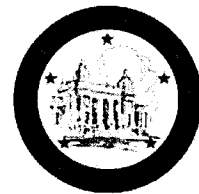


**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM: 3.6  
(ID # 10900)

**MEETING DATE:**

Tuesday, February 25, 2020


**FROM:** ECONOMIC DEVELOPMENT AGENCY (EDA):

**SUBJECT:** ECONOMIC DEVELOPMENT AGENCY (EDA): Approval of First Amendment to Ground Lease Agreement and Grant of Easements By and Between the County of Riverside and Riverside Cedar Glen Partners II LP for Cedar Glen Phase 2 Apartments Located in the City of Riverside; District 1 [\$0]; CEQA Exempt

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

1. Find that the First Amendment to Ground Lease Agreement and Grant of Easements does not constitute a project under California Environmental Quality Act (CEQA) general rule or "common sense" exemption of Section 15061(b)(3) pursuant to state CEQA Guidelines Section;
2. Approve the attached First Amendment to Ground Lease Agreement and Grant of Easements By and Between the County of Riverside and Riverside Cedar Glen Partners II LP for Cedar Glen Phase 2 Apartments Located in the City of Riverside;

**ACTION:Policy**

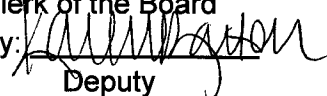
  
Heidi Marshall, Managing Director of EDA 2/10/2020

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**MINUTES OF THE BOARD OF SUPERVISORS**

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

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt  
Nays: None  
Absent: None  
Date: February 25, 2020  
xc: EDA

Keçia R. Harper  
Clerk of the Board  
By:   
Deputy

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

3. Authorize the Chairman of the Board of Supervisors to execute the attached Amended and Restated Ground Lease Agreement and Grant of Easements By and Between the County of Riverside and Riverside Cedar Glen Partners II LP; and
4. Authorize the Managing Director, or designee, to take all necessary steps to implement the Amended and Restated Ground Lease Agreement and Grant of Easements By and Between the County of Riverside and Riverside Cedar Glen Partners II LP, including, but not limited to, signing subsequent necessary and relevant documents, subject to approval by County Counsel.

<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>	\$ 0	\$ 0	\$ 0	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS:</b>			<b>Budget Adjustment:</b>	<b>No</b>
			<b>For Fiscal Year:</b>	19/20

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

**BACKGROUND:**

**Summary**

On July 3, 2012, the Board of Supervisors approved that certain Ground Lease Agreement by and between the County of Riverside and Riverside Cedar Glen Partners LP, a California limited partnership and developer of real property located on approximately 9.72 acres of county-owned land at the corner of 9886 County Farm Road and 3990 Reynolds Road in the City of Riverside, State of California and also referred to as Assessor Parcel Numbers 145-260-011 and 145-260-020. The property was planned for two phases of development to include up to 102 multifamily affordable housing units with a component for mental health services.

On February 26, 2013, the Board of Supervisors approved that certain Ground Lease Termination Agreement and concurrently approved a new bifurcated Ground Lease Agreement and Grant of Easements for Phase 1 and Phase 2. Phase 1 was completed on April 19, 2014 consisting of 51 units. Riverside Cedar Glen Partners II LP, a California limited partnership (Phase 2 Tenant) is obtaining financing for the construction and development of Phase 2 consisting of 50 units.

Owner wishes to amend Sections 2, 7, 23, 35, 44, and Exhibit "G" of the Ground Lease agreement for Phase 2 to revise the tax ownership, description of the off-site improvements to be performed on Reynolds Road and County Farm Road, reversionary interests, limited partner cure rights, notices and the exhibit showing location of off-site improvements.

Pursuant to the California Environmental Quality Act and State CEQA Guidelines (CEQA), the First Amendment to Ground Lease Agreement and Grant of Easements does not constitute a

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

project under general rule or "common sense" exemption of Section 15061(b)(3). As the jurisdiction exercising land use control over the property, the City of Riverside will be the lead agency for purposes of CEQA. Approval by the County of Riverside of the First Amendment to Ground Lease Agreement and Grant of Easements will not result in any physical change to the environment.

County Counsel has reviewed and approved to form the attached First Amendment to Ground Lease Agreement and Grant of Easements, including all attachments. Staff recommends that the Board approve the First Amendment to Ground Lease Agreement and Grant of Easements, including all attachments.

**Impact on Residents and Businesses**

The proposed project will create temporary construction jobs and bring much needed quality affordable housing in the City of Riverside.

