

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



**ITEM: 3.19**  
(ID # 19361)

**MEETING DATE:**  
Tuesday, July 11, 2023

**FROM :** HOUSING AND WORKFORCE SOLUTIONS:

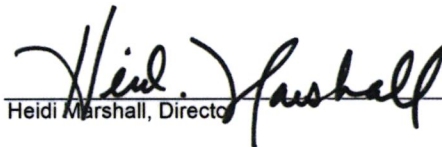
**SUBJECT:** HOUSING AND WORKFORCE SOLUTIONS (HWS): Approve the Form of the Loan Agreement for the Use of Neighborhood Stabilization Program Funds and Authorize the Director of HWS to Execute NSP1 Loan Agreement, Covenant Agreement, and Subsequent Subordination Agreement with Habitat for Humanity Inland Valley, Inc., for the Habitat Way II Affordable Housing Project; District 3. [\$1,379,087 – 100% Neighborhood Stabilization Program 1 Funds] (4/5 Vote Required)

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

1. Affirm the Finding of No Significant Impact adopted by the Board of Supervisors on March 30, 2021 for the project concluding that the project is not an action which may affect the quality of the environment pursuant to the provisions of the National Environment Policy Act of 1969 (NEPA) and under the implementing regulations at 24 CFR Parts 50 and 58;

Continued on Page 2

**ACTION:Policy, 4/5 Vote Required**

  
Heidi Marshall, Director 8/18/2022

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**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Perez, seconded by Supervisor Gutierrez and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Perez and Gutierrez  
Nays: None  
Absent: Washington  
Date: July 11, 2023  
xc: HWS

Kimberly A. Rector  
Clerk of the Board

By:   
Deputy

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

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

2. Approve the allocation of approximately \$65,670 derived from Neighborhood Stabilization Program (NSP1) Funds to be used to pay direct County staff related and delivery costs for the Project;
3. Approve and direct the Auditor-Controller to make the budget adjustments on the attached Schedule A;
4. Approve the attached forms of the Loan Agreement for the Use of Neighborhood Stabilization Program Funds (Habitat Way II Housing Project), including all attachments thereto (NSP1 Loan Agreement), the NSP1 Loan Deed of Trust, Security Agreement and Fixture Filing, the NSP1 Loan Promissory Note, and the NSP1 Covenant Agreement, providing a loan derived from the NSP1 Allocation to pay new construction and development costs for the Habitat Way II Affordable Housing Project for the construction of six (6) single family infill homes in the City of Temecula;
5. Authorize the Director of the Housing and Workforce Solutions (HWS), or designee, to execute an NSP1 Loan Agreement and NSP1 Covenant Agreement with Habitat for Humanity Inland Valley, Inc., each substantially conforming in form and substance to the attached NSP1 Loan Agreement and NSP1 Covenant Agreement, to provide a loan in the total amount of \$1,313,417 with the term commencing upon signature of the parties and terminating twenty-four (24) months from the recordation of the NSP1 Loan Agreement, subject to approval as to form by County Counsel;
6. Authorize the Director of HWS, or designee, to take all necessary steps to implement the NSP1 Loan Agreement, including but not limited to, signing subsequent necessary and relevant documents, subject to approval as to form by County Counsel; and
7. Authorize the Director of the HWS, or designee, to negotiate and execute a Subordination Agreement subordinating the NSP1 Loan Deed of Trust to a Deed of Trust for the benefit of the City of Temecula, 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>	\$1,379,087	\$ 0	\$1,379,087	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS: Neighborhood Stabilization Program 1 Funds (100%)</b>			<b>Budget Adjustment:</b>	Yes
			<b>For Fiscal Year:</b>	2023/24

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

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

**BACKGROUND:**

**Summary**

Habitat for Humanity Inland Valley, Inc., a nonprofit public benefit corporation and an affordable housing developer (Habitat), is requesting a loan from the County of Riverside (County) in the amount of \$1,313,417 from Neighborhood Stabilization Program 1 (NSP1) funds for the development and construction of six (6) single family townhome units in the City of Temecula. The NSP1 funds were obtained by the County from the United States Department of Housing and Urban Development (HUD). The proposed project will be located on approximately 0.46 acres of real property located at 28725 and 28731 Pujol Street in the City of Temecula, Riverside County, CA, also identified as Assessor's Parcel Numbers 922-062-010 and 922-062-016 (Project Site). Each single-family townhome unit will be approximately 1,255 square feet and have 3 bedrooms and 2.5 bathrooms. The homes will be sold to and occupied by qualified very-low and/or low-income first time homebuyers within the designated NSP1 target area in the City of Temecula as defined in the County of Riverside's 2008-2009 One Year Action Plan and its amendments. In addition, income shall not exceed 80% area median income (AMI) for Riverside County. The occupancy of the NSP1-assisted units will be income restricted for a period of at least 15 years. The maximum purchase price shall not exceed \$551,000 for new homes. In addition, the purchase price of property shall not exceed the appraised value of the property.

The terms of the proposed NSP1 loan are set forth in the attached proposed Loan Agreement for the Use of Neighborhood Stabilization Program Funds to be entered into between the County and Habitat (NSP1 Loan Agreement). The proposed NSP1 loan in the amount of \$1,313,417 will be evidenced by a Promissory Note and secured by a Deed of Trust, forms of which are attached as exhibits to the NSP1 Loan Agreement. Provided Habitat is not in default under the NSP1 Loan Agreement, once each single-family townhome unit is sold to a qualified household, the Promissory Note will be terminated, the Deed of Trust will be partially reconveyed, the NSP1 loan will convert to a grant, and a Covenant Agreement restricting ownership of the property to a qualified homebuyer will be recorded.

Staff recommends approval of NSP1 funds for the Project to pay acquisition and development costs for the Project and direct project staffing and delivery costs in an amount not to exceed 5% of NSP1 funds approved for the Project as follows:

Project Costs	\$1,313,417	NSP1 Loan Agreement
<u>Staff and Delivery Costs</u>	<u>\$ 65,670</u>	Direct Project Staffing and Delivery Costs (5%)
Total	\$1,379,087	

A Finding of No Significant Impact was adopted by the Board of Supervisors on March 30, 2021 (Agenda Item 3.11) for the Project concluding that the Project is not an action which may affect the quality of the environment pursuant to the provisions of the National Environment Policy Act of 1969 (NEPA) and under the implementing regulations at 24 CFR Parts 50 and 58.

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,  
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County Counsel has reviewed and approved as to form the attached NSP1 Loan Agreement, including all exhibits. Staff recommends that the Board approve the attached NSP1 Loan Agreement.

**Impact on Residents and Businesses**

Approving this item will have a positive impact on the citizens and businesses in the City of Temecula and the County of Riverside. The Proposed Project is expected to generate temporary construction and provide affordable housing for residents of the City of Temecula and the County of Riverside.

**SUPPLEMENTAL:**

**Additional Fiscal Information**

No impact upon the County's General Fund; the County's contribution to the project will be fully funded with NSP1 funds from HUD. Project budget sources and uses are listed and attached in Exhibit A of the Loan Agreement.

**Attachments:**

- Loan Agreement for the Use of Neighborhood Stabilization Program 1 Funds
- Schedule A
- Site Plan

  
\_\_\_\_\_  
Heydee Koury, Sr Accountant - Auditor 6/29/2023

  
\_\_\_\_\_  
Brianna Lontajo, Principal Management Analyst 7/5/2023

  
\_\_\_\_\_  
Kristine Bell-Valdez, Supervising Deputy County Counsel 6/28/2023

1 NO FEE FOR RECORDING PURSUANT  
2 TO GOVERNMENT CODE SECTION 6103

3 Order No.  
4 Escrow No.  
5 Loan No.

6 RECORDING REQUESTED BY AND  
7 WHEN RECORDED MAIL TO:

8 County of Riverside  
9 Housing and Workforce Solutions  
10 3403 10<sup>th</sup> Street, Suite 300  
11 Riverside, CA 92501  
12 Attn: Juan Garcia

13 SPACE ABOVE THIS LINE FOR RECORDER'S USE

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**LOAN AGREEMENT FOR THE USE OF  
NEIGHBORHOOD STABILIZATION PROGRAM FUNDS  
(Habitat Way II Housing Project)**

This LOAN AGREEMENT FOR THE USE OF NEIGHBORHOOD STABILIZATION PROGRAM FUNDS (“Agreement”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2023 by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California (“COUNTY”) and HABITAT FOR HUMANITY INLAND VALLEY, INC., a California nonprofit public benefit corporation (“BORROWER” or “HFHIV”). The COUNTY and BORROWER may be individually referred to herein as a “Party” and collectively as the “Parties.”

RECITALS:

**WHEREAS**, the Neighborhood Stabilization Program (“NSP1”), which was enacted under Title III of Division B of the Housing and Economic Recovery Act of 2008 (“HERA”) and appropriated under Community Development Block Grant (CDBG), was created under the heading of Emergency Assistance for Redevelopment of Abandoned and Foreclosed Homes for the purpose of assisting in the redevelopment of abandoned or foreclosed homes. The intent of NSP1 is to stabilize neighborhoods in areas with greatest need and stem the decline of house values of neighboring homes;

**WHEREAS**, COUNTY has qualified as an “Urban County” for purposes of receiving CDBG funds, including NSP1 funds, which are to be used to assist and undertake

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**WHEREAS**, COUNTY has qualified as an "Urban County" for purposes of receiving CDBG funds, including NSP1 funds, which are to be used to assist and undertake

1 essential community development and housing assistance activities pursuant to the Housing  
2 and Community Development Act of 1974, Title I, as amended, Public Law 93-383 (“Act”);

3           **WHEREAS**, BORROWER is eligible under NSP1 to apply and receive NSP1  
4 funds to perform those activities described herein;

5           **WHEREAS**, program income is defined as, proceeds from the sale, minus  
6 transaction costs, fees, and purchase price assistance for the first-time homebuyer (“Program  
7 Income”);

8           **WHEREAS**, BORROWER has proposed to utilize NSP1 Program Income funds  
9 for the acquisition, construction, and sale of six (6) single family townhome units for qualified  
10 low-income (collectively, “LI”) and very low-income (“VLI”) first-time homebuyers in the  
11 County of Riverside (“Project”) as described in **Exhibit A** which is attached hereto and by this  
12 reference incorporated herein;

13           **WHEREAS**, construction of homes (“Assisted Units”) must occur inside areas  
14 of greatest need within the designated Target Areas of the County of Riverside as defined in  
15 the COUNTY’s 2008-2009 One Year Action Plan (“Action Plan”) and its amendments;

16           **WHEREAS**, Assisted Units must be sold to Qualified Homebuyers (as defined  
17 in **Section 23**);

18           **WHEREAS**, the NSP1-assisted activities described herein comply with the  
19 objectives in the Action Plan as required under NSP1;

20           **WHEREAS**, the NSP1-assisted activities described herein are consistent with  
21 the COUNTY’s Consolidated Plan and Action Plan;

22           **WHEREAS**, COUNTY desires to lend BORROWER up to \$1,313,417 in  
23 Program Income to be used to pay project costs, as more specifically set forth below.

24           **NOW, THEREFORE**, the COUNTY and BORROWER mutually agree as  
25 follows:

26           1.     **PURPOSE**. The COUNTY agrees to lend up to ONE MILLION THREE  
27 HUNDRED THIRTEEN THOUSAND FOUR HUNDRED SEVENTEEN Dollars  
28 (\$1,313,417.00) (“NSP1 Loan”) of NSP1 Program Income funds to BORROWER upon the

1 terms and conditions set forth herein. BORROWER will borrow the NSP1 funds from the  
2 COUNTY for individual financing of acquisition, new construction, and disposition of each  
3 Assisted Unit of the Project. BORROWER promises and agrees to undertake and assist with  
4 the NSP1-assisted activities by utilizing such NSP1 Program Income funds as identified in  
5 **Exhibit A**.

6 2. BORROWER'S OBLIGATIONS. BORROWER hereby agrees to  
7 undertake and complete the following activities, subject to this Agreement and its receipt of the  
8 NSP1 funds:

- 9 a. Timeline. Carry out the Project in accordance with the timeline  
10 set forth in **Exhibit A** with an option to extend in writing for six  
11 months if necessary.
- 12 b. Recordation. BORROWER shall, upon the sale of each Assisted  
13 Unit (defined in **Section 22** below) of the Project, execute and  
14 record a Covenant Agreement ("Covenant") on each of the  
15 Assisted Units. The Covenant shall substantially conform in form  
16 and substance to the form of Covenant attached hereto as **Exhibit**  
17 **G** and incorporated herein by this reference and is subject to  
18 County Counsel approval as to form. BORROWER shall execute  
19 and record a Deed of Trust and execute a Promissory Note  
20 securing the NSP1 Loan.
- 21 c. Permits and Environmental Compliance. Before commencement  
22 of construction or other works of improvement upon an Assisted  
23 Unit, BORROWER shall secure or cause to be secured any and all  
24 permits and approvals which may be required for construction of  
25 such Assisted Unit pursuant to the applicable rules and  
26 regulations of the County and any other governmental agency  
27 affected by such construction of work. BORROWER shall  
28 comply with all applicable environmental laws including, but not



1 limited to the California Environmental Quality Act; National  
2 Environmental Policy Act, apply for and secure any and all  
3 necessary studies required for environmental review, as described  
4 in **Section 19**, and pay all costs, charges and fees associated  
5 therewith.

6 d. Performance. Acquire and complete construction of the Assisted  
7 Units in accordance with the timeline set forth in **Exhibit A** and  
8 **Section 26**.

9 e. Approval of Assisted Units. Submit each Assisted Unit for  
10 COUNTY review and approval of such Assisted Unit.

11 f. Compliance. Project shall remain in compliance with all  
12 applicable Federal, State and local codes, laws, regulations and  
13 ordinances as described in **Section 19**.

14 3. COUNTY'S OBLIGATIONS. The COUNTY agrees to undertake and  
15 complete the following activities, subject to its receipt of NSP1 funds from the U.S.  
16 Department of Housing and Urban Development ("HUD"):

17 a. Provide a total amount identified in **Section 1** in NSP1 Program  
18 Income funds to BORROWER for financing acquisition,  
19 predevelopment, new construction, and disposal costs of each  
20 Assisted Unit of the Project on a "cost-as-incurred" basis as  
21 described herein.

22 b. Comply with all of its obligations as participating recipient under  
23 the applicable regulations set forth under HUD regulations.

24 4. PRIOR COUNTY APPROVAL. BORROWER shall obtain COUNTY'S  
25 approval, through its Department of Housing and Workforce Solutions ("HWS"), of all items  
26 requiring such approvals as described in this Agreement.

27 5. NSP1 Loan. BORROWER shall borrow the NSP1 Program Income funds  
28 from the COUNTY for individual financing of each Assisted Unit of the Project under the

1 following terms and conditions:

- 2 a. Term. This Agreement shall become effective upon the Effective  
3 Date, as defined in **Section 53**, and shall continue in full force and  
4 effect for a period of twenty-four (24) months (the “Term”).
- 5 b. Principal. The principal of that portion of the NSP1 Loan  
6 attributable to an Assisted Unit shall be the amount of NSP1  
7 funds provided for acquisition, construction, and disposition of  
8 such Assisted Unit evidenced by a Note, as shown in **Exhibit C**,  
9 which is attached hereto and by this reference incorporated herein,  
10 executed by BORROWER in favor of the COUNTY in a form  
11 satisfactory to the COUNTY.
- 12 c. Interest. The interest rate shall be zero percent (0%) per annum.
- 13 d. Repayment. Each Note shall provide the following:
- 14 1) The NSP1 Loan attributable to an Assisted Unit shall be:  
15 (1) due and payable in an Event of Default by  
16 BORROWER which has not been cured as provided for in  
17 this Agreement, and (2) convert to a grant upon sale and  
18 transfer of title to a Qualified Homebuyer.
- 19 2) 1/6<sup>th</sup> (\$218,902.83) of the NSP1 Loan shall be converted  
20 to a grant upon the sale and transfer of title of an Assisted  
21 Unit to a Qualified Homebuyer and BORROWER shall  
22 cause the Qualified Homebuyer to record in the Official  
23 Records of the County of Riverside a covenant  
24 (“Homebuyer Covenant”), substantially conforming in  
25 form and substance to the Homebuyer Covenant  
26 Agreement attached hereto as **Exhibit G** and incorporated  
27 herein by this reference. The term, “Official Records”  
28 used herein shall mean the Official Records of the

1 Recorder's Office of the County of Riverside. At the time  
2 of sale of the Assisted Unit to a Qualified Homebuyer and  
3 upon execution and recordation of the Homebuyer  
4 Covenant Agreement, COUNTY shall cause to be  
5 delivered to BORROWER a 1/6<sup>th</sup> partial reconveyance of  
6 the Deed of Trust, of which termination shall not affect the  
7 Affordability Period, as defined in **Section 13** for the  
8 Assisted Unit. Notwithstanding the above, BORROWER's  
9 obligation to repay the full amount of the NSP1 Loan  
10 attributable to a particular Assisted Unit will be reduced  
11 by the sum of the Development Subsidy, and Closing  
12 Costs, as defined below:

13 (a) Development Subsidy. The Development Subsidy  
14 is the amount of the NSP1 Loan attributable to the  
15 Assisted Unit minus the Selling Price of the  
16 Assisted Unit (as defined in **Section 22**).

17 (b) Closing Costs. Closing Costs include all costs  
18 payable by BORROWER in connection with the  
19 sale of the Assisted Unit to a Qualified  
20 Homebuyer;

21 3) The NSP1 Loan less the Development Subsidy, and  
22 Closing Costs for such Assisted Unit shall be converted to  
23 a grant upon the sale and transfer of title of the Assisted  
24 Unit to a Qualified Homebuyer evidenced by recordation  
25 of a grant deed in the official records of the County of  
26 Riverside. At the time of each sale of the Assisted Unit to  
27 a Qualified Homebuyer, as defined herein, COUNTY shall  
28 cause to be delivered to BORROWER a partial

1 reconveyance of the Deed of Trust from such Assisted  
2 Unit as a lien on such Assisted Unit, which termination  
3 does not affect the Affordability Period, as defined in  
4 **Section 13**, for each Assisted Unit.

5 4) BORROWER will be the primary lender to provide the  
6 Qualified Homebuyer a minimum 30-year fixed rate  
7 mortgage loan to purchase the home.

8 5) Upon sale of an Assisted Unit prior to the expiration of the  
9 Affordability Period, BORROWER will utilize proceeds  
10 from the sale towards eligible NSP1 activities, as defined  
11 in the County of Riverside's 2008-2009 One Year Action  
12 Plan and its amendments.

13 6) Annual financial statements providing for the status of the  
14 NSP1 proceeds shall be submitted to COUNTY within 60  
15 days of July 1st for COUNTY review and approval  
16 commencing on July 1, 2023.

17 e. Security. Each NSP1 Loan shall be secured by a "Deed of Trust"  
18 as shown in **Exhibit B** recorded against each Assisted Unit.  
19 BORROWER agrees that each Deed of Trust shall be in and shall  
20 remain in the second position until the home has been sold to the  
21 Qualified Homebuyer.

22 6. TERM OF AGREEMENT. This Agreement shall become effective upon  
23 the Effective Date, as defined in **Section 53**, and shall continue in full force and effect for a  
24 period of twenty-four (24) months (the "Term").

25 7. BORROWER REPRESENTATIONS. BORROWER represents and  
26 warrants to COUNTY as follows:

27 a. Authority. BORROWER is a duly organized non-profit  
28 corporation under the laws of the State of California and is

1 certified to conduct business in the State of California by the  
2 California Secretary of State. The copies of the documents  
3 evidencing the organization of BORROWER, which have been  
4 delivered to the COUNTY, are true and complete copies of the  
5 originals, amended to the date of this Agreement. BORROWER  
6 has full right, power, and lawful authority to accept the  
7 conveyance of eligible properties for the Project and undertake all  
8 obligations as provided herein and the execution, performance,  
9 and delivery of this Agreement by BORROWER has been fully  
10 authorized by all requisite actions on the part of BORROWER.

