

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

3. Authorize the Chair of the Board of Supervisors to execute the attached Fourth Amendment to Loan Agreement and the attached Fourth Amendment to Promissory Note; and
4. Authorize the Executive Director, or designee, to take all necessary steps to implement the Fourth Amendment to Loan Agreement and Fourth Amendment to Promissory Note, including, but not limited to signing subsequent necessary and relevant documents, subject to approval as to form 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: N/A</b>			<b>Budget Adjustment:</b>	No
			<b>For Fiscal Year:</b>	2022/23

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

**BACKGROUND:**

**Summary**

The County of Riverside (County) and the Housing Authority of the County of Riverside (Authority) entered into that certain Loan Agreement for the Use of County of Riverside General Funds dated November 24, 2014 (Loan Agreement) providing for, among things, a loan to Authority in the amount of \$1,600,000 (County Loan). The County Loan was used to pay off the outstanding principal and interest on predevelopment loans for entitlements, land carrying costs, design, architecture and engineering costs attributable to that certain real property consisting of 10.16 acres of land, located east of Arnett Road, west of Fox Ridge Lane, and south of Catt Road in the City of Wildomar (Property). The Authority currently owns the Property and is seeking financing to develop and construct an affordable housing project.

The County Loan was derived from the County's General Fund and is evidenced by that certain Promissory Note executed by Authority in favor of County dated November 24, 2014 (County Note). The County Note is secured by that certain Deed of Trust with Assignment of Rents dated on November 24, 2014, and recorded in the Official Records of the County of Riverside on December 10, 2014 as Document No. 2014-0471374. The County Loan has been fully disbursed by the County to the Authority. Authority pledged sales proceeds from the sale of certain Authority-owned properties to repay the County Loan, as more specifically discussed in the Loan Agreement. The Authority has repaid a portion of the County Loan in the amount of \$72,815.13.

The terms of expiration for both the County Loan and the Loan Agreement were amended by that certain First Amendment to Loan Agreement for the Use of County of Riverside General Funds dated March 17, 2017 (First Amendment), by that certain Second Amendment to

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Loan Agreement for the Use of County of Riverside General Funds dated November 23, 2018 (Second Amendment), and by that certain Third Amendment to Loan Agreement for the Use of County of Riverside General Funds dated August 25, 2020 (Third Amendment). The County Loan and the Loan Agreement, as amended by the First Amendment, Second Amendment and Third Amendment, expired November 24, 2022.

Due to the unanticipated extension of negotiations and due diligence periods relating to the sale of Authority-owned properties to private developers pledged to repay the County Loan, the Authority was unable to obtain the pledged disposition proceeds within the time frame originally anticipated by the parties. Palm Communities, the original affordable housing developer partner with the former Redevelopment Agency for the County of Riverside (Developer) and Authority entered into that certain Disposition, Development and Loan Agreement (DDLA) dated September 15, 2020 and recorded in the Official Records of the County of Riverside on November 6, 2020 as Document No. 2020-0549856 which proposes to build affordable housing in three separate phases and pay off the County Loan in the first phase prior to the start of construction. The project recently received tax credits and a bond allocation in November of 2022. As such, extending the term of the County Loan and Loan Agreement for an additional 7-month period is necessary to complete the sale of the properties and repay the remaining balance of the County Loan.

Authority staff recommends ratifying and approving a fourth amendment to the Loan Agreement to extend the agreement term and County Loan term for an additional 7 months, with expiration/maturity dates of June 24, 2023. Authority staff also recommends approving an amendment to the County Note to reflect the aforementioned term extensions. Amendments to the Loan Agreement and County Note are set forth in the proposed Fourth Amendment to Loan Agreement for the Use of County of Riverside General Funds and Fourth Amendment to Promissory Note, each attached. Except for the extension of the Loan Agreement term and the extension of the County Loan maturity date, all other terms and conditions of the Loan Agreement and County Note remain unmodified and in full force and effect.

The proposed action in this Form 11 involves the ratification and approval of a Fourth Amendment to the Loan Agreement and Fourth Amendment to the Promissory Note between the County and the Housing Authority of the County of Riverside. This Loan Agreement and Promissory Note were previously analyzed and determined to be exempt from CEQA by the Board of Supervisors of the County of Riverside on November 24, 2014, Minute Order 3-16; therefore, nothing further is required under CEQA. Entering into this Fourth Amendment to the Loan Agreement and Promissory Note will not result in any new significant environmental effects; the actions will not substantially increase the severity of the environmental effects; no considerably different mitigation measures have been identified; and no mitigation measures found infeasible have become feasible. This action is merely to extend the loan term of the Loan Agreement and the maturity term of the Promissory Note. As a result, no further environmental documentation is required for California Environmental Quality Act purposes.

