\_, 2016.

Jurupa Valley Vista Rio Partners LP, a California limited partnership  
By: PC Jurupa Valley Vista Rio Developers LLC, a California limited liability  
company its administrative general partner  
By: Palm Communities, a California corporation  
its sole member/manager  
By: Danavon L. Horn, President

By:   
Name: DANAVON L. HORN  
Title: President

HOUSING AUTHORITY OF THE  
COUNTY OF RIVERSIDE

By: \_\_\_\_\_  
Name: HEIOL MARSHALL  
Title: DEPUTY EXECUTIVE DIRECTOR

FILED IN THE OFFICE OF THE DISTRICT SECRETARY OF THE JURUPA  
AREA PARK AND RECREATION DISTRICT THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2016.

By: \_\_\_\_\_

Jurupa Area Recreation and Park District

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ORDINANCE NO. 02-2014

**AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE JURUPA AREA RECREATION AND PARK DISTRICT LEVYING SPECIAL TAXES WITHIN THE JURUPA AREA RECREATION AND PARK DISTRICT, COMMUNITY FACILITIES DISTRICT NO. 2006-1, INCLUDING ANNEXATION 2 AREA**

**THE BOARD OF DIRECTORS OF THE JURUPA AREA RECREATION AND PARK DISTRICT HEREBY RESOLVES, DETERMINES AND ORDAINS AS FOLLOWS:**

1. Authority; the Board of Directors (the "Board") of the Jurupa Area Recreation and Park District (the "Park District") conducted proceedings under and pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982," being Chapter 2.5, Part 1, Division 2, Title 5 (beginning with Section 53311) of the Government Code of the State of California (the "Act"), to form its Community Facilities District No. 2006-1 (the "Community Facilities District"), to authorize a special tax to finance certain public services, and to establish the appropriations limit for the Community Facilities District, all as set forth in the Board's Resolution No.s 2006-26 and 2006-27 (the "Resolution of Formation" and "Resolution calling Election," respectively) each adopted on September 14, 2006; and

Pursuant to a special mailed-ballot election conducted on September 19, 2006, the Board was authorized to levy the special tax within the Community Facilities District; and

The Boundary Map of the Community Facilities District was recorded on August 21, 2006 as Document No. 2006-0616250 in the Book of Maps of Assessment and Community Facilities Districts maintained by the County Recorder of the County of Riverside in Book 67 at Page 58; and

The Board now intends to annex territory to the Community Facilities District ("Annexation 2"); and

There has been delivered to the Clerk of the Board a map entitled "Annexation Map No. 2 of Community Facilities District No. 2006-1 of Jurupa Area Recreation and Park District, County of Riverside, State of California" (the "Annexation Map"), a copy of which has been properly recorded as required by the Act; and



The land proposed to be annexed to the Community Facilities District (the "Annexation Area") is that land within the boundaries shown on the Annexation Map.

On June 26, 2014, the Board adopted its Resolution No. 2014- 10 Declaring its intention to annex the Annexation Area to the CFD, and setting August 14, 2014 as the date for a public hearing on the matter.

2. Public Hearing. On August 14, 2014, this Board held noticed public hearings as required by the Act and the Resolution of Intention relative to the determination to proceed with the annexation to the CFD and the rate and method of apportionment of the special tax to be levied within the Annexation Area to finance the costs of the public services within the Annexation Area. At the public hearings, all persons desiring to be heard on all matters pertaining to the annexation to the CFD and the levy of the special taxes were heard, substantial evidence was presented and considered by this Board and a full and fair hearing was held.