11 b. No Conflict. To the best of BORROWER's knowledge,  
12 BORROWER's execution, delivery, and performance of its  
13 obligations under this Agreement will not constitute a default or a  
14 breach under contract, agreement or order to which BORROWER  
15 is a party or by which it is bound.

16 c. No Bankruptcy. BORROWER is not the subject of a bankruptcy  
17 proceeding.

18 d. Prior to Closing. BORROWER shall upon learning of any fact or  
19 condition which would cause any of the warranties and  
20 representations in this Agreement not to be true as of Closing,  
21 immediately give written notice such fact or condition to  
22 COUNTY. Such exception(s) to a representation shall not be  
23 deemed a breach by BORROWER hereunder, but shall constitute  
24 an exception which COUNTY shall have the right to approve or  
25 disapprove if such exception would have an effect on the value or  
26 operation of the Project.

27 8. COMPLETION SCHEDULE. BORROWER shall proceed consistent  
28 with the completion schedule set forth in **Exhibit A**, as the same may be amended in writing

1 by the parties from time to time, and subject to force majeure delays.

2 9. RESERVED.

3 10. REALLOCATION OF FUNDS.

4 a. Funds in the amount used to acquire, construct, and sell an  
5 Assisted Unit shall become encumbered on the date escrow closes  
6 for that particular Assisted Unit and results in a recorded  
7 Covenant Agreement in the Riverside County Clerk's office. In  
8 the event BORROWER does not close escrow on the Assisted  
9 Units within four (4) months of the Effective Date, as defined in  
10 **Section 53**, ("Acquisition Deadline"), the COUNTY will  
11 reallocate the balance of unencumbered NSP1 funds (the "Unused  
12 Balance").

13 b. The reallocation of the Unused Balance shall be evidenced by a  
14 written amendment to this Agreement agreed upon by both  
15 parties, which decreases the NSP1 Loan by the Unused Balance  
16 (the "Effective NSP1 Loan"). The Director/HWS or designee is  
17 authorized to execute, subject to County Counsel approval, the  
18 amendment reducing the NSP1 Loan amount by the Unused  
19 Balance pursuant to **Section 10(a)**.

20 c. In the event BORROWER is unable to close escrow on an  
21 Assisted Unit due to force majeure conditions, the COUNTY, in  
22 its sole and absolute discretion, may extend the Acquisition  
23 Deadline up to thirty (30) days. The extension on the Acquisition  
24 Deadline shall be in writing and executed by the parties. The  
25 COUNTY's Director/HWS or designee is authorized to execute  
26 the amendment to extend the Acquisition Deadline.

27 d. If COUNTY reallocates the Unused Balance pursuant to **Section**  
28 **10(a)**, BORROWER shall remain responsible for the completion

1 of construction of BORROWER acquired properties under the  
2 Effective NSP1 Loan and sale of Assisted Units in accordance  
3 with this Agreement.

4 11. CONDITIONS FOR DISPOSITION OF FUNDS. COUNTY, through its  
5 HWS, shall: (1) make payments of the NSP1 Loan to BORROWER as specified in **Exhibit A**,  
6 and (2) monitor the Project to ensure compliance with applicable federal, state and local laws,  
7 regulations, ordinances, including environmental compliance, and the terms of this Agreement.

8 There will be no disbursement of funds for acquisition and predevelopment costs  
9 for each Assisted Unit until the following conditions precedent are satisfied:

- 10 a. BORROWER shall execute this Loan Agreement, Deed of Trust,  
11 Promissory Note, and Covenant Agreement.
- 12 b. BORROWER shall provide the Data Universal Number as  
13 assigned by the Data Universal Number System (DUNS) assigned  
14 to BORROWER as required by the Federal Funding  
15 Accountability and Transparency Act of 2006.
- 16 c. BORROWER shall provide documentation to support compliance  
17 with eligibility requirements for the Assisted Unit Project.

18 There will be no disbursement of funds for construction costs for the Assisted  
19 Unit Project until the following conditions precedent are first satisfied with respect to each  
20 Assisted Unit:

- 21 d. BORROWER shall provide at its expense an updated Preliminary  
22 Title Report for the Assisted Unit evidencing the recordation of  
23 all documents to COUNTY.
- 24 e. If Davis Bacon wages are required to be paid, then BORROWER  
25 must hire a qualified professional firm or assign experienced staff  
26 to review and monitor Davis-Bacon prevailing wage compliance  
27 for all submissions of contractors certified payrolls to the  
28 COUNTY.

- 1 f. BORROWER must provide satisfactory evidence that it has  
2 secured any and all permits and approvals which may be required  
3 for construction of the Assisted Unit pursuant to the applicable  
4 rules and regulations of the county and cities where the properties  
5 are located and any other governmental agency affected by such  
6 construction of work.
- 7 g. BORROWER shall provide a detailed construction plan and  
8 timetable to complete the acquisition, construction and sale of the  
9 Assisted Units in accordance with the completion schedule shown  
10 in **Exhibit A** including a detailed line item project construction  
11 cost budget for review and approval by COUNTY.
- 12 h. BORROWER shall provide duly executed documents and  
13 instruments showing the ownership of the Land/Real Property  
14 which has been acquired from the City of Temecula.
- 15 i. BORROWER shall pay all costs incurred due to the ownership  
16 and development of the Assisted Units in a timely manner.  
17 BORROWER shall pay all incurred costs on or before the date  
18 such incurred cost becomes delinquent. COUNTY shall not  
19 reimburse BORROWER for late payments or penalties incurred  
20 by BORROWER due to non-timely payment. In the event that  
21 COUNTY has inadvertently paid for a late payment penalty, the  
22 amount of the penalty shall be deducted from the developer's fee,  
23 unless otherwise authorized by the COUNTY.
- 24 j. Pursuant to 24 CFR Parts 180 and 2424, BORROWER agrees to  
25 verify in writing that BORROWER, and its principals, or any/all  
26 persons, contractors, consultants, businesses, etc. ("Borrower  
27 Associates"), that BORROWER is conducting business with, are  
28 not presently debarred, proposed for debarment, suspended,



1 declared ineligible, or voluntarily excluded from participation or  
2 from receiving federal contracts or federally approved  
3 subcontracts or from certain types of federal financial and  
4 nonfinancial assistance and benefits with the System for Award  
5 Management (SAM) at [www.sam.gov](http://www.sam.gov). BORROWER must  
6 provide a single comprehensive list of Borrower Associates  
7 (individuals and firms) and print and maintain evidence of the  
8 search results of each Borrower Associate as verification of  
9 compliance with this requirement as provided in **Exhibit F**,  
10 attached hereto and incorporated herein by this reference.

11 COUNTY shall release the final draw down of NSP1 funds for construction  
12 applicable to the Assisted Unit project following receipt of all of the following closing  
13 documents from BORROWER with respect to the Assisted Unit Project:

- 14 1) unconditional lien release from general contractor and any  
15 subcontractors;
- 16 2) recorded Notice of Completion;
- 17 3) if applicable, all remaining Davis Bacon documentation, if  
18 any, including, but not limited to, complete certified  
19 payrolls, Section 3 certifications, fringe benefit forms, and  
20 certificates of authorization and understanding;
- 21 4) final Contract and Subcontract Activity report, Minority  
22 Business Enterprise/Women Business Enterprise  
23 (MBE/WBE) report, HUD form 2516;
- 24 5) final development costs and project budget; and  
25 6) final sources and uses of funds.

26 12. DISTRIBUTION OF FUNDS. The Disaster Recovery Grant Reporting  
27 (DRGR) system was developed by HUD's Office of Community Planning and Development  
28 and will be utilized for NSP1. The DRGR system is a computerized system which manages,

1 disburses, collects, and reports information on the use of NSP1 funds in the United States  
2 Treasury Account.

3 Any disbursement of funds is expressly conditioned upon the satisfaction  
4 of conditions set forth in **Section 11**. Subsequent to acquisition of the Assisted Units,  
5 COUNTY shall pay BORROWER for construction costs on a "cost-as-incurred" basis for all  
6 NSP1-eligible approved costs on a monthly basis. All disbursements of NSP1 funds for  
7 construction will be made within thirty (30) days after BORROWER has submitted its invoice  
8 identifying payments made and requesting reimbursement.

9 The Developer's fee will be disbursed upon successful sale of all Assisted  
10 Units.

11 13. TERMS OF AFFORDABILITY. The period of affordability for each  
12 Assisted Unit (the "Affordability Period") shall be fifteen (15) years from the date a Grant  
13 Deed is recorded in the Official Records conveying title from the BORROWER to the  
14 Qualified Homebuyer.

15 14. BORROWER'S DEVELOPER FEE AND REAL ESTATE SALE  
16 COMMISSIONS. The developer's fee cannot exceed 10% of total Project costs identified in  
17 **Exhibit A**.

18 15. INSURANCE. Without limiting or diminishing the BORROWER'S  
19 obligation to indemnify or hold the COUNTY harmless, BORROWER shall procure and  
20 maintain or cause to be maintained, at its sole cost and expense, the following insurance  
21 coverage's during the term of this Agreement. As respects to the insurance section only, the  
22 COUNTY herein refers to the County of Riverside, its Agencies, Districts, Special Districts,  
23 and Departments, their respective directors, officers, Board of Supervisors, employees, elected  
24 or appointed officials, agents or representatives as Additional Insureds.

25 a. Worker's Compensation Insurance.

26 If BORROWER has employees as defined by the State of  
27 California, BORROWER shall maintain statutory Workers'  
28 Compensation Insurance (Coverage A) as prescribed by the laws

1 of the State of California. Policy shall include Employers'  
2 Liability (Coverage B) including Occupational Disease with  
3 limits not less than \$1,000,000 per person per accident. The  
4 policy shall be endorsed to waive subrogation in favor of The  
5 County of Riverside, and, if applicable, to provide a Borrowed  
6 Servant/Alternate Employer Endorsement.

7 b. Commercial General Liability Insurance.

8 Commercial General Liability insurance coverage, including but  
9 not limited to, premises liability, contractual liability, products  
10 and completed operations liability, personal and advertising  
11 injury, and cross liability coverage, covering claims which may  
12 arise from or out of BORROWER'S performance of its  
13 obligations hereunder. Policy shall name the County of Riverside,  
14 its Agencies, Districts, Special Districts, and Departments, their  
15 respective directors, officers, Board of Supervisors, employees,  
16 elected or appointed officials, agents or representatives as  
17 Additional Insured. Policy's limit of liability shall not be less  
18 than \$1,000,000 per occurrence combined single limit. If such  
19 insurance contains a general aggregate limit, it shall apply  
20 separately to this agreement or be no less than two (2) times the  
21 occurrence limit.

22 c. Vehicle Liability Insurance.

23 If vehicles or mobile equipment are used in the performance of  
24 the obligations under this Agreement, then BORROWER shall  
25 maintain liability insurance for all owned, non-owned or hired  
26 vehicles so used in an amount not less than \$1,000,000 per  
27 occurrence combined single limit. If such insurance contains a  
28 general aggregate limit, it shall apply separately to this agreement

1 or be no less than two (2) times the occurrence limit. Policy shall  
2 name the County of Riverside, its Agencies, Districts, Special  
3 Districts, and Departments, their respective directors, officers,  
4 Board of Supervisors, employees, elected or appointed officials,  
5 agents or representatives as Additional Insured or provide similar  
6 evidence of coverage approved by COUNTY's Risk Manager.

7 d. Fire Insurance.

8 BORROWER shall furnish new fire insurance prior to the close of  
9 escrow of Assisted Unit with sufficient coverage on the dwelling  
10 for replacement of subject property. BORROWER will deposit  
11 sufficient funds as called for by escrow to pay first year premium  
12 at close of escrow. COUNTY shall be listed as additional insured  
13 on the property's fire insurance, title insurance, and flood  
14 insurance, if applicable. The loss payee shall read: County of  
15 Riverside, its successors and/or assigns, 3403 10<sup>th</sup> Street, Suite  
16 300, Riverside, CA 92501, Attention: HWS.

17 e. General Insurance Provisions – All Lines.

18 1) Any insurance carrier providing insurance coverage hereunder  
19 shall be admitted to the State of California and have an A M  
20 BEST rating of not less than A: VIII (A:8) unless such  
21 requirements are waived, in writing, by COUNTY Risk Manager.  
22 If COUNTY's Risk Manager waives a requirement for a  
23 particular insurer such waiver is only valid for that specific  
24 insurer and only for one policy term.

25 2) BORROWER'S insurance carrier(s) must declare its insurance  
26 self-insured retentions. If such self-insured retentions exceed  
27 \$500,000 per occurrence such retentions shall have the prior  
28 written consent of COUNTY Risk Manager before the

1 commencement of operations under this Agreement. Upon  
2 notification of self-insured retention unacceptable to COUNTY,  
3 and at the election of COUNTY's Risk Manager, BORROWER's  
4 carriers shall either: (a) reduce or eliminate such self-insured  
5 retention as respects this Agreement with COUNTY, or (b)  
6 procure a bond which guarantees payment of losses and related  
7 investigations, claims administration, and defense costs and  
8 expenses.

9 3) BORROWER shall cause BORROWER's insurance carrier(s)  
10 to furnish the County of Riverside with copies of the Certificate(s)  
11 of Insurance and Endorsements effecting coverage as required  
12 herein, and 2) if requested to do so orally or in writing by  
13 COUNTY Risk Manager, provide copies of policies including all  
14 Endorsements and all attachments thereto, showing such  
15 insurance is in full force and effect. Further, said Certificate(s)  
16 and policies of insurance shall contain the covenant of the  
17 insurance carrier(s) that thirty (30) days written notice shall be  
18 given to the County of Riverside prior to any material  
19 modification, cancellation, expiration or reduction in coverage of  
20 such insurance. In the event of a material modification,  
21 cancellation, expiration, or reduction in coverage, this Agreement  
22 shall terminate forthwith, unless the County of Riverside receives,  
23 prior to such effective date, another Certificate of Insurance and  
24 copies of endorsements, including all endorsements and  
25 attachments thereto evidencing coverage's set forth herein and the  
26 insurance required herein is in full force and effect.  
27 BORROWER shall not commence operations until COUNTY has  
28 been furnished Certificate(s) of Insurance and copies of

1                   endorsements and if requested, copies of policies of insurance  
2                   including all endorsements and any and all other attachments as  
3                   required in this Section. An individual authorized by the  
4                   insurance carrier to do so, on its behalf, shall sign the original  
5                   endorsements for each policy and the Certificate of Insurance.

6                   4) It is understood and agreed to by the parties hereto that  
7                   BORROWER's insurance shall be construed as primary  
8                   insurance, and COUNTY's insurance and/or deductibles and/or  
9                   self-insured retention's or self-insured programs shall not be  
10                  construed as contributory.

11                  5) If, during the term of this Agreement or any extension thereof,  
12                  there is a material change in the scope of services; or, there is a  
13                  material change in the equipment to be used in the performance of  
14                  the scope of work which will add additional exposures (such as  
15                  the use of aircraft, watercraft, cranes, etc.); or, the term of this  
16                  Agreement, including any extensions thereof, exceeds five (5)  
17                  years COUNTY reserves the right to adjust the types of insurance  
18                  required under this Agreement and the monetary limits of liability  
19                  for the insurance coverage's currently required herein, if; in  
20                  COUNTY Risk Manager's reasonable judgment, the amount or  
21                  type of insurance carried by BORROWER has become  
22                  inadequate.

23                  6) BORROWER shall pass down the insurance obligations  
24                  contained herein to all tiers of subcontractors working under this  
25                  Agreement.

26                  7) The insurance requirements contained in this Agreement may  
27                  be met with a program(s) of self-insurance acceptable to the  
28                  COUNTY.

1 8) BORROWER agrees to notify COUNTY of any claim by a  
2 third party or any incident or event that may give rise to a claim  
3 arising from the performance of this Agreement.

4 16. FINANCIAL AND PROJECT RECORDS. BORROWER shall establish  
5 and maintain financial, programmatic, statistical, and other supporting records of its operations  
6 and financial activities in accordance with 24 CFR Part 84 or 85 or 2 CFR Part 200 as  
7 applicable and 24 CRF Part 570 and OMB Circular Nos. A-102, revised, A-110, A-87, and A-  
8 122, as applicable and as they relate to the acceptance and use of federal funds under this  
9 Agreement. Records shall be open to inspection and audit by authorized representatives of the  
10 COUNTY, HUD, and the Comptroller General of the United States or any of their authorized  
11 representatives, at any time during normal business hours, as often as deemed necessary, to  
12 audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in  
13 audit reports must be fully cleared by BORROWER within thirty (30) days after receipt by  
14 BORROWER. Failure of BORROWER to comply with the above audit requirements will  
15 constitute a violation of this contract and may result in the withholding of future payments.  
16 COUNTY, HUD, and the Comptroller General, or any of their representatives, have the right  
17 of access to any pertinent books, documents, papers, or other records of BORROWER, in order  
18 to make audits, examinations, excerpts, and transcripts. Said records shall be retained for such  
19 time as may be required by the regulations of the Neighborhood Stabilization Program, but in  
20 no case for less than five (5) years after the Project completion date; except that records of  
21 individual homeowner income verifications, project rents, and project inspections must be  
22 retained for the most recent five (5) year period, until five (5) years after the Affordability  
23 Period terminates. If any litigation, claim, negotiation, audit, or other action has been started  
24 before the expiration of the regular period specified, the records must be retained until  
25 completion of the action and resolution of all issues which arise from it, or until the end of the  
26 regular period, whichever is later.

27 17. PROJECT MONITORING AND EVALUATION. Except as otherwise  
28 provided for in this Agreement, BORROWER shall maintain and submit records to the

1 COUNTY within ten (10) business days of the COUNTY's request which clearly documents  
2 BORROWER's performance under each requirement of NSP1. A list of document submissions  
3 and timeline are shown in **Exhibit A** and such list may be amended from time to time subject  
4 to HUD and COUNTY reporting requirements.

5 18. ACCESS TO PROJECT SITE. The COUNTY and HUD shall have the  
6 right to visit the Project site at all reasonable times, and upon completion of the Project upon  
7 reasonable written notice to BORROWER, to review the operation of the Project in accordance  
8 with this Agreement.

9 19. COMPLIANCE WITH LAWS AND REGULATIONS. By executing this  
10 Agreement, BORROWER hereby certifies that it will adhere to and comply with all federal,  
11 state and local laws, regulations and ordinances. In particular, BORROWER shall comply with  
12 the following as they may be applicable to BORROWER of funds granted pursuant to the  
13 NSP1 Program:

- 14 a. NSP1 regulations as set forth under HERA, as it now exists and  
15 may hereafter be amended, and Federal Register / Vol. 73, No.  
16 194 / Monday, October 6, 2008 / Docket No. FR-5255-N-01,  
17 Notice of Allocations, Application Procedures, Regulatory  
18 Waivers Granted to and Alternative Requirements for Emergency  
19 Assistance for Redevelopment of Abandoned and Foreclosed  
20 Homes Grantees Under the Housing and Economic Recovery Act,  
21 2008.
- 22 b. CDBG statutory and regulatory provisions, including those at 24  
23 CFR Part 570 subpart A, C, D, J, K, and O, as appropriate, shall  
24 apply.
- 25 c. Other Federal requirements and non-discrimination. As set forth  
26 in 24 CFR Part 5, subpart A, BORROWER is required to include  
27 the following requirements: non-discrimination and equal  
28 opportunity; disclosure; debarred, suspended, or ineligible



1 contractors; and drug-free workplace.