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County Counsel has reviewed and approved the attached Fourth Amendment to Loan Agreement for the Use of County of Riverside General Funds and Fourth Amendment to Promissory Note as to form. Staff recommends that the Board approve the Fourth Amendment to Loan Agreement for the Use of County of Riverside General Funds and Fourth Amendment to Promissory Note. This is a companion item to MT#20406.

**Impact on Residents and Businesses**

No expected impact on private residents or private businesses. Extending the term of the County Loan and Loan Agreement for an additional 7-month period is necessary to complete the sale and disposal of Authority-owned properties and to allow for repayment of the County Loan.

**SUPPLEMENTAL:**

**Additional Fiscal Information**

On December 16, 2014, the Authority paid down a portion of the County Loan in the amount of \$72,815.13. The remaining loan balance as of November 2016 is approximately \$1,527,184.87.

**ATTACHMENTS:**

- Fourth Amendment to Loan Agreement for the Use of County of Riverside General Funds
- Fourth Amendment to Promissory Note

  
Brianna Lontajo, Principal Management Analyst 12/8/2022

  
Kristine Bell-Valdez, Supervising Deputy County Counsel 12/5/2022



**FOURTH AMENDMENT TO LOAN AGREEMENT FOR THE USE OF  
COUNTY OF RIVERSIDE GENERAL FUNDS**

This FOURTH AMENDMENT TO LOAN AGREEMENT FOR THE USE OF COUNTY OF RIVERSIDE GENERAL FUNDS (“Fourth Amendment”) is made and entered into as of the 23<sup>rd</sup> day of November, 2022 (“Effective Date”) by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California (“County”), and the HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public entity, corporate and politic (“Authority”) in its capacity as housing successor to the former Redevelopment Agency for the County of Riverside (“RDA”). The County and Authority may be individually referred to herein as a “Party” and collectively as the “Parties.”

**RECITALS**

WHEREAS, County and Authority entered into that certain Loan Agreement for the Use of County of Riverside General Funds dated November 24, 2014, as amended by that certain First Amendment to Loan Agreement for the Use of County of Riverside General Funds dated March 7, 2017, that certain Second Amendment to Loan Agreement for the Use of County of Riverside General Funds dated November 23, 2018, and that certain Third Amendment to Loan Agreement for the Use of County of Riverside General Funds dated August 25, 2020 (collectively, “Loan Agreement”) providing for, among other things, a loan to Authority in the amount of \$1,600,000 (“County Loan”) to pay off the outstanding principal and interest on predevelopment loans for entitlements, land carrying costs, design, architecture and engineering costs attributable to that certain real property consisting of 10.16 acres of land, located east of Arnett Road, west of Fox Ridge Lane, and south of Catt Road in the City of Wildomar, legally described in Attachment No. 1, which is attached hereto and incorporated herein by this reference (“Property”). The Property is also formerly known as the “Tres Lagos Senior Apartments”;

WHEREAS, the County Loan was derived from the County’s General Fund and is evidenced by that certain Promissory Note executed by Authority in favor of County dated November 24, 2014, as amended by that certain First Amendment to Promissory Note dated

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1 March 7, 2017, that certain Second Amendment to Promissory Note dated November 23, 2018,  
2 and that certain Third Amendment to Promissory Note dated August 25, 2020 (collectively,  
3 “County Promissory Note”), which note is secured by that certain Deed of Trust with  
4 Assignment of Rents dated November 24, 2014 and recorded in the Official Records of the  
5 County of Riverside on December 10, 2014 as Document No. 2014-0471374;

6 WHEREAS, Authority pledged sales proceeds from the sale of certain Authority-owned  
7 properties to repay the County Loan, as more specifically discussed in the Loan Agreement;

8 WHEREAS, the term of the Loan Agreement expired on November 24, 2022 and the  
9 maturity date of the County Promissory Note is November 24, 2022;

10 WHEREAS, as of the date of this Fourth Amendment the Authority has not been able to  
11 obtain the disposition proceeds necessary to repay the County Loan within the time frame  
12 agreed to by the Parties;