**SUPPLEMENTAL:**


**Additional Fiscal Information**

No general funds will be used for this agreement. Phase 2 Tenant will bear its own costs and expenses incurred, or to be incurred, in connection with the development, construction and operation of the proposed project.

**Attachments:**

- First Amendment to Ground Lease Agreement and Grant of Easements

RF:HM:CH:MW:JG:mm MT #10900

  
Steven Atkeson 2/11/2020

  
Gregory F. Priamos, Director County Counsel 2/11/2020

NO FEE FOR RECORDING PURSUANT  
TO GOVERNMENT CODE SECTION 6103

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

County of Riverside  
Economic Development Agency  
5555 Arlington Avenue  
Riverside, CA 92504  
Attn.: \_\_\_\_\_

SPACE ABOVE THIS LINE FOR RECORDERS USE

FIRST AMENDMENT TO GROUND LEASE AGREEMENT AND GRANT OF EASEMENTS

THIS FIRST AMENDMENT TO GROUND LEASE AGREEMENT AND GRANT OF EASEMENTS (hereinafter referred to as this "First Amendment") is entered into on this \_\_\_\_\_ day of March, 2020 (the "Effective Date"), by and between the County of Riverside, a political subdivision of the State of California (hereinafter referred to as the "County") and Riverside Cedar Glen Partners II LP, a California limited partnership (hereinafter referred to as "RCGP IILP")

WHEREAS, County and RCGP IILP entered into that certain Ground Lease Agreement and Grant of Easements dated as of February 26, 2013 and recorded in the Official Records of the County of Riverside on March 3, 2013 as Instrument No. 2013-0113054 (hereinafter referred to as the "Ground Lease") pursuant to which County leased to RCGP IILP approximately 3.77 of County owned real property located at 9886 County Farm Road in the City of Riverside, as more particularly describe in the attached **Exhibit "A"**; and

WHEREAS, Section 7.A. of the Ground Lease requires that RCGP IILP construct certain off-site improvements to improve certain portions of Reynolds Road and County Farm Road as depicted in **Exhibit G** of the Ground Lease; and

WHEREAS, County and RCGP IILP wish to amend Section 7.A. through this First Amendment to revise the description of the off-site improvements to be performed on Reynolds Road and County Farm Road.

NOW, THEREFORE, BE IT RESOLVED found and determined that for the mutual promise contained herein, the parties hereto hereby agree as follows:

1. Tax Ownership. Section 2 of the Ground Lease is hereby amended by adding a new subclause D as follows:

D. Tax Ownership. At all times during the Term of this Lease, (a) RCGPIILP shall be deemed the sole owner of the Project and shall have the right to alter, improve and modify the improvements without County's consent, (b) RCGPIILP shall be entitled to all of the tax attributes of ownership including, without limitation, the right to claim depreciation or cost recovery deductions and the right to claim the low-income housing tax credit described in section 42 of the Internal Revenue Code of 1986, as amended, and (c) RCGPIILP shall have the right to amortize capital costs to claim any other federal or state tax benefits attributable to the Project.

2. Off-Site Improvements. Section 7.A. of the Ground Lease is hereby deleted and replaced with the following:

### **7. OFF-SITE IMPROVEMENTS BY RCGPIILP**

A. In conjunction of construction of the Project, RCGPIILP, at its expense shall construct or cause to be constructed, off-site improvements in accordance with plans approved by the City, which shall be subject to the approval of the County, which approval shall not be unreasonably withheld, delayed or conditioned. Such off-site improvements shall include construction of street improvements on County Farm Road from Harrison Street to just West of Reynolds Road, as depicted in **Exhibit "G"** attached hereto, subject to the County's reasonable standards and approval. The improvements shall include removal of the existing asphalt pavement from the existing edge of gutter on the north side of the County Farm Road to the existing edge of gutter on the southside of the street. All existing curb and gutter, existing driveways, existing hardscape, and any other improvement beyond the curb and outside the proposed improvement area shall remain in place. The removed pavement will be replaced with 4 inches of Asphalt over 6.5 inches of Class II aggregate base. In addition, to the extent desired by the parties, the County shall, in conjunction with the commencement of the Project, grant a temporary right of entry to RCGPIILP over and across the real property depicted on **Exhibit "G"** to cause construction of the improvements to Country Farm Road in accordance with the minimum requirements and standards established by the City for City-owned public streets and roadways (as of the date of commencement of construction of the Project). Such off-site improvements also include the development and installation of landscaping on the Adjacent Property, as more particularly described in **Section 11** herein.