2 d. Environmental Review. Each Assisted Unit will be subject to  
3 environmental review prior to acquisition, demolition,  
4 rehabilitation or new construction. The environmental effects of  
5 each activity carried out with NSP1 funds must be assessed in  
6 accordance with the provisions of the National Environmental  
7 Policy Act of 1969 (NEPA) and related authorities listed at  
8 HUD's implementing regulations at 24 CFR Parts 50 and 58. The  
9 Project is required to comply with 24 CFR Section 58.5 (related  
10 federal laws and authorities) including but not limited to §58.5:  
11 historic properties, floodplain management & wetlands protection,  
12 coastal zone management, aquifers, endangered species, rivers,  
13 air, farmlands, HUD environmental standards and environmental  
14 justice. BORROWER shall also comply with the California  
15 Environmental Quality Act (CEQA).

16 e. Displacement, Relocation, and Acquisition. Each Assisted Unit  
17 not owner occupied at time of foreclosure must be vacant for a  
18 minimum period of ninety (90) days prior to the BORROWER  
19 making an initial offer to buy an Assisted Unit. The Project is  
20 subject to relocation requirements of Title II and the acquisition  
21 requirements of Title III of the Uniform Relocation Assistance  
22 and Real Property Acquisition Policies Act of 1970, and the  
23 implementing regulations at 24 CFR Part 42.

24 1) Prevailing Wages and Compliance with Davis-Bacon Act.  
25 BORROWER shall comply with any applicable labor  
26 regulations and all other State and Federal Laws in  
27 connection with the construction of the improvements which  
28 comprise the Project, including if applicable, requirements

1 relating to the Davis-Bacon Act (40 U.S.C. 3141 et seq.).  
2 BORROWER agrees and acknowledges that it is the  
3 responsibility of BORROWER to obtain a legal  
4 determination, at BORROWER's sole cost and expenses as  
5 to whether prevailing wages must be paid during the  
6 construction of the Project. BORROWER agrees to identify,  
7 defend, and hold COUNTY harmless from and against any  
8 and all liability arising out of and related to BORROWER's  
9 failure to comply with any and all applicable prevailing  
10 wage requirements.

11 f. Lead-based Paint. Housing assisted with NSP1 funds is subject to  
12 the lead-based paint regulations of 24 CFR Part 35, subparts A, B,  
13 J, K, and R, issued pursuant to the Lead-Based Paint Poisoning  
14 Prevention Act (42 U.S.C. 4821, et seq.). All homes built prior to  
15 1978 shall be tested for lead based paint.

16 g. Conflict of Interest. In the procurement of property and services  
17 by BORROWER, the conflict of interest provisions at §570.611  
18 shall apply.

19 h. Section 3 of the Housing and Urban Development Act of 1968.  
20 To the greatest extent feasible, opportunities for training and  
21 employment arising from NSP1 funds will be provided to low-  
22 income persons residing in the Target Area. To the greatest extent  
23 feasible, contracts for work to be performed in connection with  
24 NSP1 funds will be awarded to business concerns that are located  
25 in or owned by persons residing in the Target Area. Contracts  
26 funded from Section 3 must abide by the Section 3 Clause  
27 prescribed at 24 CFR 135.38, as shown in **Exhibit D** which is  
28 attached hereto and by this reference incorporated herein.

1 i. Compliance with anti-discrimination laws. Conformity with title  
2 VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair  
3 Housing Act (42 U.S.C. 3601-3619), and implementing  
4 regulations.

5 j. Affirmative marketing and minority outreach program.  
6 BORROWER must adopt affirmative marketing procedures and  
7 requirements. These should include:

8 1) Methods for informing the public, owners, and potential  
9 tenants about Federal fair housing laws and the affirmative  
10 marketing policy.

11 2) Requirements and practices that BORROWER must  
12 adhere to in order to carry out the affirmative marketing  
13 procedures and requirements.

14 3) Procedures to be used by BORROWER to inform and  
15 solicit applications from persons in the housing market  
16 areas that are not likely to apply without special outreach.

17 4) Records will be kept describing actions taken by  
18 BORROWER to affirmatively market units and to assess  
19 the results of these actions.

20 5) A description of how BORROWER will annually assess  
21 the success of affirmative marketing actions and what  
22 corrective actions will be taken where affirmative  
23 marketing requirements are not met.

24 6) BORROWER should prescribe procedures to establish and  
25 oversee a minority outreach program to ensure the  
26 inclusion, to the maximum extent possible, of minorities  
27 and women, and entities owned by minorities and women,  
28 including, without limitation, real estate firms,

1 construction firms, appraisal firms, management firms,  
2 financial institutions, investment banking firms,  
3 underwriters, accountants, and providers of legal services,  
4 in all contracts entered into by BORROWER with such  
5 persons or entities, public and private, in order to facilitate  
6 the activities of the County to provide affordable housing  
7 authorized under this Act or any other Federal housing  
8 law. Affirmative steps to assure that minority business  
9 enterprises and women business enterprises are used when  
10 possible in the procurement of property and services are at  
11 24 CFR 85.36(e).

12 7) Anti-lobbying. BORROWER must comply with  
13 restrictions on lobbying required by 24 CFR Part 87.

14 k. Model Energy Code published by the Council of American  
15 Building Officials.

16 l. Consultant Activities. Pursuant to 24 CFR 570.200(d), no person  
17 providing consultant services in an employer-employee type of  
18 relationship shall receive more than a reasonable rate of  
19 compensation for personal services paid with CDBG funds.

20 m. Uniform Administrative Requirements of 24 CFR Part 84 or 85 as  
21 applicable, Part 570 and OMB Circular Nos. A-102, revised, A-  
22 110 (implemented at 24 CFR Part 84), A-87, and A-122, as  
23 applicable and as they relate to the acceptance and use of federal  
24 funds under this Agreement.

25 n. BORROWER shall include written agreements that include all  
26 provisions of this section if BORROWER provides NSP1 funds to  
27 for-profit owners or developers, non-profit owners or developers,  
28 sub-recipients, homeowners, homebuyers, tenants receiving

1 tenant-based rental assistance, or contractors.

2 20. RESERVED.

3 21. INCOME TARGETING REQUIREMENTS. BORROWER shall expend  
4 NSP1 funds to assist Low Income (“LI”) households whose incomes do not exceed eighty  
5 percent (80%) of the Area Median Income (AMI), adjusted by family size at the time of  
6 occupancy for the County of Riverside.

7 22. DISPOSAL REQUIREMENTS BORROWER is required to sell each  
8 Assisted Unit to a Qualified Homebuyer as described in **Section 23** below. The Selling Price of  
9 each Assisted Unit shall not exceed (a) the fair market value or (b) the total costs to acquire,  
10 construct and dispose the Assisted Unit pursuant to NSP1. Each Qualified Homebuyer, as  
11 defined in **Section 23**, will execute a Covenant Agreement (the “Homebuyer Covenant  
12 Agreement”). Upon transfer of title to the Qualified Homebuyer evidenced by recording of the  
13 Grant Deed in the Official Records, **NSP1 Assisted Units shall be affordable for a period of at  
14 least 15 years from the transfer of title to qualified first-time homebuyers**

15 23. QUALIFIED HOMEBUYER. BORROWER shall provide to HWS  
16 evidence to support the following listed information for HWS’ review and approval in its sole  
17 and absolute discretion, the approval of which shall qualify a household as a “Qualified  
18 Homebuyer”:

- 19 a. Income Limits. In order for homebuyers to be eligible to purchase  
20 an Assisted Unit the proposed homebuyer’s annual income shall be  
21 as follows, one (1) LI homebuyer annual incomes must not exceed  
22 eighty percent (80%) of the AMI, as determined by HUD, adjusted  
23 for family size for the County of Riverside and five (5) VLI  
24 homebuyer annual incomes must not exceed fifty percent (50%) of  
25 the AMI, as determined by HUD, adjusted for family size for the  
26 County of Riverside. The income and assets of all persons age  
27 eighteen (18) and older who will reside in the home must be  
28 included in the calculation to determine income eligibility.

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- b. Co-owners. Co-owners are only permitted if they will occupy the home as their principal residence and qualify as first-time buyers. The income of all co-owners will be included in determining if the household qualifies as moderate income, as noted above. Co-signers are not permitted.
- c. First-time homebuyer. In order to qualify as a first-time homebuyer, the homebuyer cannot have owned a home for the previous three years from the date the homebuyer enters into a purchase agreement. BORROWER shall cause the homebuyer to sign a sworn affidavit attesting that they have not owned a home and tax returns from the last three (3) years will be reviewed to ascertain that no mortgage interest or real estate tax deductions have been claimed.
- d. Principal Residence. The Assisted Unit shall be the principal residence of the Qualified Homebuyer during the Affordability Period.
- e. Occupancy Standard. All homebuyers must meet the occupancy standard as defined in the Housing Quality Act under 982.401 that states, “The dwelling unit must have at least one bedroom or living/sleeping room for each two persons.” Children of opposite sex, other than very young children, may not be required to occupy the same bedroom or living/sleeping room.
- f. Homebuyer Education. Each homebuyer must receive a certificate of completion evidencing at least eight (8) hours of homebuyer counseling from a HUD-approved housing counseling agency before obtaining a mortgage loan.
- g. Long Term Affordability. NSP1 assisted units must meet the affordability requirements for fifteen (15) years after recordation of the Grant Deed from BORROWER to Qualified Homebuyer in the

1 Official Records. Affordability requirements apply regardless of the  
2 term of any loan, mortgage or the transfer of ownership.  
3 Affordability requirements are imposed by deed restrictions, but may  
4 terminate upon foreclosure or transfer in lieu of foreclosure.

5 h. County Assistance. The following County of Riverside programs are  
6 not eligible: First Time Home Buyer Program, Neighborhood  
7 Stabilization Homeownership Program and Redevelopment  
8 Homeownership Program.

9 24. FEDERAL REQUIREMENTS. BORROWER shall comply with the  
10 provisions of NSPI and any amendments thereto and all applicable federal regulations and  
11 guidelines now or hereafter enacted.

12 25. INDEPENDENT CONTRACTOR. BORROWER and its agents, servants  
13 and employees shall act at all times in an independent capacity during the Term of this  
14 Agreement, and shall not act as, shall not be, nor shall they in any manner be construed to be  
15 agents, officers, or employees of COUNTY.

16 26. PERFORMANCE REQUIREMENTS. BORROWER shall complete all  
17 the following activities within the time specified below or the COUNTY shall either reallocate  
18 unencumbered funds pursuant to **Section 10**, take title to the Assisted Unit, or foreclose on the  
19 County's Deed of Trust, as determined by the County in its sole and absolute discretion:

- 20 a. Construct the Assisted Units as set forth in **Exhibit A**, within thirty-  
21 two (32) months from the Effective Date; and  
22 b. Sell the Assisted Units within thirty-three (33) months from the  
23 Effective Date.

24 In the event BORROWER fails to comply with Clause (a) or Clause (b) of this **Section**  
25 **26**, upon COUNTY's request, BORROWER shall convey its fee interest in the Assisted Units  
26 to COUNTY, pursuant to a Grant Deed of Quit Claim Deed in a form approved by the County.  
27

28 \_\_\_\_\_  
Signature

1           27.    NONDISCRIMINATION. BORROWER shall abide by 24 CFR 570.602  
2 which requires that no person in the United States shall on the grounds of race, color, national  
3 origin, religion, or sex be excluded from participation in, be denied the benefits of, or be  
4 subjected to discrimination under any program or activity receiving Federal financial assistance  
5 title I of the Housing and Community Development Act of 1974 as amended (42 U.S.C. 5301  
6 et seq.) (“Act”) including NSP1. Under Section 109 of the Act directs that the prohibitions  
7 against discrimination on the basis of age under the Age Discrimination Act and the  
8 prohibitions against discrimination on the basis of disability under Section 504 of the Act shall  
9 apply to programs or activities receiving Federal financial assistance under Title I programs.  
10 The policies and procedures necessary to ensure enforcement of section 109 of the Act are  
11 codified in 24 CFR Part 6.

12           28.    PROHIBITION AGAINST CONFLICTS OF INTEREST:

- 13           a.    BORROWER and its assigns, employees, agents, consultants,  
14               officers and elected and appointed officials shall become familiar  
15               with and shall comply with the conflict of interest provisions in  
16               OMB Circular A-110, 24 CFR 570.611 and Policy Manual #A-11,  
17               attached hereto as **Exhibit E** and incorporated herein by this  
18               reference.
- 19           b.    BORROWER understands and agrees that no waiver or exception  
20               can be granted to the prohibition against conflict of interest except  
21               upon written approval of HUD pursuant to 24 CFR 92.356(d). Any  
22               request by BORROWER for an exception shall first be reviewed by  
23               COUNTY to determine whether such request is appropriate for  
24               submission to HUD.
- 25           c.    Prior to any funding under this Agreement, BORROWER shall  
26               provide COUNTY with a list of all employees, agents, consultants,  
27               officers and elected and appointed officials who are in a position to  
28               participate in a decision-making process, exercise any functions or



1 responsibilities, or gain inside information with respect to the NSP1  
2 activities funded under this Agreement. BORROWER shall also  
3 promptly disclose to COUNTY any potential conflict, including  
4 even the appearance of conflict that may arise with respect to the  
5 NSP1 activities funded under this Agreement.

- 6 d. Any violation of this section shall be deemed a material breach of  
7 this Agreement, and the Agreement shall be immediately terminated  
8 by the COUNTY.

9 29. EVENTS OF DEFAULT. The occurrence of any of the following events  
10 shall constitute an "Event of Default" under this Agreement:

- 11 a. Monetary Default. (1) BORROWER's failure to pay when due any  
12 sums payable under the Note or any advances made by the  
13 COUNTY under this Agreement; (2) BORROWER's or any agent  
14 of BORROWER's use of NSP1 funds for costs inconsistent with  
15 terms and restrictions set forth in this Agreement; (3)  
16 BORROWER's failure to obtain and maintain the insurance  
17 coverage required under this Agreement; (4) BORROWER's or any  
18 agent of BORROWER's failure to make any other payment of any  
19 assessment or tax due under this Agreement.

- 20 b. Non-Monetary Default - Operation. (1) Discrimination by  
21 BORROWER or BORROWER's agent on the basis of  
22 characteristics prohibited by this Agreement or applicable law; (2)  
23 the imposition of any encumbrances or liens on the Project without  
24 the COUNTY's prior written approval that are prohibited under  
25 this Agreement or that have the effect of reducing the priority or  
26 invalidating the NSP1 Deed of Trust; (3) any material adverse  
27 change in the financial condition of BORROWER or the Project or  
28 permanent financing or funding for the Project that gives the

1 COUNTY reasonable cause to believe that the Project cannot be  
2 operated according to the terms of this Agreement.

3 c. General Performance of Loan Obligations. Any substantial or  
4 continuous or repeated breach by BORROWER or BORROWER's  
5 agents of any material obligations of BORROWER imposed in the  
6 NSP1 Agreement.

7 d. General Performance of Other Obligations. Any substantial or  
8 continuous or repeated breach by BORROWER or BORROWER's  
9 agents of any material obligations on the Project imposed by any  
10 other agreement with respect to the financing, development, or  
11 operation of the Project; whether or not the COUNTY is a party to  
12 such agreement; but only following any applicable notice and cure  
13 periods with respect to any such obligation.

14 e. Representations and Warranties. A determination by the COUNTY  
15 that any of BORROWER 's representations or warranties made in  
16 this Agreement, any statements made to the COUNTY by  
17 BORROWER, or any certificates, documents, or schedules supplied  
18 to the COUNTY by BORROWER were untrue in any material  
19 respect when made, or that BORROWER concealed or failed to  
20 disclose a material fact from the COUNTY.

21 f. Damage to Project. In the event that the Project is materially  
22 damaged or destroyed by fire or other casualty, and BORROWER  
23 receives an award or insurance proceeds for the repair or  
24 reconstruction of the Project, and BORROWER does not use such  
25 award or proceeds to repair or reconstruct the Project.

26 g. Bankruptcy, Dissolution and Insolvency. BORROWER (1) filing  
27 for bankruptcy, dissolution, or reorganization, or failure to obtain a  
28 full dismissal of any such involuntary filing brought by another

1 party before the earlier of final relief or one (1) day after such  
2 filing; (2) making a general assignment for the benefit of creditors;  
3 (3) applying for the appointment of a receiver, trustee, custodian, or  
4 liquidator, or failure to obtain a full dismissal of any such  
5 involuntary application brought by another party before the earlier  
6 of final relief or forty-five (45) days after such filing; (4)  
7 insolvency; or (5) failure, inability or admission in writing of its  
8 inability to pay its debts as they become due.

9 30. NOTICE OF DEFAULT AND OPPORTUNITY TO CURE. Subject to  
10 the Force Majeure Delays, as provided in **Section 54**, failure or delay by either party to  
11 perform any term or provision of this Agreement constitutes a default under this Agreement.  
12 The party who fails or delays must immediately commence to cure, correct or remedy such  
13 failure or delay and shall complete such cure, correction or remedy with reasonable diligence.

14 The injured party shall give written notice of default to the party in default,  
15 specifying the default complained of by the injured party. Failure or delay in giving such  
16 notice shall not constitute a waiver of any default, nor shall it change the time of default.  
17 Except as otherwise expressly provided in this Agreement, any failures or delays by either  
18 party in asserting any of its rights and remedies as to any default shall not operate as a waiver  
19 of any default or of any such rights or remedies. Delays by either party in asserting any of its  
20 rights and remedies shall not deprive either party of its right to institute and maintain any  
21 actions or proceedings which it may deem necessary to protect, assert or enforce any such  
22 rights or remedies.

23 If a monetary event of default occurs, prior to exercising any remedies  
24 hereunder, the injured party shall give the party in default written notice of such default. The  
25 party in default shall have a period of seven (7) days after such notice is given within which to  
26 cure the default prior to exercise of remedies by the injured party.

27 If a non-monetary event of default occurs, prior to exercising any remedies  
28 hereunder, the injured party shall give the party in default notice of such default. If the default

1 is reasonably capable of being cured within thirty (30) days, the party in default shall have such  
2 period to effect a cure prior to exercise of remedies by the injured party.

3 Except for the performance obligations set forth in **Section 26**, for monetary and  
4 non-monetary Events of Default, the COUNTY shall give written notice to BORROWER of  
5 any Event of Default by specifying: (a) the nature of the Event of Default or the deficiency  
6 giving rise to the default, (b) the action required to cure the deficiency, if an action to cure is  
7 possible, and (c) a date by which such action to cure must be taken. Except for the performance  
8 obligations set forth in **Section 26**, the COUNTY agrees that the BORROWER shall have the  
9 right to cure defaults under this Agreement within the prescribed cure period.

10 31. COUNTY REMEDIES. Upon the happening of an Event of Default and a  
11 failure by BORROWER to cure said default within the time specified in the notice of default  
12 (if an action to cure is specified in said notice), the COUNTY's obligation to disburse NSP1  
13 funds shall terminate, and the COUNTY may also in addition to other rights and remedies  
14 permitted by this Agreement or applicable law, proceed with any or all of the following  
15 remedies in any order or combination the COUNTY may choose in its sole discretion:

- 16 a. Terminate this Agreement, in which event the entire amount as well  
17 as any other monies advanced to BORROWER by the COUNTY  
18 under this Agreement including administrative costs, shall  
19 immediately become due and payable at the option of the  
20 COUNTY.
- 21 b. Bring an action in equitable relief (1) seeking the specific  
22 performance by BORROWER of the terms and conditions of this  
23 Agreement, and/or (2) enjoining, abating, or preventing any  
24 violation of said terms and conditions, and/or (3) seeking  
25 declaratory relief.
- 26 c. Accelerate the NSP1 Loan, and demand immediate full payment of  
27 the principal payment outstanding and all accrued interest under the  
28 Note, as well as any other monies advanced to BORROWER by the

COUNTY under this Agreement.