13 WHEREAS, due to the unanticipated extension of negotiations and due diligence  
14 periods related to the sale of Authority-owned properties to private developers the net  
15 disposition proceeds of which have been pledged to repayment of the County Loan, County and  
16 Authority desire to extend both the term of the Loan Agreement and the maturity date of the  
17 County Loan for an additional seven (7) months such that the Loan Agreement will expire on  
18 June 24, 2023 and the maturity of the County Promissory Note will also be June 24, 2023;

19 WHEREAS, extending the term of the Loan Agreement and the maturity date of the  
20 County Promissory Note for an additional seven (7) month period is necessary to complete the  
21 sale of Authority-owned properties and repay the County Loan; and

22 WHEREAS, County and Authority desire to amend the Loan Agreement to extend the  
23 agreement term and County Loan term for an additional seven (7) month period, with  
24 expiration/maturity dates of June 24, 2023, and to amend the County Promissory Note to reflect  
25 this Fourth Amendment, as more specifically set forth below.

26 NOW, THEREFORE, based upon the foregoing recitals and for good and valuable  
27 consideration, the receipt and sufficiency of which are acknowledged by all Parties, the County  
28 and Authority hereby agree as follows:



1 1. **Recitals.** The recitals and attachments referenced above are incorporated herein by this  
2 reference and adopted by the Parties to be true and correct.

3 2. **Term of County Loan.** Section 4.a. of the Loan Agreement titled, “Term,” is hereby  
4 deleted in its entirety and replaced with the following:

5 “Term. The maturity date of the County Loan shall be June 24, 2023.”

6 3. **Term of Loan Agreement.** Section 5. of the Loan Agreement titled, “Term of  
7 Agreement” is hereby deleted in its entirety and replaced with the following:

8 “TERM OF AGREEMENT. This Agreement shall become effective upon  
9 execution as more specifically discussed in **Section 26** below, and unless  
10 terminated earlier pursuant to the terms hereof, shall continue in full force and  
11 effect until June 24, 2023 (“Agreement Term”).”

12 4. **Amendment to Promissory Note.** No later than five (5) business days after the date of  
13 this Fourth Amendment, the County and Housing Authority shall execute an amendment to  
14 the County Promissory Note substantially conforming in form and substance to the Fourth  
15 Amendment to Promissory Note attached hereto as Attachment No. 2 and incorporated  
16 herein by this reference. The purpose of the Fourth Amendment to Promissory Note is to  
17 reflect the amended terms to the Loan Agreement and the County Loan maturity date set  
18 forth herein.

19 5. **Miscellaneous.**

20 a. **Interpretation.** This Fourth Amendment, when combined with the Loan  
21 Agreement, sets forth and contains the entire understanding and agreement of the Parties  
22 hereto and correctly sets forth the rights, duties and obligations of each to the other as of  
23 this date. There are no oral or written representations, understandings, or ancillary  
24 covenants, undertakings or agreements, which are not contained or expressly referred to  
25 within this Fourth Amendment or the Loan Agreement.

26 b. **Waivers; Amendments.** All waivers of the provisions of this Fourth  
27 Amendment and all amendments hereto must be in writing and signed by the appropriate  
28 authorized representatives of the County and Authority.

1           c.       **Attachments.** Each of the attachments and exhibits attached hereto are  
2 incorporated herein by this reference.

3           d.       **Effectiveness of Loan Agreement.** Except as modified and amended by  
4 this Fourth Amendment, all other terms and conditions of the Loan Agreement remain  
5 unmodified and in full force and effect.


6           e.       **Counterparts.** This Fourth Amendment may be signed by the different  
7 parties hereto in counterparts, each of which shall be an original but all of which  
8 together shall constitute one and the same agreement.

9           f.       **Effective Date.** The effective date of this Fourth Amendment is  
10 November 23, 2022.

1 IN WITNESS WHEREOF, County and Authority have executed this Fourth  
2 Amendment as of the date first above written.

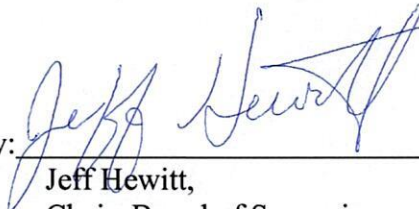
3 **AUTHORITY:**

4  
5 HOUSING AUTHORITY OF THE COUNTY  
6 OF RIVERSIDE, a public entity, corporate and  
7 politic, in its capacity as housing successor to  
8 the former Redevelopment Agency for the  
9 County of Riverside