3. Subsequent Resolutions. On August 14, 2014, following the public hearing, this Board adopted the following resolutions: a resolution entitled "RESOLUTION OF THE BOARD OF DIRECTORS OF THE JURUPA AREA RECREATION AND PARK DISTRICT, ORDERING THE ANNEXATION OF TERRITORY TO ITS COMMUNITY FACILITIES DISTRICT NO. 2006-1, SUBJECT TO VOTER APPROVAL- JURUPA AREA RECREATION AND PARK DISTRICT, Community Facilities District No. 2006-1 (ANNEXATION 2) (the "Resolution of Annexation"), which annexed the Annexation Area to the CFD and defined the public services to be funded by the CFD (the "Services"); and a resolution entitled "RESOLUTION OF THE BOARD OF DIRECTORS OF THE JURUPA AREA RECREATION AND PARK DISTRICT CALLING SPECIAL ELECTION" (the "Election Resolution") submitting the propositions of the levy of the special tax and the approval of an annual appropriations limit to the qualified electors of the Annexation Area as required by the Act.

4. Special Election. Pursuant to the Election Resolution, on August 14, 2014, a special election was held within the Annexation Area at which the eligible landowner electors approved such propositions by more than the two-thirds vote required by the Act.

5. Levy of Special Taxes. By the passage of this Ordinance this Board hereby authorizes and levies special taxes within the CFD pursuant to the Act, at the rate and in accordance with the formula (the "Rate and Method") set forth in the Resolution of Formation, and the Resolution of Annexation, both of which are by this reference incorporated herein. The

special taxes are hereby levied in the Annexation Area starting in Fiscal Year 2014-15 and continuing until a notice of cessation is recorded.

6. Determination of Special Tax Rate. The General Manager, or his designee is hereby authorized and directed each fiscal year to determine the specific special tax rate and amount to be levied for each parcel of real property within the CFD, in the manner and as provided in the Resolution of Formation, the Resolution of Annexation and the Rate and Method.

7. Exemption from Special Taxes. Except as may otherwise be provided by law or by the Rate and Method, properties or entities of the State, federal or local governments shall be exempt from any levy of the special taxes. In no event shall the special taxes be levied on any parcel within the CFD or the Annexation Area in excess of the maximum tax specified in the Resolution of Formation, the Resolution of Annexation and the Rate and Method.

8. Use of Special Tax Collections. All of the collections of the special tax shall be used as provided for in the Act and in the Resolution of Formation including, but not limited to, the payment of the costs of the Services, the payment of the costs of the District in administering the CFD, and the costs of collecting and administering the special tax.

9. Manner of Collection. The special taxes shall be collected in the same manner as ordinary ad valorem taxes are collected and shall have the same lien priority, and be subject to the same penalties and the same procedure and sale in cases of delinquency as provided for ad valorem taxes; provided, however, that the General Manager is hereby authorized to collect the special taxes by other appropriate methods of collection, including direct billing to the affected property owners at such intervals deemed appropriate.

10. Severability. If for any reason any portion of this Ordinance is found to be invalid, or if the special tax is found inapplicable to any particular parcel within the CFD or the Annexation Area, by a court of competent jurisdiction, the balance of this Ordinance and the application of the special tax to the remaining parcels within the CFD shall not be affected, and to the extent the provisions of this Ordinance are enforceable by resolution, the Board declares this Ordinance to be its resolution for such purposes..

11. Execution and Publication. The Chairman shall sign this Ordinance and the Board Clerk shall cause this Ordinance to be published within 15 days after its passage at least once in a newspaper of general circulation published and circulated in the District.

12. Effective Date. This Ordinance shall take effect 30 days from the date of final passage.

\* \* \* \* \*

Adopted by the Board of Directors at a regular meeting held on the August 14, 2014,  
by the following vote:

AYES: *S. Anderson, D. Dean, R. Anderson, R. Marchi, G. Zygo.*

NOES:

ABSTAIN:

ABSENT:

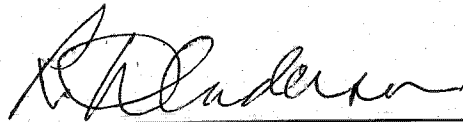
ATTEST:

APPROVED:



Board Clerk

(SEAL)



Chairman