- d. Reallocate unencumbered funds pursuant to Section 10.
- e. Pursue any other remedy allowed at law or in equity.

32. Intentionally left blank.

33. BORROWER'S WARRANTIES. BORROWER represents and warrants (1) that it has access to professional advice and support to the extent necessary to enable BORROWER to fully comply with the terms of this Agreement, and to otherwise carry out the Project, (2) that it is duly organized, validly existing and in good standing under the laws of the State of California, (3) that it has the full power and authority to undertake the Project and to execute this Agreement, (4) that the persons executing and delivering this Agreement are authorized to execute and deliver such documents on behalf of BORROWER and (5) that neither BORROWER nor any of its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in connection with the transaction contemplated by this Agreement.

34. BORROWER'S CERTIFICATION. BORROWER certifies, to the best of its knowledge and belief, that:

- a. No federally appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, review, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- b. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an

1 officer or employee of Congress, or an employee of a member of  
2 Congress in connection with this federal contract, grant, loan, or  
3 cooperative agreement, the undersigned shall complete and submit  
4 Standard Form-LLL, "Disclosure Form to Report Lobbying," in  
5 accordance with its instructions.

- 6 c. The undersigned shall require that the language of this certification be  
7 included in the award documents for all sub-awards at all tiers  
8 (including subcontracts, sub-grants, and contracts under grants, loans,  
9 and cooperative agreements) and that BORROWER shall certify and  
10 disclose accordingly. This certification is a material representation of  
11 fact upon which reliance was placed when this transaction was made  
12 or entered into.

13 35. HOLD HARMLESS AND INDEMNIFICATION. BORROWER shall  
14 indemnify and hold harmless the County of Riverside, its Agencies, Districts, Special Districts  
15 and Departments, their respective directors, officers, Board of Supervisors, elected and  
16 appointed officials, employees, agents and representatives (individually and collectively  
17 hereinafter referred to as Indemnitees) from any liability whatsoever, based or asserted upon  
18 any services of BORROWER, its officers, employees, subcontractors, agents or representatives  
19 arising out of or in any way relating to this Agreement, including but not limited to property  
20 damage, bodily injury, or death or any other element of any kind or nature whatsoever arising  
21 from the performance of BORROWER, its officers, employees, subcontractors, agents or  
22 representatives (individually and collectively hereinafter referred to as Indemnitors) from this  
23 Agreement. BORROWER shall defend, at its sole expense, all costs and fees including, but not  
24 limited, to attorney fees, cost of investigation, defense and settlements or awards, the  
25 Indemnitees in any claim or action based upon such alleged acts or omissions.

26 With respect to any action or claim subject to indemnification herein by  
27 BORROWER, BORROWER shall, at their sole cost, have the right to use counsel of their own  
28 choice and shall have the right to adjust, settle, or compromise any such action or claim

1 without the prior consent of COUNTY; provided, however, that any such adjustment,  
2 settlement or compromise in no manner whatsoever limits or circumscribes BORROWER'S  
3 indemnification to Indemnitees as set forth herein.

4 BORROWER'S obligation hereunder shall be satisfied when BORROWER has  
5 provided to COUNTY the appropriate form of dismissal relieving COUNTY from any liability  
6 for the action or claim involved.

7 The specified insurance limits required in this Agreement shall in no way limit or  
8 circumscribe BORROWER'S obligations to indemnify and hold harmless the Indemnitees  
9 herein from third party claims.

10 In the event there is conflict between this clause and California Civil Code  
11 Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such  
12 interpretation shall not relieve the BORROWER from indemnifying the Indemnitees to the  
13 fullest extent allowed by law.

14 36. TERMINATION.

15 a. BORROWER. BORROWER may terminate this Agreement  
16 consistent with the Act and the regulations implementing the Act.

17 b. COUNTY. In addition to any termination and/or suspension rights  
18 the COUNTY has under this Agreement, COUNTY shall have the  
19 right to suspend or terminate this Agreement upon written notice  
20 to BORROWER of the action being taken and the reason for such  
21 action; in the even any of the following occur:

22 (a) In the event BORROWER fails to perform the covenants  
23 herein contained at such times and in such manner as  
24 provided in this Agreement after the applicable notice and  
25 cure provision hereof; or

26 (b) In the event there is a conflict with any federal, state or  
27 local law, ordinance, regulation or rule rendering any of  
28 the provisions of this Agreement invalid or untenable; or

1 (c) In the event the funding from HUD, as referred to in  
2 **Section 1**, is terminated or otherwise becomes  
3 unavailable.

4 c. This Agreement may be terminated or funding suspended in  
5 whole or in part in the event BORROWER fails to materially  
6 comply with the terms and conditions of this Agreement after the  
7 expiration of the applicable notice and cure provisions. Upon  
8 suspension of funding, BORROWER agrees not to incur any costs  
9 related thereto, or connected with, any area of conflict from which  
10 COUNTY has determined that suspension of funds is necessary.  
11 The COUNTY shall also have the rights, in its sole discretion, to  
12 terminate the award of NSP1 funds for convenience.

13 d. Upon expiration of this Agreement, BORROWER shall transfer  
14 to the COUNTY any unexpended NSP1 funds in its possession at  
15 the time of expiration of the Agreement as well as any accounts  
16 receivable held by BORROWER which are attributable to the use  
17 of NSP1 funds awarded pursuant to this Agreement. If COUNTY  
18 so chooses it will also require BORROWER to transfer title of  
19 Assisted Units to COUNTY.

20 37. AFFORDABILITY RESTRICTIONS. The COUNTY and BORROWER  
21 hereby declare their express intent that the restrictions set forth in this Agreement for each  
22 Assisted Unit of the Project shall run with the land as a lien for a period of fifteen (15) years  
23 from the date the Grant Deed conveying title from BORROWER to Qualified Homebuyer is  
24 recorded in the Official Records, and shall bind all successors in title to the Assisted Unit until  
25 the expiration of the Affordability Period. Each and every contract, deed or other instrument  
26 hereafter executed covering and conveying the Assisted Unit or any portion thereof shall be  
27 held conclusively to have been executed, delivered and accepted subject to such restrictions,  
28 regardless whether such restrictions are set forth in such contract, deed or other instrument.



1           38.    MECHANICS LIENS AND STOP NOTICES. If any claim of mechanics  
2    lien is filed against the Project or a stop notice affecting the NSP1 Loan is served on the  
3    COUNTY, BORROWER must, within thirty (30) days of such filing or service, either pay and  
4    fully discharge the lien or stop notice, obtain a release of the lien or stop notice by delivering to  
5    the COUNTY a surety bond in sufficient form and amount, or provide the COUNTY with  
6    other assurance reasonably satisfactory to COUNTY that the lien or stop notice will be paid or  
7    discharged.

8           39.    ENTIRE AGREEMENT. It is expressly agreed that this Agreement  
9    embodies the entire agreement of the parties in relation to the subject matter hereof, and that no  
10   other agreement or understanding, verbal or otherwise, relative to this subject matter, exists  
11   between the parties at the time of execution.

12          40.    AUTHORITY TO EXECUTE. The persons executing this Agreement or  
13   exhibits attached hereto on behalf of the parties to this Agreement hereby warrant and  
14   represent that they have the authority to execute this Agreement and warrant and represent that  
15   they have the authority to bind the respective parties to this Agreement to the performance of  
16   its obligations hereunder.

17          41.    WAIVER. Failure by a party to insist upon the strict performance of any  
18   of the provisions of this Agreement by the other party, or the failure by a party to exercise its  
19   rights upon the default of the other party, shall not constitute a waiver of such party's rights to  
20   insist and demand strict compliance by the other party with the terms of this Agreement  
21   thereafter.

22          42.    INTERPRETATION AND GOVERNING LAW. This Agreement and  
23   any dispute arising hereunder shall be governed by and interpreted in accordance with the laws  
24   of the State of California. This Agreement shall be construed as a whole according to its fair  
25   language and common meaning to achieve the objectives and purposes of the parties hereto,  
26   and the rule of construction to the effect that ambiguities are to be resolved against the drafting  
27   party shall not be employed in interpreting this Agreement, all parties having been represented  
28   by counsel in the negotiation and preparation hereof.

1           43.    JURISDICTION AND VENUE. Any action at law or in equity arising  
2 under this Agreement or brought by a party hereto for the purpose of enforcing, construing or  
3 determining the validity of any provision of this Agreement shall be filed in the Superior  
4 Courts of Riverside County, State of California, and the parties hereto waive all provisions of  
5 law providing for the filing, removal or change of venue to any other court or jurisdiction.

6           44.    SEVERABILITY. Each paragraph and provision of this Agreement is  
7 severable from each other provision, and if any provision or part thereof is declared invalid, the  
8 remaining provisions shall nevertheless remain in full force and effect.

9           45.    MINISTERIAL ACTS. The COUNTY's Director of HWS or designee(s)  
10 are authorized to take such ministerial actions as may be necessary or appropriate to implement  
11 the terms, provisions, and conditions of this Agreement as it may be amended from time to  
12 time by both parties.

13           46.    MODIFICATION OF AGREEMENT. The COUNTY or BORROWER  
14 may consider it in its best interest to change, modify or extend a term or condition of this  
15 Agreement. Any such change, extension or modification, which is mutually agreed upon by the  
16 COUNTY and BORROWER shall be incorporated in written amendments to this Agreement.  
17 The Director of HWS or designee is authorized to execute, subject to County Counsel approval  
18 as to form, the amendment to change, modify or extend a term or condition of this Agreement.  
19 Such amendments shall not invalidate this Agreement, nor relieve or release the COUNTY or  
20 BORROWER from any obligations under this Agreement, except for those parts thereby  
21 amended. No amendment to this Agreement shall be effective and binding upon the parties,  
22 unless it expressly makes reference to this Agreement, is in writing and is signed and  
23 acknowledged by duly authorized representatives of all parties.

24           47.    ASSIGNMENT. BORROWER will not make any sale, assignment,  
25 conveyance, or lease of any trust or power, or transfer in any other form with respect to this  
26 Agreement or the Project, other than the sale of Assisted Units to Qualified Homebuyers as set  
27 forth in this Agreement.

28           48.    EXHIBITS AND ATTACHMENTS. Each of the attachments and

1 exhibits attached hereto is incorporated herein by this reference.

2           49.    MEDIA RELEASES. BORROWER agrees to allow COUNTY to  
3 coordinate all media releases regarding the Project, with prior approval of BORROWER. Any  
4 publicity generated by BORROWER for the Project must make reference to the contribution of  
5 COUNTY in making the Project possible. COUNTY's name shall be prominently displayed in  
6 all pieces of publicity generated by BORROWER, including flyers, press releases, posters,  
7 signs, brochures, and public service announcements. BORROWER agrees to cooperate with  
8 COUNTY in any COUNTY-generated publicity or promotional activities with respect to the  
9 Project.

10           50.    NOTICES. All notices, requests, demands and other communication  
11 required or desired to be served by either party upon the other shall be addressed to the  
12 respective parties as set forth below or the such other addresses as from time to time shall be  
13 designated by the respective parties and shall be sufficient if sent by U.S. first class, certified  
14 mail, postage prepaid, or express delivery service with a receipt showing the date of delivery.

15           COUNTY  
16 Director of HWS  
17 County of Riverside  
18 3403 10<sup>th</sup> Street, Suite 300  
Riverside, CA 92501

BORROWER  
Executive Director  
Habitat for Humanity  
Inland Valley, Inc.  
41615 Winchester Rd, Suite 214  
Temecula, CA 92591

19           51.    COUNTERPARTS. This Agreement may be signed by the different  
20 parties hereto in counterparts, each of which shall be an original but all of which together shall  
21 constitute one and the same agreement.

22           52.    TIME OF THE ESSENCE. Time is of the essence with respect to all  
23 provisions of this Agreement that specify a time for performance.

24           53.    EFFECTIVE DATE. The effective date of this Agreement is the date the  
25 parties execute the Agreement. If the parties execute the Agreement on more than one date,  
26 then the last date the Agreement is executed by a party shall be the effective date.

27           54.    FORCE MAJEURE DELAYS. Delay due to Force Majeure that, in each  
28 case, (i) materially adversely affects the performance by BORROWER of its obligations

1 hereunder, (ii) is not reasonably foreseeable and is beyond BORROWER's reasonable control,  
2 (iii) despite the exercise of reasonable diligence, cannot be prevented, avoided or removed by  
3 BORROWER and is not attributable to the negligence, willful misconduct or bad faith of  
4 BORROWER, and (iv) is not the result of the failure of BORROWER to perform any of its  
5 obligations under this Agreement. Notwithstanding the foregoing, a Force Majeure Delay shall  
6 not be deemed to have occurred unless BORROWER has notified COUNTY in writing of such  
7 occurrence of Force Majeure within fifteen (15) days after such occurrence and has provided  
8 COUNTY with the details of such event and the length of the anticipated delay within an  
9 additional fifteen (15) days thereafter. BORROWER shall diligently attempt to remove,  
10 resolve, or otherwise eliminate such event, keep the COUNTY advised with respect thereto,  
11 and shall commence performance of its obligations hereunder immediately upon such removal,  
12 resolution or elimination. During the occurrence and continuance of a Force Majeure Delay,  
13 BORROWER shall be excused from performance of its obligations under this Agreement to  
14 the extent the Force Majeure prevents BORROWER from performing such obligations.

15  
16  
17  
18 (SIGNATURES ON FOLLOWING PAGE)  
19  
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21  
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24  
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26  
27  
28

1           **IN WITNESS WHEREOF**, the COUNTY and BORROWER have executed this  
2 Agreement as of the date written below.

3  
4 COUNTY:  
5 COUNTY OF RIVERSIDE, a political  
6 subdivision of the State of California

BORROWER:  
HABITAT FOR HUMANITY  
INLAND VALLEY, INC., a California nonprofit  
public benefit corporation


7  
8 By: form - do not sign  
HEIDI MARSHALL, Director  
9 Housing & Workforce Solutions

By: form - do not sign  
TAMMY MARINE,  
Executive Director

10  
11 Date: \_\_\_\_\_

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

12  
13  
14 APPROVED AS TO FORM:  
15 MINH C. TRAN  
County Counsel

16  
17 By:   
18 Amrit P. Dhillon, Deputy County Counsel

# Exhibit A

**BORROWER:** Habitat for Humanity Inland Valley, Inc.

**Address:** 41615 Winchester Rd, Suite 214, Temecula, CA 92590

**Project Title:** HFHIV NSP1-PI Habitat Way II

## **Project Description:**

BORROWER will utilize up to \$1,313,417 in NSP1 funds for acquisition, construction, and sale of six (6) single family units to low-income (“LI”) and very low-income (“VLI”) first-time homebuyers within the designated NSP1 target area in the City of Temecula as defined in the County of Riverside’s 2008-2009 One Year Action Plan and its amendments.

Six (6) new Assessor’s Parcel Numbers will be assigned when the two (2) lots are subdivided into six (6) lots. The properties shall be subdivided to the extent legally necessary for BORROWER to sell each of the six (6), three-bedroom homes that comprise the Project.

BORROWER shall expend a minimum of 25% of the NSP1 funds to assist Very Low Income (VLI) households whose incomes are at or below fifty percent (50%) of the Area Median Income (AMI), adjusted by family size at the time of occupancy for the County of Riverside. The balance of 75% or less of the NSP1 funds shall be expended to assist Low Income (LI) households whose incomes are at or below one hundred twenty percent (80%) of the AMI, adjusted by family size at the time of occupancy for the County of Riverside.

Qualified homebuyers must not have owned a home within the past three (3) years and are required to attend an eight (8) hour home buyer counseling session certified by the United States Department of Housing and Urban Development (HUD). BORROWER will utilize NSP1 funds for acquisition, construction, and disposal costs of properties for the Project. NSP1 Assisted Units shall be affordable for a period of at least 15 years from the transfer of title to qualified first-time homebuyers.

## **Eligible Properties (“Assisted Units”)**

Each Assisted Unit will be subject to environmental review prior to acquisition, demolition, construction, or new construction. The environmental effects of each activity carried out with NSP1 funds must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) and related authorities listed at HUD’s implementing regulations at 24 CFR Parts 50 and 58. The Project is required to comply with 24 CFR Section 58.5 (related federal laws and authorities) including but not limited to §58.5: historic properties, floodplain management & wetlands protection, coastal zone management, aquifers, endangered species, rivers, air, farmlands, HUD environmental standards and environmental justice. BORROWER shall also comply with the California Environmental Quality Act (CEQA).

## **Target Areas**

Assisted Units must reside inside areas of greatest need within the designated Target Areas of the County of Riverside as defined in the County’s 2008-2009 One Year Action Plan and its amendments.

## **Maximum Purchase Price**

The maximum purchase price shall not exceed either(a) the fair market value or (b) the total cost to acquire, construct and dispose the Assisted Unit pursuant to NSP1.

## **Resale Price Limitation**

The Selling Price of each Assisted Unit shall not exceed the lesser of (a) the fair market value or (b) the total costs to acquire, construct and dispose of each Assisted Unit pursuant to NSP1.

**Project Sources and Uses of Funds:**

Sources:

County of Riverside NSP1 Loan	\$ 1,313,417
City of Temecula	\$ 700,000
City of Temecula *Land Grant	\$ 561,000
Bank of America	\$ 10,000
US Bank	\$ 8,250
Habitat for Humanity Inland Valley	\$ 624,445

Total Sources                    \$3,217,112

Uses:

Acquisition	\$630,149
Appraisals	\$5,375
Property Taxes	\$5,610
Finance Charge Construction Loan	\$9,675
Permits & Fees	\$216,885
Land Development/House Design	\$527,223
Marketing	\$3,714
New Construction Costs	\$1,210,620
Legal & Accounting	\$30,960
Insurance	\$42,570
Escrow	\$6,450
Title and Recording	\$19,350
Interim Maintenance	\$1,935
Inspections	
Contingency	\$214,131
(Total Project Costs) Sub-Total	\$2,924,647
Developer Fee (10%)	\$292,465
<b>Total Uses</b>	<b>\$3,217,112</b>

## IMPLEMENTATION SCHEDULE

Milestone	Completion Date
1. NSP Loan Agreement executed	(1 <sup>st</sup> month)
2. Acquisition of Land Completed	(3 <sup>rd</sup> month)
3. Land Development & House Design	(18 <sup>th</sup> month)
4. Homeowner Recruitment/Selection & HWS Approval	(18 <sup>th</sup> month)
5. Marketing & Community Outreach	(Ongoing)
6. Construction of Houses*	(32 <sup>nd</sup> month)
7. Transfer of titles to Qualified Homebuyers*	(33 <sup>rd</sup> month)
8. Submission of Closing Documents	(33 <sup>rd</sup> month)

\* Section 26 of the Loan Agreement for the use of Neighborhood Stabilization funds  
– Performance Requirements



**DOCUMENT SUBMISSION SCHEDULE**

<b>Documents</b>	<b>Due Date</b>
1. NSPI Activities Reporting and Project Photos	Monthly, due by the <b>15<sup>th</sup></b> of each month
2. Liability and Certificate of Workers' Compensation Insurance for BORROWER and General Contractor	BORROWER – At the execution of this Agreement. GC – Before start of construction. Copies of Certificates must be filed and up-to-date throughout the course of the Project with the COUNTY additionally insured.
3. Minority & Women Business Enterprise Report – HUD form 2516, and Section 3 Reporting	Semi-Annually <b>Sept 30th &amp; March 31<sup>st</sup></b> Completion of Project
4. Notice of Completion	End of Construction
5. Certificate of Occupancy	End of Construction
6. Conditional/Unconditional Release for Final from GC, and if applicable, Sub-contractors	Close of Construction
7. Construction Completion Report	Close of Construction
8. Final Development Cost - Sources and Uses	Close of Construction
9. Qualified Homebuyer Selection Policy	Marketing Stage
10. Flyers, Community Contacts, Outreach, Press Releases, Grand Opening info	Marketing Stage
11. Updated Preliminary Title Report showing Transfer of title to Qualified Homebuyer	Close of Escrow

EXHIBIT "A"  
LEGAL DESCRIPTION

THE LAND IS SITUATED IN THE CITY OF TEMECULA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

LOT 5 OF BLOCK 34 OF THE TOWNSITE OF TEMECULA, IN THE CITY OF TEMECULA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN [BOOK 15, PAGE 726 OF MAPS](#), RECORDS OF SAN DIEGO COUNTY, CALIFORNIA.