10 By:   
11 V. Manuel Perez,  
12 Chair, Board of Commissioners

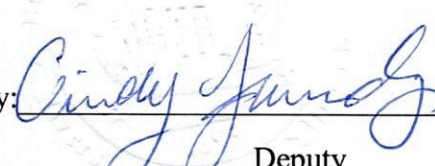
3 **COUNTY:**

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5 COUNTY OF RIVERSIDE, a political  
6 subdivision of the State of California

7  
8 By:   
9 Jeff Hewitt,  
10 Chair, Board of Supervisors

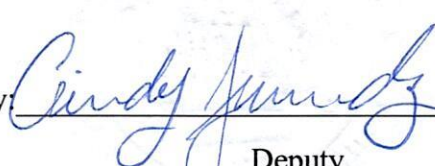
11 **ATTEST:**

12 KECIA R. HARPER  
13 Clerk of the Board

14  
15 By:   
16 Deputy

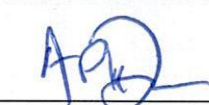
11 **ATTEST:**

12 KECIA R. HARPER  
13 Clerk of the Board

14  
15 By:   
16 Deputy


17 **APPROVED AS TO FORM:**

18 MINH C. TRAN  
19 GENERAL COUNSEL

20  
21 By:   
22 Amrit P. Dhillon  
23 Deputy General Counsel

17 **APPROVED AS TO FORM:**

18 MINH C. TRAN  
19 COUNTY COUNSEL

20  
21 By:   
22 Kristine Bell-Valdez  
23 Deputy County Counsel



ATTACHMENT NO. 1  
LEGAL DESCRIPTION OF PROPERTY

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PARCEL 1:

PARCEL 3 OF PARCEL MAP NO. 8617, AS SHOWN BY PARCEL MAP ON FILE IN BOOK 35, PAGE(S) 32 OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL 2:

ALL THAT PORTION OF PARCEL 1 AND LETTERED LOT "B" OF PARCEL MAP 9084 AS SHOWN BY MAP RECORDED IN PARCEL MAP BOOK 40 PAGE 25 OF RECORDS OF RIVERSIDE COUNTY, EXCEPTING THEREFROM THE EAST 260.00 FEET, SAID 260.00 FEET BEING MEASURED ALONG THE NORTH AND SOUTH LINES OF SAID PARCEL 1.

PARCEL 3:

PARCEL 1, 2 AND LOT B OF PARCEL MAP NO. 8617, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, RECORDED MAY 17, 1977 IN BOOK 35, PAGE 32 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 4:

THE EAST 260 FEET OF PARCEL (S) 1 OF PARCEL MAP NO. 9084, AS PER PLAT RECORDED IN BOOK 40 OF OF PARCEL MAPS, PAGE (S) 25, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, PER CERTIFICATE OF COMPLIANCE RECORDED NOVEMBER 16, 1978 AS INSTRUMENT NO. 242267, OFFICIAL RECORDS.

APN: 380-100-009-5 (Affects: Parcel 4) and 380-100-012-7 (Affects: Parcel 1) and 380-100-008-4 (Affects: Parcel 2) and 380-100-010-5 (Affects: Parcel 1 of Parcel 3) and 380-100-011-6 (Affects : Parcel 2 and Lot B of Parcel 3)



ATTACHMENT NO. 2

AMENDMENT TO PROMISSORY NOTE

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## FOURTH AMENDMENT TO PROMISSORY NOTE

This Fourth Amendment to Promissory Note (“Third Amendment to County Promissory Note”) is dated as of November 23, 2022 by 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 (“Borrower”), in favor of the COUNTY OF RIVERSIDE, a political subdivision of the State of California (“County”).

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

County and Borrower (“Authority” therein) entered into that certain Loan Agreement for the Use of County of Riverside General Funds dated November 24, 2014, as amended by that certain First Amendment to Loan Agreement for the Use of County of Riverside General Funds dated March 7, 2017 and effective November 24, 2016, and as further amended by that certain Second Amendment to Loan Agreement for the Use of County of Riverside General Funds dated November 23, 2018, and as further amended by that certain Third Amendment to Loan Agreement for the Use of County of Riverside General Funds dated August 25, 2020 and as further amended by that certain Fourth Amendment to Loan Agreement for the Use of County of Riverside General Funds effective November 23, 2022 (collectively, the “Loan Agreement”) providing for, among things, a loan to Borrower in the amount of \$1,600,000 (“County Loan”) to pay off the outstanding principal and interest on predevelopment loans for entitlements, land carrying costs, design, architecture and engineering costs attributable to that certain real property consisting of 10.16 acres of land, located east of Arnett Road, west of Fox Ridge Lane, and south of Catt Road in the City of Wildomar, legally described in Attachment No. 1 attached to the Loan Agreement (“Property”). The County Loan is evidenced by that certain Promissory Note executed by Borrower in favor of County dated November 24, 2014, as amended by that certain First Amendment to Promissory Note dated March 7, 2017 and effective November 24, 2016, and as further amended by that certain Second Amendment to Promissory Note dated November 23, 2018 (“County Promissory Note”), and as further amended by that certain Third Amendment to Promissory Note dated August 25, 2020 (“County Promissory Note”) which note is secured by that certain Deed of Trust with Assignment of Rents dated November 24, 2014 and recorded in the Official Records of the County of Riverside on December 10, 2014 as Document No. 2014-0471374.