3. Reversionary Interests. Section 23 of the Ground Lease is hereby deleted and replaced with the following:

### **23. REVERSIONARY INTERESTS**

In the event of any breach or default of this Lease, by RCGPIILP, including any of the obligations related to the construction and/or use of the easements granted by the County, and upon the expiration of any applicable period of time to cure the default, or at the expiration of the Term of this Lease, any leasehold interest in the land which is the subject of this Lease shall revert back to the County and interests in any buildings and

improvements to the land shall become the property of the County. RCGPIILP shall execute all documents necessary to release such easements, including, but not limited to any Quitclaim Deed(s) necessary to allow County to retain ownership and clear title to the real property subject to the Grant of Easements.

Notwithstanding the foregoing, RCGPIILP shall not be obligated to indemnify the County against loss resulting from the gross negligence or willful misconduct of the County.

4. Limited Partner Cure Rights. Section 35(A)(10) of the Ground Lease is hereby deleted and replaced with the following:

(10) Any limited partners of RCGPIILP shall have the same rights as any Lender authorized under subparagraphs (3) through (7) of this Section 35(A) of this Lease and any reference to a lender in subparagraphs (3) through (7) of this Section 35(A) shall be deemed to include such limited partners irrespective of whether such limited partner has a loan outstanding.

5. Notices. Section 44 of the Ground Lease is hereby amended by adding the following addresses:

If to the limited partner of RCGPIILP:

Boston Capital Direct Placement, A Limited Partnership  
c/o Boston Capital Partners, Inc.  
One Boston Place, 21<sup>st</sup> Floor  
Boston, MA 02108  
Attn: Asset Management (Cedar Glen II)

And to:

Holland & Knight LLP  
10 St. James Avenue, 11<sup>th</sup> Floor  
Boston, MA 02116  
Attn: Jennifer C. Whalen, Esq.

6. Revised Exhibit G. Exhibit G to the Ground Lease is deleted and replaced with the new **Exhibit "G"** attached hereto.

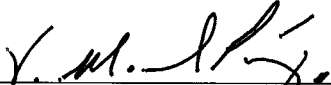
7. No Other Changes, Consistency. Notwithstanding any changes and deletions contained herein, all other provisions of the Lease remain the same. In the event of any conflict between the terms of the Ground Lease and this First Amendment, the terms of this First Amendment shall govern.

8. Effectiveness. This First Amendment shall be effective as of the date of recordation in the Official Records of the County of Riverside.

IN WITNESS WHEREOF, authorized representatives of the RCGPIILP and the County have duly executed this First Amendment to Ground Lease as of the day and year first above written.

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

**RIVERSIDE CEDAR GLEN PARTNERS LP**, a California limited partnership

By:   
**V. MANUEL PEREZ**  
Chairman Board of Supervisors

By: PC RIVERSIDE DEVELOPERS LLC, a California limited liability company, its administrative general partner

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

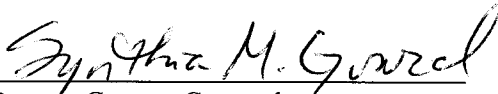
By: \_\_\_\_\_  
Danavon Horn, President

By: LAS PALMAS HOUSING & DEVELOPMENT CORPORATION, a California nonprofit public benefit corporation, its managing general partner

By: \_\_\_\_\_  
Joseph M. Michaels, President

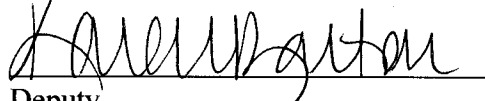
APPROVED AS TO FORM:

Gregory P. Priamos  
County Counsel

By:   
chief Deputy County Counsel  
**SYNTHIA M. GUNZEL**

ATTEST:

Kecia Harper  
Clerk of the Board

By:   
Deputy

IN WITNESS WHEREOF, authorized representatives of the RCGPILP and the County have duly executed this First Amendment to Ground Lease as of the day and year first above written.

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

**RIVERSIDE CEDAR GLEN PARTNERS LP**, a California limited partnership

By: \_\_\_\_\_  
Chairman Board of Supervisors

By: PC RIVERSIDE DEVELOPERS LLC,  
a California limited liability company,  
its administrative general partner

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

By:   
Danavon Horn, President

By: LAS PALMAS HOUSING &  
DEVELOPMENT  
CORPORATION, a California  
nonprofit public benefit corporation,  
its managing general partner

By: \_\_\_\_\_  
Joseph M. Michaels, President

APPROVED AS TO FORM:

\_\_\_\_\_  
County Counsel

By: \_\_\_\_\_  
Deputy County Counsel

ATTEST:

\_\_\_\_\_  
Clerk of the Board

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



IN WITNESS WHEREOF, authorized representatives of the RCGPIILP and the County have duly executed this First Amendment to Ground Lease as of the day and year first above written.