TOGETHER WITH THAT PORTION OF AN ANNEXED STREET ADJACENT AND ON THE SOUTH SIDE OF SAID LOTS, AS VACATED BY RESOLUTION FILED DECEMBER 8, 1936 IN [BOOK 304, PAGE 356 OF OFFICIAL RECORDS](#) OF RIVERSIDE COUNTY, CALIFORNIA.

(APN: 922-062-016)

**AND**

LOT 6 OF BLOCK 34 OF THE TOWNSITE OF TEMECULA, IN THE CITY OF TEMECULA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN [BOOK 15, PAGE 726 OF MAPS](#), IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TOGETHER WITH THAT PORTION OF AN ANNEXED STREET ADJACENT AND ON THE SOUTH SIDE OF SAID LOT AS VACATED BY RESOLUTION FILED DECEMBER 8, 1936 IN [BOOK 304, PAGE 356 OF OFFICIAL RECORDS](#) OF RIVERSIDE COUNTY, CALIFORNIA.

(APN: 922-062-010)

**Note: (6) new APN #s will be assigned when the 2 above Lots are subdivided into 6 lots**  
**The land [or property] as described herein Exhibit "A" Legal Description, shall be subdivided to the extent legally necessary for BORROWER to sell each of the six (6), three-bedroom homes that comprise the Project.**

# **EXHIBIT B**

Deed of Trust

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

County of Riverside  
Housing and Workforce Solutions  
3403 10<sup>th</sup> Street, Suite 300  
Riverside, CA 92501  
ATTN: Juan Garcia

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING  
(WITH ASSIGNMENT OF RENTS)**

This DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING WITH ASSIGNMENT OF RENTS ("Security Instrument" or "Deed of Trust") is made on this \_\_\_\_\_ day of \_\_\_\_\_, 2023. The trustor is HABITAT FOR HUMANITY INLAND VALLEY, INC., a California nonprofit public benefit corporation ("Trustor"), whose address is 41615 Winchester Rd, Suite 214, Temecula, CA 92590. The trustee is \_\_\_\_\_ Chicago Title Company \_\_\_\_\_ ("Trustee"). The beneficiary is the COUNTY OF RIVERSIDE ("Beneficiary"), a political subdivision of the State of California, and whose address is 3403 10<sup>th</sup> Street, Suite 300 Riverside, CA 92501.

WITNESSETH: That Trustor IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS to Trustee, its successors and assigns, in Trust, with POWER OF SALE TOGETHER WITH RIGHT OF ENTRY AND POSSESSION the following property (the "Trust Estate"):

(A) That certain fee interest in the real property in the City of Temecula, County of Riverside, State of California more particularly described in **Exhibit A** attached hereto and incorporated herein by this reference (such interest in real property is hereafter referred to as the "Subject Property");

(B) All buildings, structures and other improvements now or in the future located or to be constructed on the Subject Property (the "Improvements");

(C) All tenements, hereditaments, appurtenances, privileges, franchises and other rights and interests now or in the future benefiting or otherwise relating to the Subject Property or the Improvements, including easements, rights-of-way and development rights (the "Appurtenances"). (The Appurtenances, together with the Subject Property and the Improvements, are hereafter referred to as the "Real Property");

(D) All rents, issues, income, revenues, royalties and profits now or in the future payable with respect to or otherwise derived from the Trust Estate or the Trustorship, use, management, operation leasing or occupancy of the Trust Estate, including those past due and unpaid (the "Rents");

(E) All present and future right, title and interest of Trustor in and to all inventory, equipment, fixtures and other goods (as those terms are defined in Division 9 of the California Uniform Commercial Code (the "UCC"), and whether existing now or in the future) now or in the future located at, upon or about, or affixed or attached to or installed in, the Real Property, or used or to be used in connection with or otherwise relating to the Real Property or the ownership, use, development, construction, maintenance, management, operation, marketing, leasing or occupancy of the Real Property, including furniture, furnishings, theater equipment, seating, machinery, appliances, building materials and supplies, generators, boilers, furnaces, water tanks, heating ventilating and air conditioning equipment and all other types of tangible personal property of any kind or nature, and all accessories, additions, attachments, parts, proceeds, products, repairs, replacements and substitutions of or to any of such property, but not including personal property that is donated to Trustor (the "Goods," and together with the Real Property, the "Property"); and

(F) All present and future right, title and interest of Trustor in and to all accounts, general intangibles, chattel paper, deposit accounts, money, instruments and documents (as those terms are defined in the UCC) and all other agreements, obligations, rights and written material (in each case whether existing now or in the future) now or in the future relating to or otherwise arising in connection with or derived from the Property or any other part of the Trust Estate or the Ownership, use, development, construction, maintenance, management, operation, marketing, leasing, occupancy, sale or financing of the property or any other part of the Trust Estate, including (to the extent applicable to the Property or any other portion of the Trust Estate) (i) permits, approvals and other governmental authorizations, (ii) improvement plans and specifications and architectural drawings, (iii) agreements with contractors, subcontractors, suppliers, project managers, supervisors, designers, architects, engineers, sales agents, leasing agents, consultants and property managers, (iv) takeout, refinancing and permanent loan commitments, (v) warranties, guaranties, indemnities and insurance policies, together with insurance payments and unearned insurance premiums, (vi) claims, demands, awards, settlements, and other payments arising or resulting from or otherwise relating to any insurance or any loss or destruction of, injury or damage to, trespass on or taking, condemnation (or conveyance in lieu of condemnation) or public use of any of the Property, (vii) license agreements, service and maintenance agreements, purchase and sale agreements and purchase options, together with advance payments, security deposits and other amounts paid to or deposited with Trustor under any such agreements, (viii) reserves, deposits, bonds, deferred payments, refunds, rebates, discounts, cost savings, escrow proceeds, sale proceeds and other rights to the payment of money, trade names, trademarks, goodwill and all other types of intangible personal property of any kind or nature, and (ix) all supplements, modifications, amendments, renewals, extensions, proceeds, replacements and substitutions of or to any of such property (the "Intangibles").

Trustor further grants to Trustee and Beneficiary, pursuant to the UCC, a security interest in all present and future right, title and interest of Trustor in and to all Goods and Intangibles and all of the Trust Estates described above in which a security interest may be created under the UCC (collectively, the "Personal Property"). This Deed of Trust constitutes a security agreement under the UCC, conveying a security interest in the Personal Property to Trustee and Beneficiary. Trustee and Beneficiary shall have, in addition to all rights and remedies provided

herein, all the rights and remedies of a "secured party" under the UCC and other applicable California law. Trustor covenants and agrees that this Deed of Trust constitutes a fixture filing under Section 9334 and 9502(b) of the UCC.

FOR THE PURPOSE OF SECURING, in such order of priority as Beneficiary may elect, the following:

- 1) due, prompt and complete observance, performance and discharge of each and every condition, obligation, covenant and agreement contained herein or contained in the following:
  - (a) that certain Promissory Note in favor of the Beneficiary ("COUNTY" therein) executed by Trustor ("BORROWER" therein) of even date herewith (the "NSP1 Note") in the principal amount of \$1,313,417;
  - (b) that certain Loan Agreement, for the Use of Neighborhood Stabilization Program ("NSP1") Funds dated \_\_\_\_\_ and recorded in the Official Records of the County of Riverside ("Official Records") concurrently herewith, between Trustor ("BORROWER" therein) and Beneficiary ("County" therein) (the "NSP1 Loan Agreement").
- 2) payment of indebtedness of the Trustor to the Beneficiary not to exceed **One Million Three Hundred Thirteen Thousand Four Hundred Seventeen Dollars** (\$1,313,417) (the "NSP1 Loan") according to the terms of the Note.

Said NSP1 Note, and NSP1 Loan Agreement (collectively, referred to as the "Secured Obligations") and all of their terms are incorporated herein by this reference and this conveyance shall secure any and all extensions, amendments, modifications or renewals thereof however evidenced, and additional advances evidenced by any note reciting that it is secured hereby. The NSP1 Note and NSP1 Loan Agreement as used herein shall mean, refer to and include the NSP1 Note and NSP1 Loan Agreement, as well as any riders, exhibits, addenda, implementation agreements, covenants, amendments, or attachments thereto (which are hereby incorporated herein by this reference). Any capitalized term not otherwise defined herein shall have the meaning ascribed to such term in the NSP1 Loan Agreement.

TRUSTOR COVENANTS that the Trustor is lawfully seized of the estate hereby conveyed and has the right to grant and convey the fee interest of the Property. Trustor warrants and will defend generally the title to the Property against all claims and demands, subject to such encumbrances of record.

**AND TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR COVENANTS AND AGREES:**

1. That Trustor shall pay the NSP1 Note at the time and in the manner provided therein and perform the obligations of the Trustor as set forth in the NSP1 Loan Agreement at the time and in the manner respectively provided therein.
2. That Trustor shall not permit or suffer the use of any of the property for any purpose other than the use set forth in the NSP1 Loan Agreement.
3. That the Secured Obligations are incorporated in and made a part of the Deed of Trust. Upon default of a Secured Obligation, and after the giving of notice and the expiration of any applicable cure period, the Beneficiary, at its option, may declare the whole of the indebtedness secured hereby to be due and payable.
4. That all rents, profits and income from the property covered by this Deed of Trust are hereby assigned to the Beneficiary for the purpose of discharging the debt hereby secured. Permission is hereby given to Trustor so long as no default exists hereunder after the giving of notice and the expiration of any applicable cure period, to collect such rents, profits and income for use in accordance with the provisions of the NSP1 Loan Agreement.
  - a. That upon default hereunder or under any of the Secured Obligations and after giving notice and opportunity to cure, Beneficiary shall be entitled to the appointment of receiver by any court having jurisdiction, without notice, to take possession and protect the Property described herein and operate same and collect the rents, profits and income therefrom.
5. **Payment of Principal and Interest; Prepayment and Late Charges.** Trustor shall promptly pay when due the principal of and interest on the debt evidenced by the NSP1 Note and any late charges due under the Note.
6. **Taxes and Insurance.** Trustor shall pay before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Deed of Trust.
  - a. Should Trustor fail to make any payment or to do any act herein provided, then Beneficiary or Trustee, but without obligation so to do and upon written notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge, or lien which in the judgment of either appears to be prior or superior

hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his or her reasonable fees.

7. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Beneficiary under **Section 5** shall be applied: first, to interest due; second, to principal due; and last, to any late charges due under the NSP1 Note.
8. **Prior Deeds of Trust; Charge; Liens.** Trustor shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Deed of Trust, and leasehold payments or ground rents, if any, subject to applicable cure periods directly to the person owed payment. Trustor shall pay these obligations in the manner provided in **Section 6**. Trustor shall promptly furnish to Beneficiary all notices of amounts to be paid under this Section. If Trustor makes these payments directly, Trustor shall promptly furnish to Beneficiary receipts evidencing the payments.
  - a. Except for the liens permitted in writing by the Beneficiary, Trustor shall promptly discharge any other lien which shall have attained priority over this Deed of Trust unless Trustor: (1) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Beneficiary; (2) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Beneficiary's opinion operate to prevent the enforcement of the lien; or (3) bond around the lien (4) secures from the holder of the lien an agreement satisfactory to Beneficiary subordinating the lien to this Deed of Trust. Except for the liens approved herein, if Beneficiary determines that any part of the Property is subject to a lien which may attain priority over this Deed of Trust, Beneficiary may give Trustor a notice identifying the lien. Trustor shall satisfy such lien or take one or more of the actions set forth above within 30 days of the giving of notice.
9. **Second Priority Position.** This Deed of Trust shall be recorded in a second position. This Deed of Trust shall remain in a superior position over any other trust deed that may be issued to secure additional public and/or private funding. Upon conveyance of the Subject Property and upon execution of the Homebuyer Covenant Agreement, the Homebuyer Covenant Agreement shall take first priority position.
10. **Hazard or Property Insurance.** Trustor shall keep the improvements now existing or hereafter erected on the Property insured against loss of fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Beneficiary requires insurance. This insurance shall be maintained in the amounts and for the periods as required in the NSP1 Loan Agreement. The insurance carrier providing the insurance shall be chosen by Trustor subject to Beneficiary's approval which shall not be unreasonably



withheld. If Trustor fails to maintain coverage described above, Beneficiary may, at Beneficiary's option, obtain coverage to protect Beneficiary's rights in the Property in accordance with **Section 12**.

- a. All insurance policies and renewals shall be acceptable to Beneficiary and shall include a standard mortgagee clause. All requirements hereof pertaining to insurance shall be deemed satisfied if the Trustor complies with the insurance requirements under this Deed of Trust and the NSP1 Loan Agreement. Trustor shall promptly give to Beneficiary certificates of insurance showing the coverage is in full force and effect and that Beneficiary is named as additional insured. In the event of loss, Trustor shall give prompt notice to the insurance carrier and Beneficiary. Beneficiary may make proof of loss if not made promptly by the Trustor.
  - b. Unless Beneficiary and Trustor otherwise agree in writing and subject to the rights of senior lenders, insurance proceeds shall be applied to restoration or repair of the Property damaged, provided Trustor determines that such restoration or repair is economically feasible and there is no default continuing beyond the expiration of all applicable cure periods. If Trustor determines that such restoration or repair is not economically feasible or if a default exists after expiration of all applicable cure periods, the insurance proceeds shall be applied to the sums secured by this Deed of Trust, with the excess, if any, paid to Trustor. If the Property is abandoned by Trustor, or if Trustor fails to respond to Beneficiary within 30 days from the date notice is mailed by Beneficiary to Trustor that the insurance carrier offers to settle a claim for insurance benefits, Beneficiary is authorized to collect and apply the insurance proceeds at Beneficiary's option either to restoration or repair of the Property or to the sums secured by this Deed of Trust.
  - c. Unless Beneficiary and Trustor otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of Note. If under **Section 27** the Property is acquired by Beneficiary, Trustor's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Beneficiary to the extent of the sums secured by this Deed of Trust immediately prior to the acquisition.
11. **Preservation, Maintenance and Protection of the Property; Trustor's Loan Application; Leaseholds.** Trustor shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property; normal wear and tear excepted. Trustor shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Beneficiary's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Deed of Trust or Beneficiary's security interest. Trustor may cure such a default and reinstate, as provided in **Section 23**, by causing the

action or proceeding to be dismissed with a ruling that, in Beneficiary's good faith determination, precludes forfeiture of the Trustor's interest in the Property or other material impairment of the lien created by this Deed of Trust or Beneficiary's security interest. Trustor shall also be in default if Trustor, during the loan application process, gave materially false or inaccurate information or statements to Beneficiary (or failed to provide Beneficiary with any material information) in connection with the loan evidenced by the Note, including, but not limited to representations concerning Trustor's use of Property for affordable housing. If this Deed of Trust is on a leasehold, Trustor shall comply with all provisions of the lease. If Trustor acquires fee title to the Property, the leasehold and the fee title shall not merge unless Beneficiary agrees to the merger in writing.

a. The Trustor acknowledges that this Property is subject to certain affordability, use and occupancy restrictions (which may be further evidenced by a separate agreement recorded in the land records where the Property is located), limiting the Property's use to "low-income housing" within the meaning of NSP1. The use and occupancy restrictions may limit the Trustor's ability to rent the Property. The violation of any use and occupancy restrictions may, if not prohibited by federal law, entitle the Beneficiary to the remedies provided in **Section 27** hereof.

12. **Protection of Beneficiary's Rights in the Property.** If Trustor fails to perform the covenants and agreements contained in this Deed of Trust, or there is a legal proceeding that may significantly affect Beneficiary's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then, subject to any applicable grace periods or cure periods, Beneficiary may do and pay for whatever is necessary to protect the value of the Property and Beneficiary's rights in the Property. Beneficiary's actions may include paying any sums secured by a lien which has priority over this Deed of Trust, appearing in court, paying reasonable attorneys' fees, and entering on the Property to make repairs. Although Beneficiary may take action under this **Section 12**, Beneficiary does not have to do so.

a. Any amounts disbursed by Beneficiary under this **Section 12** shall become additional debt of Trustor secured by this Deed of Trust. Unless Trustor and Beneficiary agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Beneficiary to Trustor requesting payment.

13. **Reserved.**

14. **Inspection.** Beneficiary or its agent may make reasonable entries upon and inspections of the Property. Beneficiary shall give Trustor at least forty-eight (48)

hours advanced notice in connection with an inspection specifying reasonable cause for the inspection.

15. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Beneficiary.
  - a. In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Deed of Trust, whether or not then due, with any excess paid to Trustor. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Deed of Trust immediately before the taking, unless Trustor and Beneficiary otherwise agree in writing, the sums secured by this Deed of Trust shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Trustor. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Trustor and Beneficiary otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Deed of Trust whether or not the sums are then due. Notwithstanding the foregoing, so long as the value of Beneficiary's lien is not impaired, any condemnation proceeds may be used by Trustor for repair and/or restoration of the project.
  - b. If the Property is abandoned by Trustor, or if, after notice by Beneficiary to Trustor that the condemner offers to make an award or settle a claim for damages, Trustor fails to respond to Beneficiary within 30 days after the date the notice is given, Beneficiary is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Deed of Trust, whether or not then due.
  - c. Unless Beneficiary and Trustor otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the payments referred to in **Sections 5 and 6** or change the amount of such payments.
16. **Trustor Not Released; Forbearance By Beneficiary Not a Waiver.** Except in connection with any successor in interest approved by Beneficiary in writing, extension of the time for payment or modification of amortization of the sums secured by this Deed of Trust granted by Beneficiary to any successor in interest of Trustor shall not operate to release the liability of the original Trustor or

Trustor's successors in interest. Beneficiary shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Deed of Trust by reason of any demand made by the original Trustor or Trustor's successors in interest. Any forbearance by Beneficiary in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

17. **Successors and Assigns Bound; Joint and Several Liability; Co-signers.** The covenants and agreements of this Deed of Trust shall bind and benefit the successors and assigns of Beneficiary and Trustor, subject to the provisions of **Section 22**. Trustor's covenants and agreements shall be joint and several.
18. **Loan Charges.** If the loan secured by this Deed of Trust is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Trustor which exceeded permitted limits will be promptly refunded to Trustor. Beneficiary may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Trustor. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the NSP1 Note.
19. **Notices.** Any notice to Trustor provided for in this Deed of Trust shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Trustor's mailing address stated herein or any other address Trustor designates by notice to Beneficiary. All such notices to Trustor shall also be provided to the investment limited partner at the address set forth in the NSP1 Loan Agreement. Any notice to Beneficiary shall be given by first class mail to Beneficiary's address stated herein or any other address Beneficiary designates by notice to Trustor. Any notice provided for in this Deed of Trust shall be deemed to have been given to Trustor or Beneficiary when given as provided in this Section.
20. **Governing Law; Severability.** This Deed of Trust and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State of California. Each paragraph and provision of this Deed of Trust is severable from each other provision, and if any provision or part thereof is declared invalid, the remaining provisions shall nevertheless remain in full force and effect. To this end the provisions of this Deed of Trust and the Note are declared to be severable. Any action at law or in equity arising under this Deed of Trust or brought by a party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Agreement shall be filed in the Superior Courts of Riverside County, State of California, and the parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court or jurisdiction.