Pursuant to the fourth amendment to the Loan Agreement, both the maturity date of the County Loan and the term of the Loan Agreement are extended an additional seven (7) months to June 24, 2023. Within that amendment, the County and the Borrower agreed to execute an amendment to the County Promissory Note to reflect the extended term of the Loan Agreement and the extended maturity date of the County Loan.

The purpose of this Fourth Amendment to County Promissory Note is as follows: (1) to amend all references to the “Loan Agreement” to include that certain Fourth Amendment to Loan Agreement for the Use of County of Riverside General Funds effective November 23, 2022, and (2) to amend the County Loan maturity date to June 24, 2023.

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II. [§ 200] EFFECT OF AMENDMENT TO COUNTY PROMISSORY NOTE

Except as expressly provided otherwise in this Fourth Amendment to County Promissory Note, the County Promissory Note remains in full force and effect, enforceable in accordance with its terms, without diminution or waiver of any kind of any right or remedy thereunder by the County or the Borrower.

III. [§ 300] AMENDMENT TO LOAN AGREEMENT DEFINITION

The second paragraph of the County Promissory Note is amended to delete the first sentence commencing with the words, "This Promissory Note ("Note")," and ending with the words, "dated November 24, 2019 (collectively the "Loan Agreement")," and replace it with the following sentence:

"This Promissory Note ("Note") is given in accordance with that certain Loan Agreement for the Use of County of Riverside General Funds executed by County and Borrower dated November 24, 2014, as amended by that certain First Amendment to Loan Agreement for the Use of County of Riverside General Funds dated March 7, 2017 and effective November 24, 2016, as further amended by that certain Second Amendment to Loan Agreement for the Use of County of Riverside General Funds dated November 23, 2018, and as further amended by that certain Third Amendment to Loan Agreement for the Use of County of Riverside General Funds dated August 25, 2020 and effective November 24, 2019, and as further amended by that certain Fourth Amendment to Loan Agreement for the Use of County of Riverside General Funds effective November 23, 2022 (collectively the "Loan Agreement")."

IV. [§ 400] MATURITY DATE

Clause (5) of the second paragraph of the County Promissory Note is hereby deleted in its entirety and replaced with the following:

"(5) The maturity date of this Note shall be June 24, 2023."

V. [§ 500] DUPLICATE ORIGINALS

This Fourth Amendment to County 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.

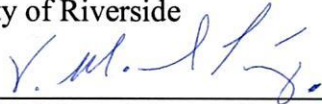
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[Signatures on Following Page]

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

**BORROWER:**

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:   
V. Manuel Perez, Chair  
Board of Commissioners

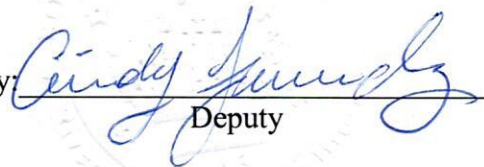
**COUNTY:**

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

By:   
Jeff Hewitt, Chair  
Board of Supervisors

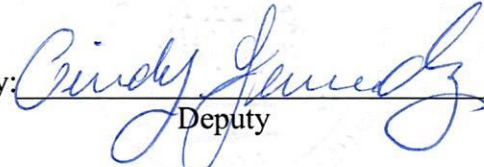
**ATTEST:**

KECIA R. HARPER  
Clerk of the Board

By:   
Deputy


**ATTEST:**

KECIA R. HARPER  
Clerk of the Board

By:   
Deputy


**APPROVED AS TO FORM:**

MINH C. TRAN  
GENERAL COUNSEL

By:   
Amrit P. Dhillon  
Deputy General Counsel

**APPROVED AS TO FORM:**

MINH C. TRAN  
COUNTY COUNSEL

By:   
Kristine Bell-Valdez  
Deputy County Counsel