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

**RIVERSIDE CEDAR GLEN PARTNERS LP**, a California limited partnership

By: \_\_\_\_\_  
Chairman Board of Supervisors

By: PC RIVERSIDE DEVELOPERS LLC,  
a California limited liability company,  
its administrative general partner

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

By: \_\_\_\_\_  
Danavon Horn, President

By: LAS PALMAS HOUSING &  
DEVELOPMENT  
CORPORATION, a California  
nonprofit public benefit corporation,  
its managing general partner

By:   
Joseph M. Michaels, President

APPROVED AS TO FORM:

\_\_\_\_\_  
County Counsel

By: \_\_\_\_\_  
Deputy County Counsel

ATTEST:

\_\_\_\_\_  
Clerk of the Board

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.

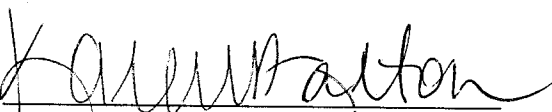
STATE OF CALIFORNIA }  
COUNTY OF RIVERSIDE } §

On February 25, 2020, before me, Karen Barton, Deputy Clerk of the Board, personally appeared V. Manuel Perez, Chairman of the Board of Supervisors, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument; and that a copy of this paper, document or instrument has been delivered to the chairperson.

I certify under the penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

Kecia R. Harper  
Clerk of the Board of Supervisors

By:   
Deputy Clerk

(SEAL)

## ACKNOWLEDGMENT

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.

State of California  
County of Orange

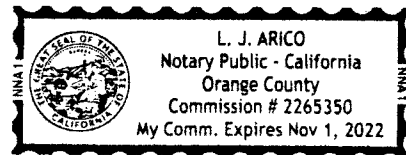
On February 5, 2020 before me, L J Arico  
(insert name and title of the officer)

personally appeared Danavon L. Horn,  
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 L J Arico (Seal)



**CALIFORNIA ACKNOWLEDGMENT**

**CIVIL CODE § 1189**

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.

State of California }  
County of San Diego }

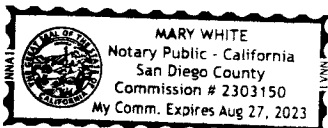
On Feb. 5, 2020 before me, Mary White, Notary Public  
Date Here Insert Name and Title of the Officer

personally appeared Joseph M. Michaels  
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature [Handwritten Signature]  
Signature of Notary Public

Place Notary Seal and/or Stamp Above

**OPTIONAL**

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_

Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_

- Corporate Officer – Title(s): \_\_\_\_\_
- Partner –  Limited  General
- Individual  Attorney in Fact
- Trustee  Guardian or Conservator
- Other: \_\_\_\_\_

Signer is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_

- Corporate Officer – Title(s): \_\_\_\_\_
- Partner –  Limited  General
- Individual  Attorney in Fact
- Trustee  Guardian or Conservator
- Other: \_\_\_\_\_

Signer is Representing: \_\_\_\_\_

EXHIBIT A  
Legal Description

Real property in the City of RIVERSIDE, County of RIVERSIDE, State of California, described as follows:

PARCEL A:

PARCEL 2 OF PARCEL MAP NO. 36442, AS SHOWN BY PARCEL MAP IN FILE IN BOOK 236, PAGES 49 THROUGH 53, INCLUSIVE, OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL B:

AN EASEMENT FOR LANDSCAPING PURPOSES AS DESCRIBED ON EXHIBIT "A-1" OF DOCUMENT ENTITLED "GROUND LEASE AGREEMENT AND GRANT OF EASEMENTS BY AND BETWEEN THE COUNTY OF RIVERSIDE AND CEDAR GLEN PARTNERS II LP, A CALIFORNIA LIMITED PARTNERSHIP, RECORDED MARCH 7, 2013 AS INSTRUMENT NO. 2013-0113054 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

APN: 009-619-205-4 (Possessory Leasehold Interest)

**EXHIBIT G**

**COUNTY FARM ROAD - LIMIT OF IMPROVEMENTS**