21. **Trustor's Copy.** Trustor shall be given one conformed copy of the NSP1 Note and of this Deed of Trust.
22. **Transfer of the Property or a Beneficial Interest in Trustor.** Except as otherwise allowed under the NSP1 Loan Agreement, if all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Trustor is sold or transferred and Trustor is not a natural person) without Beneficiary's prior written consent (including a transfer of all or any part of the Property to any person who, at initial occupancy of the Property, does not use the Property for "low-income housing" within the meaning of NSP1) Beneficiary may, at its option, require immediate payment in full of all sums secured by this Deed of Trust. However, this option shall not be exercised by Beneficiary if exercise is prohibited by federal law as of the date of this Deed of Trust. Nothing in this Deed of Trust shall be deemed to require Beneficiary's approval of a conveyance of an easement interest in the Property for utility purposes.
  - a. If Beneficiary exercises the aforementioned option, Beneficiary shall give Trustor prior written notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Trustor must pay all sums secured by this Deed of Trust. If Trustor fails to pay these sums prior to the expiration of this period, Beneficiary may invoke any remedies permitted by this Deed of Trust without further notice or demand on Trustor.
23. **Trustor's Right to Reinstate.** If Trustor meets certain conditions, Trustor shall have the right to have enforcement of this Deed of Trust discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Deed of Trust; or (b) entry of a judgment enforcing this Deed of Trust. Those conditions are that Trustor: (a) pays Beneficiary all sums which then would be due under this Deed of Trust and the NSP1 Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Deed of Trust, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Beneficiary may reasonably require to assure that the lien of this Deed of Trust, Beneficiary's rights in the Property and Trustor's obligation to pay the sums secured by this Deed of Trust shall continue unchanged. Upon reinstatement by Trustor, this Deed of Trust and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under **Section 22**.
24. **Sale of Note; Change of Loan Servicer.** The NSP1 Note or a partial interest in the NSP1 Note (together with this Deed of Trust) may be sold one or more times without prior notice to Trustor. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the

Note and this Deed of Trust. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Trustor will be given written notice of the change in accordance with **Section 19** above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

25. **No Assignment.** The Note and this Deed of Trust shall not be assigned by Trustor without the Beneficiary's prior written consent.
26. **Hazardous Substances.** Trustor shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Trustor shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses, construction, and to maintenance of the Property.
  - a. Trustor shall promptly give Beneficiary written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Trustor has actual knowledge. If Trustor learns, or is notified in writing by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Trustor shall promptly take all necessary remedial actions in accordance with Environmental Law.
  - b. As used in this **Section 26**, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials, excluding household products in normal quantities. As used in this **Section 26**, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.
27. **Acceleration; Remedies.** Beneficiary shall give notice to Trustor prior to acceleration following Trustor's breach of any covenant or agreement in this Deed of Trust. The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, which shall not be more than ten (10) calendar days from the date of the mailing of the notice for a monetary default, or a date, which shall not be more than sixty (60) calendar days from the mailing of the notice for a non-monetary default, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration

of the sums secured by this Deed of Trust and sale of the Property. The notice shall further inform Trustor of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Trustor to acceleration and sale. If the default is not cured by the Trustor on or before the date specified in the notice, Beneficiary at its option may require immediate payment in full of all sums secured by this Deed of Trust without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Beneficiary shall be entitled to collect all expenses incurred in pursuing the remedies provided in this **Section 27**, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

- a. If Beneficiary invokes the power of sale, Beneficiary or Trustee shall mail copies of a notice of sale in the manner prescribed by applicable law to Trustor, and to the other persons prescribed by applicable law. Trustee shall give notice of sale by public advertisement for the time and in the manner prescribed by applicable law. Trustee, without demand on Trustor, shall sell the Property at public auction to the highest bidder for cash at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property to any later time on the same date by public announcement at the time and place of any previously scheduled sale. Beneficiary or its designee may purchase the Property at any sale.
  - b. Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Deed of Trust; and (c) any excess to the person or persons legally entitled to it.
28. **Release.** Upon sale of each Unit to a Qualified Homebuyer secured by this Deed of Trust, the Beneficiary shall release a partial reconveyance, (1/6th (\$218,902.83), of the Deed of Trust. Upon the sale of the 6<sup>th</sup> and final unit the Beneficiary record a full reconveyance of this Deed of Trust and shall release this Deed of Trust without charge to Trustor. Trustor shall pay any recordation costs.
29. **Substitute Trustee.** Beneficiary, at its option, may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder by an instrument recorded in the county in which this Deed of Trust is recorded. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by applicable law.

30. **Reserved.**
31. **Prohibition against tenancy under foreclosure.** Notwithstanding anything to the contrary set forth in this Deed of Trust or in any documents secured by this Deed of Trust or contained in any subordination agreement, the Beneficiary acknowledges and agrees that, in no event will any action be taken which violates Section 42(h)(6)(E)(ii) of the U.S. Internal Revenue Code of 1986, as amended, regarding prohibitions against evicting, terminating tenancy or increasing rent of tenants for a period of three (3) years after acquisition of a building by foreclosure or deed-in-lieu of foreclosure.
32. **Removal, Demolition or Alteration of Personal Property and Fixtures.** Except to the extent permitted by the following sentence, no personal property or fixtures shall be removed, demolished or materially altered without the prior written consent of the Beneficiary. Trustor may remove and dispose of, free from the lien of this Deed of Trust, such personal property and fixtures as from time to time become worn out or obsolete, providing that, (a) the same is done in the ordinary course of business, and (2) either (i) at the time of, or prior to, such removal, any such personal property or fixtures are replaced with other personal property or fixtures which are free from liens other than encumbrances permitted hereunder and which have a value at least equal to that of the replaced personal property and fixtures (and by such removal replacement Trustor shall be deemed to have subjected such replacement personal property and fixtures to the lien of this Deed of Trust), or (ii) such personal property and fixtures may not require replacement if functionally, economically or operationally obsolete and so long as the fair market value of and operational efficiency of the Project is not reduced or adversely effected thereby.
33. **Severability.** Each paragraph and provision of this Deed of Trust is severable from each other provision, and if any provision or part thereof is declared invalid by a competent court of law, the remaining provisions shall nevertheless remain in full force and effect.

**[Remainder of Page Blank]**

**[Signatures on Following Page]**



**In Witness Whereof Trustor has executed this Deed of Trust as of the day and year set forth below.**

TRUSTOR:

HABITAT FOR HUMANITY INLAND VALLEY, INC.  
a California nonprofit public benefit corporation

By: form - do not sign  
Tammy Marine, Executive Director

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

**TRUSTOR SIGNATURE MUST BE NOTARIZED**

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT**

STATE OF CALIFORNIA }

COUNTY OF \_\_\_\_\_ }

On \_\_\_\_\_, before me, \_\_\_\_\_  
Date Here Insert Name and Title of the Officer

personally appeared \_\_\_\_\_  
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 \_\_\_\_\_

Place Notary Seal Above

Signature of Notary Public

EXHIBIT "A"  
LEGAL DESCRIPTION

THE LAND IS SITUATED IN THE CITY OF TEMECULA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

LOT 5 OF BLOCK 34 OF THE TOWNSITE OF TEMECULA, IN THE CITY OF TEMECULA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN [BOOK 15, PAGE 726 OF MAPS](#), RECORDS OF SAN DIEGO COUNTY, CALIFORNIA.

TOGETHER WITH THAT PORTION OF AN ANNEXED STREET ADJACENT AND ON THE SOUTH SIDE OF SAID LOTS, AS VACATED BY RESOLUTION FILED DECEMBER 8, 1936 IN [BOOK 304, PAGE 356 OF OFFICIAL RECORDS](#) OF RIVERSIDE COUNTY, CALIFORNIA.

(APN: 922-062-016)

**AND**

LOT 6 OF BLOCK 34 OF THE TOWNSITE OF TEMECULA, IN THE CITY OF TEMECULA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN [BOOK 15, PAGE 726 OF MAPS](#), IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TOGETHER WITH THAT PORTION OF AN ANNEXED STREET ADJACENT AND ON THE SOUTH SIDE OF SAID LOT AS VACATED BY RESOLUTION FILED DECEMBER 8, 1936 IN [BOOK 304, PAGE 356 OF OFFICIAL RECORDS](#) OF RIVERSIDE COUNTY, CALIFORNIA.

(APN: 922-062-010)

**Note: (6) new APN #s will be assigned when the 2 above Lots are subdivided into 6 lots**

**The land [or property] as described herein Exhibit "A" Legal Description, shall be subdivided to the extent legally necessary for BORROWER to sell each of the six (6), three-bedroom homes that comprise the Project.**

REQUEST FOR RECONVEYANCE

TO TRUSTEE:

The undersigned is the holder of the Note or Notes secured by this Security Instrument (Deed of Trust). Said Promissory Note or Notes, together with all other indebtedness secured by this Security Instrument (Deed of Trust), have been paid in full. You are hereby directed to cancel said Promissory Note or Notes and this Security Instrument (Deed of Trust), which are delivered hereby, and to reconvey, without warranty, all the estate now held by you under this Deed of Trust to the person or persons legally entitled thereto.

Dated: \_\_\_\_\_

# **EXHIBIT C**

## **Promissory Note**

**PROMISSORY NOTE SECURED BY DEED OF TRUST**

\$1,313,417.00

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

Interest 0%

Riverside, California

In installments as hereafter stated, for value received, Habitat for Humanity (“BORROWER”), a California nonprofit public benefit corporation promises to pay the COUNTY OF RIVERSIDE, a political subdivision of the State of California (“COUNTY”), or order, at 3403 10<sup>th</sup> Street, Suite 300, Riverside, CA 92501, the sum of One Million Three Hundred Thirteen Thousand Four Hundred Seventeen Dollars (\$1,313,417) (the “NSP1 Loan” or “Note Amount”) which at the time of payment is lawful for the payment of public and private debts.

This Promissory Note (“Note”) is given in accordance with that certain Loan Agreement for the Use of Neighborhood Stabilization Program Funds executed by COUNTY and BORROWER, dated as of \_\_\_\_\_ and recorded in the Official Records of the County of Riverside (“Official Records”) on or about the date hereof (the “NSP1 Loan Agreement”). Except to the extent otherwise expressly defined in this Note, all capitalized terms shall have the meanings ascribed to such terms in the NSP1 Loan Agreement. The Note is secured by a Deed of Trust, Security Agreement and Fixture Filing with Assignment of Rents executed by BORROWER for the benefit of COUNTY dated \_\_\_\_\_ and recorded on or about the date hereof in the Official Records (the “NSP1 Deed of Trust” or “Deed of Trust”). The rights and obligations of the BORROWER and COUNTY under this Note shall be governed by the NSP1 Loan Agreement and the following terms:

- (1) That the NSP1 Loan evidenced by this Note and secured by the NSP1 Deed of Trust are being made pursuant to the Neighborhood Stabilization Program (“NSP1”), which was enacted under Title III of Division B of the Housing and Economic Recovery Act of 2008 (“HERA”) and appropriated under Community Development Block Grant (CDBG). BORROWER agrees for itself, its successors and assigns that the use of the Assisted Unit shall be subject to the restrictions on affordability, sale and occupancy set forth in the NSP1 Program regulations, the NSP1 Loan dated on or about the date hereof and recorded on or about the date hereof in the Official Records between BORROWER and COUNTY.
- (2) That the NSP1 Loan shall accrue simple interest at a rate of zero percent (0%) per annum, except in the case of default as hereinafter provided.
- (3) The term of this Note shall be twenty-four (24) months from the Effective Date of the NSP1 Loan Agreement.
- (4) This Note shall be repaid according to the following:
  - a. The NSP1 Loan shall be: (1) due and payable in an Event of Default by BORROWER which has not been cured as provided for in the NSP1 Loan Agreement, and (2) converted to a grant upon sale and transfer of title to a Qualified Homebuyer.

- b. 1/6<sup>th</sup> (\$218,902.83) of the NSP1 Loan shall be converted to a grant upon the sale and transfer of title to any of the Assisted Units to a Qualified Homebuyer evidenced by recordation of a covenant ("Homebuyer Covenant") in the Official Records. At the time of sale of the Assisted Unit to a Qualified Homebuyer, COUNTY shall cause to be delivered to BORROWER a 1/6<sup>th</sup> partial reconveyance of the Deed of Trust, which termination does not affect the Affordability Period for the Assisted Unit.
  - c. BORROWER shall be the primary lender to provide the Qualified Homebuyer a minimum 30-year fixed rate mortgage loan to purchase the home.
  - d. Upon sale of the Assisted Unit prior to the expiration of the Affordability Period, BORROWER shall utilize proceeds from the sale towards eligible NSP1 activities, as defined in the County of Riverside's 2008-2009 One Year Action Plan and its amendments.
  - e. Annual financial statements providing for the status of the NSP1 proceeds shall be submitted to COUNTY within 60 days of July 1st for COUNTY review and approval commencing on this \_\_\_\_\_ day of \_\_\_\_\_, 2023.
- (5) The NSP1 Loan is evidenced by this Note which is secured by that certain NSP1 Deed of Trust executed by BORROWER for the benefit of the COUNTY, dated on or about the date hereof and recorded in the Official Records.
- (6) This Note may be prepaid in whole or in part by the undersigned at any time without prepayment penalty or premium.
- (7) Subject to the provisions and limitations of this **Section 7**, the obligation to repay the Note Amount is a nonrecourse obligation of BORROWER and its partners. Neither BORROWER nor its partners shall have any personal liability for repayment of the Note Amount, except as provided in this **Section 7**. The sole recourse of the COUNTY shall be the exercise of its rights against the Property (or any portion thereof) and any related security for the NSP1 Loan; provided, however, that the foregoing shall not (i) constitute a waiver of any other obligation evidenced by this Note or the Deed of Trust; (ii) limit the right of the COUNTY to name BORROWER as a party defendant in any action or suit for judicial foreclosure and sale under this Note and the Deed of Trust or any action or proceeding hereunder so long as no judgment in the nature of a deficiency judgment shall be asked for or taken against BORROWER; (iii) release or impair either this Note or the Deed of Trust; (iv) prevent or in any way hinder the COUNTY from exercising, or constitute a defense, an affirmative defense, a counterclaim or other basis for relief in respect of the exercise of, any other remedy against the mortgaged Property or any other instrument securing this Note or as prescribed by law or in equity in case of default; (v) prevent or in any way hinder the COUNTY from exercising, or constitute a defense, an affirmative defense, a counterclaim or other basis for relief in respect of the exercise of, its remedies in respect of any deposits, insurance proceeds, condemnation awards or other monies or other collateral or letters of credit securing this Note; or (vi) affect in any way the validity of any guarantee or indemnity from any person of all or any of the obligations

evidenced and secured by this Note and the Deed of Trust. Notwithstanding the first sentence of this **Section 7**, the COUNTY may recover directly from BORROWER or, unless otherwise prohibited by any applicable law, from any other party: (a) any damages, costs and expenses incurred by the COUNTY as a result of fraud, misrepresentation or any criminal act or acts of BORROWER or any general partner, shareholder, officer, director or employee of BORROWER, or of any member or general partner of BORROWER, or of any general partner of such member or general partner; (b) any damages, costs and expenses incurred by the COUNTY as a result of any misappropriation of funds provided to pay costs as described in the HOME Loan Agreement, rents and revenues from the operation of the Project, or proceeds of insurance policies or condemnation proceeds; (c) any misappropriation of rental proceeds resulting in the failure to pay taxes, assessments, or other charges that could create statutory liens on the Project and that are payable or applicable prior to any foreclosure under the Deed of Trust; (d) the fair market value of any personal property or fixtures removed or disposed of by the BORROWER other than in accordance with the Deed of Trust; (e) any and all amounts owing by BORROWER pursuant to any indemnity set forth in the NSP1 Loan Agreement and/or Deed of Trust or the indemnification regarding Hazardous Substances pursuant to the NSP1 Loan Agreement and/or Deed of Trust, and (f) all court costs and attorneys' fees reasonably incurred in enforcing or collecting upon any of the foregoing exceptions.

(8) The occurrence of any of the following events shall constitute an "Event of Default" under this Note after notice and opportunity to cure pursuant to the terms set forth in the Deed of Trust:

- i. Monetary Default. (1) BORROWER's failure to pay when due any sums payable under this Note or Deed of Trust, or any advances made by COUNTY under the Deed of Trust or the NSP1 Loan Agreement, after expiration of any applicable cure periods, (2) BORROWER's or any agent of BORROWER's use of NSP1 funds for costs other than costs or for uses inconsistent with terms and restrictions set forth in the NSP1 Loan Agreement, after expiration of any applicable cure periods, (3) BORROWER's or any agent of BORROWER's failure to make any other payment of any assessment or tax due under the NSP1 Loan Agreement or the Deed of Trust, after expiration of any applicable cure periods, and /or (4) default under the terms of any junior loan documents or any other instrument or document secured against the Assisted Unit;
- ii. Non-Monetary Default - Operation. (1) Discrimination by BORROWER or BORROWER's agent on the basis of characteristics prohibited by the NSP1 Loan Agreement or applicable law, (2) the imposition of any encumbrances or liens on the Assisted Unit without COUNTY's prior written approval, including, but not limited to those liens or encumbrances expressly prohibited under the NSP1 Loan Agreement or that have the effect of reducing the priority or invalidating the Deed of Trust, (3) BORROWER's failure to obtain and maintain the insurance coverage required under the NPS1 Loan Agreement, after expiration of any applicable cure periods, (4) breach of any term contained in the Deed of Trust, after expiration of any applicable cure periods, (5) any other



default under the NSP1 Loan Agreement, after expiration of any applicable cure periods, and/or (6) default under the terms of any junior loan documents or any other instrument or document secured against the Assisted Unit;

- iii. General Performance of Loan Obligations. Any substantial or continuous or repeated breach by BORROWER or BORROWER's agents of any material obligations on BORROWER imposed in the NSP1 Loan Agreement, after expiration of any applicable cure periods; and
  - iv. General Performance of Other Obligations. Any substantial or continuous or repeated breach by BORROWER or BORROWER's agents, after expiration of any applicable cure periods, of any material obligations on the Project imposed by any other agreement with respect to the financing, development, or operation of the Project; whether or not COUNTY is a party to such agreement.
- (8) COUNTY shall give written notice of default to BORROWER, specifying the default complained of by the COUNTY as set forth in the Deed of Trust and of BORROWER's obligation to cure the default within the periods set forth below. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default.

The injured party shall give written notice of default to the party in default, specifying the default complained of by the injured party. Failure or delay in giving such notice shall not constitute a waiver of any default, nor shall it change the time of default. Except as otherwise expressly provided in this Agreement, any failures or delays by either party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by either party in asserting any of its rights and remedies shall not deprive either party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

If a monetary event of default occurs, prior to exercising any remedies hereunder, the injured party shall give the party in default written notice of such default. The party in default shall have a period of seven (7) days after such notice is given within which to cure the default prior to exercise of remedies by the injured party.

If a non-monetary event of default occurs, prior to exercising any remedies hereunder, the injured party shall give the party in default notice of such default. If the default is reasonably capable of being cured within thirty (30) days, the party in default shall have such period to effect a cure prior to exercise of remedies by the injured party.

- (9) Any failures or delays by COUNTY in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by COUNTY in asserting any of its rights and remedies shall not deprive COUNTY of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert, or enforce any such rights or remedies.
- (10) If the rights created by this Note shall be held by a court of competent jurisdiction to be invalid or unenforceable as to any part of the obligations described herein, the

remaining obligations shall be completely performed and paid. In the event that any provision or clause of this Note conflicts with applicable law, such conflict will not affect other provisions of this Note which can be given effect without the conflicting provision, and to this end the provisions of the Note are declared to be severable.

- (11) BORROWER hereby waives diligence, presentment for payment, demand, notice of protest, dishonor and nonpayment of this Note, and expressly agrees that, without in any way affecting the liability of BORROWER hereunder, the COUNTY may extend any maturity date or the time for payment of any installment due hereunder, accept additional security, release any party liable hereunder and release any security now or hereafter securing this Note. BORROWER further waives, to the full extent permitted by law, the right to plead any and all statutes of limitations as a defense to any demand on this Note, or on any deed of trust, security agreement, guaranty or other agreement now or hereafter securing this Note.
- (12) Should default be made in payment of principal and interest when due and such default shall continue beyond the applicable notice and cure period provided in the NSP1 Loan Agreement, the whole sum of principal and interest shall become immediately due at the option of the holder of this Note. Principal and interest are payable in lawful money of the United States. If action be instituted on this Note, the undersigned promises to pay such sums as the Court may fix as attorney's fees.
- (13) This Note has been negotiated and entered in the State of California, and shall be governed by, construed and enforced in accordance with the internal laws of the State of California, applied to contracts made in California by California domiciliaries to be wholly performed in California. Any action at law or in equity arising under this Note or brought by a party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Note shall be filed in the Superior Courts of Riverside County, State of California, and the parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court or jurisdiction.
- (14) No modification, rescission, waiver, release or amendment of any provision of this Note shall be made except by a written agreement executed by BORROWER and the duly authorized representative of the COUNTY.
- (15) The COUNTY may, in its sole and absolute discretion, assign its rights under this Note and its right to receive repayment of the Note Amount without obtaining the consent of BORROWER.
- (16) In no event shall BORROWER assign or transfer any portion of this Note or any rights herein without the prior express written consent of the COUNTY, which consent the COUNTY may give or withhold in its sole and absolute discretion. In the absence of specific written agreement by the COUNTY, no unauthorized assignment or transfer, or approval thereof by the COUNTY, shall be deemed to relieve BORROWER or any other party from any obligations under the NSP1 Loan Agreement or this Note. This provision shall not affect or diminish the COUNTY's assignment rights under this Note.

- (17) Except as to the Permitted Deeds of Trust identified herein, BORROWER shall not encumber the Property for the purpose of securing financing either senior or junior in priority or subordinated to the Deed of Trust without the prior written approval of the COUNTY in its sole and absolute discretion.
- (18) The relationship of BORROWER and the COUNTY pursuant to this Note is that of debtor and creditor and shall not be, or be construed to be, a joint venture, equity venture, partnership or other relationship.
- (19)
- a. Formal notices, demands and communications between the COUNTY and BORROWER shall be deemed sufficiently given if made in writing and dispatched by any of the following methods to the addresses of the COUNTY and BORROWER as set forth below: (i) registered or certified mail, postage prepaid, return receipt requested (in which event, the notice shall be deemed delivered on the date of receipt thereof); (ii) electronic facsimile transmission, followed on the same day by delivery of a “hard” copy via first-class mail, postage prepaid (in which event, the notice shall be deemed delivered on the date of its successful facsimile transmission as evidenced by a facsimile confirmation or “kick-out” sheet); or (iii) personal delivery, including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service (in which event, the notice shall be deemed delivered on the documented date of receipt). Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail.
  - b. The address of the COUNTY for purposes of receiving notices pursuant to this Note shall be 3403 10<sup>th</sup> Street, Suite 300, Riverside, California 92501, Attention: Director HWS. The facsimile number for the COUNTY’s receipt of notices is (951) 352-4852.
  - c. The address of BORROWER for purposes of receiving notices pursuant to this Note is 27475 Ynez Rd, #390, Temecula, CA 92591, Attention: Executive Director.
- (20) The captions and headings in this Note are for convenience only and are not to be used to interpret or define the provisions hereof.
- (21) The undersigned, if comprising more than one person or entity, shall be jointly and severally liable hereunder.
- (22) This Note shall be binding upon BORROWER and its heirs, successors and assigns, and shall benefit the COUNTY and its successors and assigns.

BORROWER:

HABITAT FOR HUMANITY INLAND VALLEY,  
INC., a California nonprofit public benefit  
corporation

By: **form - do not sign** \_\_\_\_\_  
Tammy Marine, Executive Director

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

**EXHIBIT D**  
**RIVERSIDE COUNTY**

**SECTION 3**

**24 CFR PART 75**

**EXHIBIT “D”**

**RIVERSIDE COUNTY**

**SECTION 3**

**24 CFR PART 75**

**ECONOMIC OPPORTUNITIES FOR  
LOW-AND VERY LOW-INCOME PERSONS**

**CONTRACT REQUIREMENTS**

## RIVERSIDE COUNTY

### Section 75.1 Purpose

This part establishes the requirements to be followed to ensure the objectives of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Section 3) are met. The purpose of Section 3 is to ensure that economic opportunities, most importantly employment, generated by certain HUD financial assistance shall be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing or residents of the community in which the Federal assistance is spent.

### Section 75.3 Applicability

(a) General applicability. Section 3 applies to public housing financial assistance and Section 3 projects, as follows:

(1) Public housing financial assistance. Public housing financial assistance means:

(i) Development assistance provided pursuant to section 5 of the United States Housing Act of 1937 (the 1937 Act);

(ii) Operations and management assistance provided pursuant to section 9(e) of the 1937 Act;

(iii) Development, modernization, and management assistance provided pursuant to section 9(d) of the 1937 Act; and

(iv) The entirety of a mixed-finance development project as described in 24 CFR 905.604, regardless of whether the project is fully or partially assisted with public housing financial assistance as defined in paragraphs (a)(1)(i) through (iii) of this section.

**(2) Section 3 projects. (i) Section 3 projects means housing rehabilitation, housing construction, and other public construction projects assisted under HUD programs that provide housing and community development financial assistance when the total amount of assistance to the project exceeds a threshold of \$200,000. The threshold is \$100,000 where the assistance is from the Lead Hazard Control and Healthy Homes programs, as authorized by Sections 501 or 502 of the Housing and Urban Development Act of 1970 (12 U.S.C. 1701z-1 or 1701z-2), the Lead-Based Paint Poisoning Prevention Act (42 U.S.C 4801 et seq.); and the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851 et seq.). The project is the site or sites together with any building(s) and improvements located on the site(s) that are under common ownership, management, and financing.**

(ii) The Secretary must update the thresholds provided in paragraph (a)(2)(i) of this section not less than once every 5 years based on a national construction cost inflation factor through Federal Register notice not subject to public comment. When the Secretary finds it is warranted to ensure compliance with Section 3, the Secretary may adjust,

regardless of the national construction cost factor, such thresholds through Federal Register notice, subject to public comment.

(iii) The requirements in this part apply to an entire Section 3 project, regardless of whether the project is fully or partially assisted under HUD programs that provide housing and community development financial assistance.

(b) Contracts for materials. Section 3 requirements do not apply to material supply contracts.

(c) Indian and Tribal preferences. Contracts, subcontracts, grants, or subgrants subject to Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5307(b)) or subject to tribal preference requirements as authorized under 101(k) of the Native American Housing Assistance and Self-Determination Act (25 U.S.C. 4111(k)) must provide preferences in employment, training, and business opportunities to Indians and Indian organizations, and are therefore not subject to the requirements of this part.

(d) Other HUD assistance and other Federal assistance. Recipients that are not subject to Section 3 are encouraged to consider ways to support the purpose of Section 3.

#### **Section 75.5 Definitions.**

The terms HUD, Public housing, and Public Housing Agency (PHA) are defined in 24 CFR part 5. The following definitions also apply to this part:

***1937 Act*** means the United States Housing Act of 1937, 42 U.S.C. 1437 et seq.

***Contractor*** means any entity entering into a contract with:

- (1) A recipient to perform work in connection with the expenditure of public housing financial assistance or for work in connection with a Section 3 project; or
- (2) A subrecipient for work in connection with a Section 3 project.

***Labor hours*** means the number of paid hours worked by persons on a Section 3 project or by persons employed with funds that include public housing financial assistance.

***Low-income person*** means a person as defined in Section 3(b)(2) of the 1937 Act.

***Material supply contracts*** means contracts for the purchase of products and materials, including, but not limited to, lumber, drywall, wiring, concrete, pipes, toilets, sinks, carpets, and office supplies.

***Professional services*** means non-construction services that require an advanced degree or professional licensing, including, but not limited to, contracts for legal services, financial consulting, accounting services, environmental assessment, architectural services, and civil engineering services.

***Public housing financial assistance*** means assistance as defined in §75.3(a)(1).



**Public housing project** is defined in 24 CFR 905.108.

**Recipient** means any entity that receives directly from HUD public housing financial assistance or housing and community development assistance that funds Section 3 projects, including, but not limited to, any State, local government, instrumentality, PHA, or other public agency, public or private nonprofit organization.

**Section 3** means Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u).

**Section 3 business concern** means:

(1) A business concern meeting at least one of the following criteria, documented within the last six-month period:

(i) It is at least 51 percent owned and controlled by low- or very low-income persons;

(ii) Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers; or

(iii) It is a business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.

(2) The status of a Section 3 business concern shall not be negatively affected by a prior arrest or conviction of its owner(s) or employees.

(3) Nothing in this part shall be construed to require the contracting or subcontracting of a Section 3 business concern. Section 3 business concerns are not exempt from meeting the specifications of the contract.

**Section 3 project** means a project defined in §75.3(a)(2).

**Section 3 worker** means:

(1) Any worker who currently fits or when hired within the past five years fit at least one of the following categories, as documented:

(i) The worker's income for the previous or annualized calendar year is below the income limit established by HUD.

(ii) The worker is employed by a Section 3 business concern.

(iii) The worker is a YouthBuild participant.

(2) The status of a Section 3 worker shall not be negatively affected by a prior arrest or conviction.

(3) Nothing in this part shall be construed to require the employment of someone who meets this definition of a Section 3 worker. Section 3 workers are not exempt from meeting the qualifications of the position to be filled.

**Section 8-assisted housing** refers to housing receiving project-based rental assistance or tenant-based assistance under Section 8 of the 1937 Act.

**Service area or the neighborhood of the project** means an area within one mile of the Section 3 project or, if fewer than 5,000 people live within one mile of a Section 3 project, within a circle centered on the Section 3 project that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census.

**Small PHA** means a public housing authority that manages or operates fewer than 250 public housing units.

**Subcontractor** means any entity that has a contract with a contractor to undertake a portion of the contractor's obligation to perform work in connection with the expenditure of public housing financial assistance or for a Section 3 project.

**Subrecipient** has the meaning provided in the applicable program regulations or in 2 CFR 200.93.

**Targeted Section 3 worker** has the meanings provided in §§75.11, 75.21, or 75.29, and does not exclude an individual that has a prior arrest or conviction.

**Very low-income person** means the definition for this term set forth in section 3(b)(2) of the 1937 Act.

**YouthBuild programs** refers to YouthBuild programs receiving assistance under the Workforce Innovation and Opportunity Act (29 U.S.C. 3226).

## **Subpart C—Additional Provisions for Housing and Community Development Financial Assistance**

### **§75.19 Requirements.**

(a) *Employment and training.* (1) To the greatest extent feasible, and consistent with existing Federal, state, and local laws and regulations, recipients covered by this subpart shall ensure that employment and training opportunities arising in connection with Section 3 projects are provided to Section 3 workers within the metropolitan area (or nonmetropolitan county) in which the project is located.

(2) Where feasible, priority for opportunities and training described in paragraph (a)(1) of this section should be given to:

(i) Section 3 workers residing within the service area or the neighborhood of the project, and

(ii) Participants in YouthBuild programs.

(b) *Contracting.* (1) To the greatest extent feasible, and consistent with existing Federal, state, and local laws and regulations, recipients covered by this subpart shall ensure contracts for work awarded in connection with Section 3 projects are provided to business concerns that provide economic opportunities to Section 3 workers residing within the metropolitan area (or nonmetropolitan county) in which the project is located.

(2) Where feasible, priority for contracting opportunities described in paragraph (b)(1) of this section should be given to:

(i) Section 3 business concerns that provide economic opportunities to Section 3 workers residing within the service area or the neighborhood of the project, and

(ii) YouthBuild programs.

**§75.21 Targeted Section 3 worker for housing and community development financial assistance.**

(a) *Targeted Section 3 worker.* A Targeted Section 3 worker for housing and community development financial assistance means a Section 3 worker who is:

(1) A worker employed by a Section 3 business concern; or

(2) A worker who currently fits or when hired fit at least one of the following categories, as documented within the past five years:

(i) Living within the service area or the neighborhood of the project, as defined in §75.5; or

(ii) A YouthBuild participant.

(b) [Reserved]

**§75.23 Section 3 safe harbor.**

(a) *General.* Recipients will be considered to have complied with requirements in this part, in the absence of evidence to the contrary if they:

(1) Certify that they have followed the prioritization of effort in §75.19; and

(2) Meet or exceed the applicable Section 3 benchmark as described in paragraph (b) of this section.

(b) *Establishing benchmarks.* (1) HUD will establish Section 3 benchmarks for Section 3 workers or Targeted Section 3 workers or both through a document published in the FEDERAL REGISTER. HUD may establish a single nationwide benchmark for Section 3 workers and a single nationwide benchmark for Targeted Section 3 workers, or may establish multiple benchmarks based on geography, the nature of the Section 3 project, or other variables. HUD will update the benchmarks through a document published in the FEDERAL REGISTER, subject to public

comment, not less frequently than once every 3 years. Such notice shall include aggregate data on labor hours and the proportion of recipients meeting benchmarks, as well as other metrics reported pursuant to §75.25 as deemed appropriate by HUD, for the 3 most recent reporting years.

(2) In establishing the Section 3 benchmarks, HUD may consider the industry averages for labor hours worked by specific categories of workers or in different localities or regions; averages for labor hours worked by Section 3 workers and Targeted Section 3 workers as reported by recipients pursuant to this section; and any other factors HUD deems important. In establishing the Section 3 benchmarks, HUD will exclude professional services from the total number of labor hours as such hours are excluded from the total number of labor hours to be reported per §75.25(a)(4).

(3) Section 3 benchmarks will consist of the following two ratios:

(i) The number of labor hours worked by Section 3 workers divided by the total number of labor hours worked by all workers on a Section 3 project in the recipient's program year.

(ii) The number of labor hours worked by Targeted Section 3 workers as defined in §75.21(a), divided by the total number of labor hours worked by all workers on a Section 3 project in the recipient's program year.

#### **§75.25 Reporting.**

(a) *Reporting of labor hours.* (1) For Section 3 projects, recipients must report in a manner prescribed by HUD:

(i) The total number of labor hours worked;

(ii) The total number of labor hours worked by Section 3 workers; and

(iii) The total number of labor hours worked by Targeted Section 3 workers.

(2) Section 3 workers' and Targeted Section 3 workers' labor hours may be counted for five years from when their status as a Section 3 worker or Targeted Section 3 worker is established pursuant to §75.31.

(3) The labor hours reported under paragraph (a)(1) of this section must include the total number of labor hours worked on a Section 3 project, including labor hours worked by any subrecipients, contractors and subcontractors that the recipient is required, or elects pursuant to paragraph (a)(4) of this section, to report.

(4) Recipients reporting under this section, as well as subrecipients, contractors and subcontractors who report to recipients, may report labor hours by Section 3 workers, under paragraph (a)(1)(ii) of this section, and labor hours by Targeted Section 3 workers, under paragraph (a)(1)(iii) of this section, from professional services without including labor hours from professional services in the total number of labor hours worked under paragraph (a)(1)(i) of this section. If a contract covers both professional services and other work and the recipient or

contractor or subcontractor chooses not to report labor hours from professional services, the labor hours under the contract that are not from professional services must still be reported.

(5) Recipients may report their own labor hours or that of a subrecipient, contractor, or subcontractor based on the employer's good faith assessment of the labor hours of a full-time or part-time employee informed by the employer's existing salary or time and attendance based payroll systems, unless the project or activity is otherwise subject to requirements specifying time and attendance reporting.

(b) *Additional reporting if Section 3 benchmarks are not met.* If the recipient's reporting under paragraph (a) of this section indicates that the recipient has not met the Section 3 benchmarks described in §75.23, the recipient must report in a form prescribed by HUD on the qualitative nature of its activities and those its contractors and subcontractors pursued. Such qualitative efforts may, for example, include but are not limited to the following:

(1) Engaged in outreach efforts to generate job applicants who are Targeted Section 3 workers.

(2) Provided training or apprenticeship opportunities.

(3) Provided technical assistance to help Section 3 workers compete for jobs (*e.g.*, resume assistance, coaching).

(4) Provided or connected Section 3 workers with assistance in seeking employment including: drafting resumes, preparing for interviews, and finding job opportunities connecting residents to job placement services.

(5) Held one or more job fairs.

(6) Provided or referred Section 3 workers to services supporting work readiness and retention (*e.g.*, work readiness activities, interview clothing, test fees, transportation, child care).

(7) Provided assistance to apply for/attend community college, a four-year educational institution, or vocational/technical training.

(8) Assisted Section 3 workers to obtain financial literacy training and/or coaching.

(9) Engaged in outreach efforts to identify and secure bids from Section 3 business concerns.

(10) Provided technical assistance to help Section 3 business concerns understand and bid on contracts.

(11) Divided contracts into smaller jobs to facilitate participation by Section 3 business concerns.

(12) Provided bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.

(13) Promoted use of business registries designed to create opportunities for disadvantaged and small businesses.

(14) Outreach, engagement, or referrals with the state one-stop system as defined in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.

(c) *Reporting frequency.* Unless otherwise provided, recipients must report annually to HUD under paragraph (a) of this section, and, where required, under paragraph (b) of this section, on all projects completed within the reporting year in a manner consistent with reporting requirements for the applicable HUD program.

#### **§75.27 Contract provisions.**

(a) Recipients must include language applying Section 3 requirements in any subrecipient agreement or contract for a Section 3 project.

(b) Recipients of Section 3 funding must require subrecipients, contractors, and subcontractors to meet the requirements of §75.19, regardless of whether Section 3 language is included in recipient or subrecipient agreements, program regulatory agreements, or contracts.

### **Subpart D—Provisions for Multiple Funding Sources, Recordkeeping, and Compliance**

#### **§75.29 Multiple funding sources.**

(a) If a housing rehabilitation, housing construction or other public construction project is subject to Section 3 pursuant to §75.3(a)(1) and (2), the recipient must follow subpart B of this part for the public housing financial assistance and may follow either subpart B or C of this part for the housing and community development financial assistance. For such a project, the following applies:

(1) For housing and community development financial assistance, a Targeted Section 3 worker is any worker who meets the definition of a Targeted Section 3 worker in either subpart B or C of this part; and

(2) The recipients of both sources of funding shall report on the housing rehabilitation, housing construction, or other public construction project as a whole and shall identify the multiple associated recipients. PHAs and other recipients must report the following information:

(i) The total number of labor hours worked on the project;

(ii) The total number of labor hours worked by Section 3 workers on the project; and

(iii) The total number of labor hours worked by Targeted Section 3 workers on the project.

(b) If a housing rehabilitation, housing construction, or other public construction project is subject to Section 3 because the project is assisted with funding from multiple sources of housing and community development assistance that exceed the thresholds in §75.3(a)(2), the recipient or

recipients must follow subpart C of this part, and must report to the applicable HUD program office, as prescribed by HUD.

### **§75.31 Recordkeeping.**

(a) HUD shall have access to all records, reports, and other documents or items of the recipient that are maintained to demonstrate compliance with the requirements of this part, or that are maintained in accordance with the regulations governing the specific HUD program by which the Section 3 project is governed, or the public housing financial assistance is provided or otherwise made available to the recipient, subrecipient, contractor, or subcontractor.

(b) Recipients must maintain documentation, or ensure that a subrecipient, contractor, or subcontractor that employs the worker maintains documentation, to ensure that workers meet the definition of a Section 3 worker or Targeted Section 3 worker, at the time of hire or the first reporting period, as follows:

(1) For a worker to qualify as a Section 3 worker, one of the following must be maintained:

(i) A worker's self-certification that their income is below the income limit from the prior calendar year;

(ii) A worker's self-certification of participation in a means-tested program such as public housing or Section 8-assisted housing;

(iii) Certification from a PHA, or the owner or property manager of project-based Section 8-assisted housing, or the administrator of tenant-based Section 8-assisted housing that the worker is a participant in one of their programs;

(iv) An employer's certification that the worker's income from that employer is below the income limit when based on an employer's calculation of what the worker's wage rate would translate to if annualized on a full-time basis; or

(v) An employer's certification that the worker is employed by a Section 3 business concern.

(2) For a worker to qualify as a Targeted Section 3 worker, one of the following must be maintained:

(i) For a worker to qualify as a Targeted Section 3 worker under subpart B of this part:

(A) A worker's self-certification of participation in public housing or Section 8-assisted housing programs;

(B) Certification from a PHA, or the owner or property manager of project-based Section 8-assisted housing, or the administrator of tenant-based Section 8-assisted housing that the worker is a participant in one of their programs;

(C) An employer's certification that the worker is employed by a Section 3 business concern; or

(D) A worker's certification that the worker is a YouthBuild participant.

(ii) For a worker to qualify as a Targeted Section 3 worker under subpart C of this part:

(A) An employer's confirmation that a worker's residence is within one mile of the work site or, if fewer than 5,000 people live within one mile of a work site, within a circle centered on the work site that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census;

(B) An employer's certification that the worker is employed by a Section 3 business concern; or

(C) A worker's self-certification that the worker is a YouthBuild participant.

(c) The documentation described in paragraph (b) of this section must be maintained for the time period required for record retentions in accordance with applicable program regulations or, in the absence of applicable program regulations, in accordance with 2 CFR part 200.

(d) A PHA or recipient may report on Section 3 workers and Targeted Section 3 workers for five years from when their certification as a Section 3 worker or Targeted Section 3 worker is established.

### **§75.33 Compliance.**

(a) *Records of compliance.* Each recipient shall maintain adequate records demonstrating compliance with this part, consistent with other recordkeeping requirements in 2 CFR part 200.

(b) *Complaints.* Complaints alleging failure of compliance with this part may be reported to the HUD program office responsible for the public housing financial assistance or the Section 3 project, or to the local HUD field office.

(c) *Monitoring.* HUD will monitor compliance with the requirements of this part. The applicable HUD program office will determine appropriate methods by which to oversee Section 3 compliance. HUD may impose appropriate remedies and sanctions in accordance with the laws and regulations for the program under which the violation was found.



**RIVERSIDE COUNTY  
SECTION 3 BUSINESS CONCERN CERTIFICATION FOR CONTRACTING**

**Instructions:** Enter the following information and select the criteria that applies to certify your business' Section 3 Business Concern status.

**Business Information**

Name of Business \_\_\_\_\_

Address of Business \_\_\_\_\_

Name of Business Owner \_\_\_\_\_

Phone Number of Business Owner \_\_\_\_\_

Email Address of Business Owner \_\_\_\_\_

**Preferred Contact Information**

Same as above

Name of Preferred Contact \_\_\_\_\_

Phone Number of Preferred Contact \_\_\_\_\_

**Type of Business (select from the following options):**

Corporation       Partnership       Sole Proprietorship       Joint Venture

**Select from ONE of the following three options below that applies:**

At least 51 percent of the business is owned and controlled by low- or very low-income persons (*Refer to income guidelines on page 2*).

At least 51 percent of the business is owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.

Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers (*Refer to definition on page 2*).

**Business Concern Affirmation**

I affirm that the above statements (on the frontside of this form) are true, complete, and correct to the best of my knowledge and belief. I understand that businesses who misrepresent themselves as Section 3 business concerns and report false information to [insert name of recipient/grantee] may have their contracts terminated as default and be barred from ongoing and future considerations for contracting opportunities. I hereby certify, under penalty of law, that the following information is correct to the best of my knowledge.

Print Name: \_\_\_\_\_

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

\*Certification expires within six months of the date of signature.  
Information regarding Section 3 Business Concerns can be found at 24 CFR 75.5

**FOR ADMINISTRATIVE USE ONLY**

Is the business a Section 3 business concern based upon their certification?       YES       NO

**EMPLOYERS MUST RETAIN THIS FORM IN THEIR SECTION 3 COMPLIANCE FILE FOR FIVE YEARS.**

## Riverside County Section 3 Income Limits

2023 HOME - Effective June 15, 2023 HUD RIVERSIDE-SAN BERNARDINO CA MSA								
HOME INCOME	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
30% Limits	\$19,600	\$22,400	\$25,200	\$27,950	\$30,200	\$32,450	\$34,700	\$36,900
50% Limits Very Low-Inc	\$32,650	\$37,300	\$41,950	\$46,600	\$50,350	\$54,100	\$57,800	\$61,550
60% Limits	\$39,180	\$44,760	\$50,340	\$55,920	\$60,420	\$64,920	\$69,360	\$73,860
80% Limits Low-Inc	\$52,200	\$59,650	\$67,100	\$74,550	\$80,550	\$86,500	\$92,450	\$98,450

### Section 3 Worker Definition:

- i. A low or very low-income resident (the worker's income for the previous or annualized calendar year is below the income limit established by HUD); or
- ii. Employed by a Section 3 business concern; or
- iii. A YouthBuild participant.

### Targeted Section 3 Worker Definition:

- iv. Employed by a Section 3 business concern or
- v. Currently meets or when hired met at least one of the following categories as documented within the past five years:
  - o A resident of public housing; or
  - o A resident of other public housing projects or Section 8-assisted housing; or
  - o A YouthBuild participant.

# **EXHIBIT E**

## **Prohibition Against Conflicts of Interest**

# Prohibition Against Conflicts of Interest

## **EXHIBIT E**

§ 92.356 Conflict of interest.

(a) Applicability. In the procurement of property and services by participating jurisdictions, State recipients, and sub-recipients, the conflict of interest provisions in 24 CFR 85.36 and 24 CFR 84.42, respectively, apply. In all cases not governed by 24 CFR 85.36 and 24 CFR 84.42, the provisions of this section apply.

(b) Conflicts prohibited. No persons described in paragraph (c) of this section who exercise or have exercised any functions or responsibilities with respect to activities assisted with NSP1 funds or who are in a position to participate in a decision making process or gain inside information with regard to these activities, may obtain a financial interest or benefit from a NSP1 assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter

(c) Persons covered. The conflict of interest provisions of paragraph (b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the COUNTY, State recipient, or sub-recipient which are receiving NSP1 funds.

(d) Exceptions: Threshold requirements. Upon the written request of the recipient, HUD may grant an exception to the provisions of paragraph (b) of this section on a case-by-case basis when it determines that the exception will serve to further the purposes of the NSP1 Investment Partnerships Program and the effective and efficient administration of the COUNTY's program or project. An exception may be considered only after the recipient has provided the following:

(1) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and

(2) An opinion of the recipient's attorney that the interest for which the exception is sought would not violate State or local law.

(e) Factors to be considered for exceptions. In determining whether to grant a requested exception after the recipient has satisfactorily met the requirements of paragraph (d) of this section, HUD shall consider the cumulative effect of the following factors, where applicable:

- a. Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project which would otherwise not be available;
- b. Whether the person affected is a member of a group or class of low-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;
- c. Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision making process with respect to the specific assisted activity in question;
- d. Whether the interest or benefit was present before the affected person was in a position as described in paragraph (c) of this section;
- e. Whether undue hardship will result either to the COUNTY or the person affected when weighed against the public interest served by avoiding the prohibited conflict;
- f. Any other relevant considerations.

Owners/Participants and Developers.

- (1) No owner, developer, or sponsor of a project assisted with NSPI funds (or officer, employee, agent or consultant of the owner, developer, or sponsor) whether private, for profit or non-profit (including a community housing development organization (CHDO) when acting as an owner, developer or sponsor) may occupy a NSPI assisted affordable housing unit in a project. This provision does not apply to an individual who receives NSPI funds to acquire or construct his or her principal residence or to an employee or agent of the owner or developer of a rental housing project who occupies a housing unit as the project manager or maintenance worker.
- (2) Exceptions. Upon written request of owner or developer, the COUNTY may grant an exception to the provisions of paragraph (f)(1) of this section on a case-by-case basis when it determines that the exception will serve to further the purpose of the NSPI program and the effective and efficient administration of the owner's or developer's NSPI assisted project. In determining whether to grant a requested exception, the COUNTY shall consider the following factors:
  - (i) Whether the person receiving the benefit is a member of a group or class of low-income persons intended to be the beneficiaries of the assisted housing, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;
  - (ii) Whether the person has withdrawn from his or her functions or responsibilities, or the decision making process with respect to the specific assisted housing in question;
  - (iii) Whether the tenant protection requirements of § 92.253 are being observed;
  - (iv) Whether the affirmative marketing requirements of § 92.351 are being observed and followed; and
  - (v) Any other factor relevant to the COUNTY's determination, including the timing of the requested exception.

Community Development Block Grant

Policy Manual, I.D. # A-11

TOPIC: CONFLICT OF INTEREST CODED  
RIVERSIDE COUNTY  
HOUSING AND WORKFORCE SOLUTIONS

DATE: MARCH 1999

This Conflict of Interest Code is written to comply with Federal Regulations (24 CFR Part 85). These Regulations. "Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments" require that grantees and sub-grantees will maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts.

- 1) No employee, officer, or agent of the grantee shall participate in the selection, in the award or in the administration of a contract supported by Federal Funds if a conflict of interest, real or apparent, would be involved.
- 2) Such a conflict will arise when:
  - i) The employee, officer or agent;
  - ii) Any member of the immediate family;
  - iii) His/Her partners; or
  - iv) An organization which employs, or is about to employ any of the above has a financial or other interest in the firm's selection for award.
- 3) The grantee's or sub-grantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors or parties to sub-agreements except as noted in Section 4.
- 4) A grantee's or sub-grantee's officers, employees or agents will be presumed to have a financial interest in a business if their financial interest exceeds the following:
  - i) Any business entity in which the official has a direct or indirect investment worth one thousand dollars (\$1,000) or more.
  - ii) Any real property in which the official has a direct or indirect interest worth one thousand dollars (\$1,000) or more.
  - iii) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating two hundred fifty dollars (\$250) or more in value provided to, received by or promised to the official within 12 months prior to the time when the decision is made.
  - iv) Any business entity in which the official is a director, officer, partner, trustee, employee, or holds any position of management.
  - v) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating two hundred fifty dollars (\$250) or more in value provided to, received by, or promised to the official within 12 months prior to the time when the decision is made.
- 5) For purposes of Section 4, indirect investment or interest means any investment or interest owned by the spouse or dependent child of an official, by an agent on behalf of an official, or by a business entity or trust in which the official, the official's agents, spouse, and dependent children own directly, indirectly, or beneficially a 10-percent interest or more.

**EXHIBIT F**  
**Contractor Debarment Certification**



## Exhibit F

### Contractor Debarment Certification Form

#### **System for Award Management (SAM)**

The purpose of EPLS is to provide a single comprehensive list of individuals and firms excluded by Federal government agencies from receiving federal contracts or federally approved subcontracts and from certain types of federal financial and nonfinancial assistance and benefits.

The EPLS was established to ensure that agencies solicit offers from, award contracts, grants, or financial or non-financial assistance and benefits to, and consent to subcontracts with responsible contractors/vendors only and not allow a party to participate in any affected program if any Executive department or agency has debarred, suspended, or otherwise excluded (to the extent specified in the exclusion action) that party from participation in an affected program.

In addition, the County of Riverside requires that each contractor/vendor hold the required federal/state/local license for the service provided.

Please complete the following verification process for each contractor/vendor:

- STEP 1: Visit <https://www.sam.gov>
- STEP 2: Click on "Search" button
- STEP 3: Go to *Select Domain* and click the + button
- STEP 4: Select the "Entity Information" button
- STEP 5: Select the "Exclusions" button
- STEP 6: Select the "Excluded Entity" button
- STEP 7: Under "Entity Name" type into box the contractor's/vendor's or contact name
- STEP 8: Press enter key on computer keyboard
- STEP 9: Scroll and locate the names of contractor/vendor before and after subject contractor/vendor.
- STEP 10: Print Screen and attach to this certification as supporting documentation.
- STEP 11: Attach to this certification as supporting documentation a copy of contractor/vendor license for the service provided.

By signing below NSPI Recipient, developer name, has verified the contractor/vendor known as, name of contractor/vendor, was not listed in the Excluded Parties Lists System and has the required contractor/vendor license as of date of verification.

X \_\_\_\_\_  
DEVELOPER SIGNATURE



**EXHIBIT G**  
**Agreement Containing Covenants**  
**Affecting Real Property**

1 NO FEE FOR RECORDING PURSUANT  
TO GOVERNMENT CODE SECTION 6103

2 Order No.  
3 Escrow No.  
4 Loan No.

4 RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

5 County of Riverside  
6 Housing and  
7 Workforce Solutions  
8 3403 10<sup>th</sup> Street, Suite 300  
9 Riverside, CA 92501  
Attn: Juan Garcia

SPACE ABOVE THIS LINE FOR RECORDER'S USE

10  
11 **AGREEMENT CONTAINING COVENANTS**  
12 **AFFECTING REAL PROPERTY**

13 *28725 and 28731 Pujol St., Temecula, CA 92590*

14 THIS AGREEMENT CONTAINING COVENANTS AFFECTING REAL PROPERTY  
15 ("Homebuyer Covenant Agreement") is made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_  
16 by and between HABITAT FOR HUMANITY INLAND VALLEY, INC., a California nonprofit  
17 public benefit corporation ("Habitat"), the COUNTY OF RIVERSIDE, a political subdivision of  
18 the State of California, and <Insert Homeowner(s) name here> ("Homebuyer"), collectively  
19 referred to herein as the "Parties".

20 **RECITALS**

21 WHEREAS, Habitat is the owner of that certain real property located at 28725 and 28731  
22 Pujol Street in the City of Temecula, California also known as Assessor's Parcel Numbers  
23 922-062-016 and 922-062-010, as described in the Legal Description attached hereto as Exhibit  
24 "A" and incorporated herein by this reference ("Property");

25 WHEREAS, in connection with Habitat's Pujol St -"Habitat Way II" Project and the  
26 County of Riverside's ("County") administration of the County's Neighborhood Stabilization  
27 Program ("NSPI"), which was enacted under Title III of Division B of the Housing and  
28 Economic Recovery Act of 2008 ("HERA") and appropriated under Community Development

1 Block Grant (“CDBG”), was created under the heading of Emergency Assistance for the  
2 Redevelopment of Abandoned and Foreclosed Homes for the purpose of assisting in the  
3 redevelopment of abandoned or foreclosed homes) (“NSP1 Program”). County provided  
4 financial assistance to Habitat in the amount of ONE MILLION THREE HUNDRED  
5 THIRTEEN THOUSAND FOUR HUNDRED SEVENTEEN Dollars (\$1,313,417) loan  
6 (“County Loan”) evidenced by that certain Promissory Note executed by Habitat for Humanity  
7 Inland Valley in favor of County dated \_\_\_\_\_ (“County Note”) to  
8 develop the Property and reconvey said Property to a qualified Low-Income and Very Low-  
9 Income Household (defined below), subject to certain affordability restrictions contained herein;

10 WHEREAS, the County Note is secured by that certain Deed of Trust executed by  
11 Habitat for Humanity Inland Valley for the benefit of County, dated \_\_\_\_\_  
12 and recorded on \_\_\_\_\_ in the Official Records of Riverside County  
13 Recorder’s Office (“Official Records”) as Document No.  
14 \_\_\_\_\_ (“County Deed of Trust”). The County Note and  
15 County Deed of Trust are referred to individually as a “County Loan Document” and collectively  
16 as the “County Loan Documents”;

17 WHEREAS, pursuant to the County Note, the Property shall be owned and occupied by a  
18 qualified Low-Income and Very Low-Income Household (defined below) for a period of fifteen  
19 (15) years from the date of the recordation of this Homebuyer Covenant Agreement, without  
20 regard to repayment of the County Loan or the transfer of ownership; and

21 WHEREAS, the Parties desire to memorialize Homebuyer’s obligation to maintain the  
22 affordability of the Property pursuant to the County Note, the NSP1 Program and this  
23 Homeowner Covenant Agreement, as more specifically set forth below.

24 NOW, THEREFORE, in consideration of the mutual covenants and agreements  
25 contained in this Homebuyer Covenant Agreement, and for other good and valuable  
26 consideration, the receipt and sufficiency of which are hereby acknowledged, Homebuyer, on  
27 behalf of itself and its successors and assigns, and each successor in interest to the Property, or  
28 any portion thereof, hereby declares, covenants, and agrees as follows:

1           1) RECITALS. The recitals set forth above are true and correct and incorporated herein  
2 by this reference.

3           2) AFFORDABILITY RESTRICTIONS. This Homebuyer Covenant Agreement shall  
4 continue in full force and effect for a period of fifteen (15) years from <date Homebuyer  
5 Covenant Agreement is recorded> (“Term”). Homebuyer for itself and on behalf of its  
6 successors and assigns, covenants, acknowledges and agrees that for the duration of the Term,  
7 the Property shall be held, sold and conveyed, subject to the following covenants, conditions, and  
8 restrictions:

9           a) The Property shall be occupied by qualified very low-income (“VLI”) homebuyers for  
10 the duration of the Term. The term “Very Low Income” household shall mean a household  
11 whose incomes are at or below fifty percent (50%) of the AMI pursuant to NSPI regulations,  
12 adjusted for family size appropriate to the unit for the County of Riverside. The term “Low-  
13 Income” household shall mean a household whose incomes are at or below eighty percent (80%)  
14 of the AMI pursuant to NSPI regulations, adjusted for family size appropriate to the unit for the  
15 County of Riverside.

16           b) Homebuyer on behalf of itself and its successors, assigns, and each successor in  
17 interest to the Property or any part thereof shall occupy the Property as his/her or their principal  
18 place of residence during the Term. The Homebuyer shall be considered as occupying the  
19 Property as a principal place of residence if the Homebuyer resides in the Property for at least  
20 eleven (11) months out of each calendar year. Homebuyer shall not lease or rent the Property.

21           c) Homebuyer on behalf of itself and its successors, assigns, and each successor in  
22 interest to the Property or any part thereof shall comply with the terms of this Homebuyer  
23 Covenant Agreement, and any other instrument secured against the Property.

24           d) The Property shall be subject to the NSPI Program regulations, this Homebuyer  
25 Covenant Agreement and any other document executed in connection therewith.

26           3) USE RESTRICTIONS.

27           a) Homebuyer shall occupy the property as Homebuyer’s principal residence for the  
28 Term. In addition, during the Term any Transfer (defined below) by Homebuyer, except for a

1 Permitted Transfer (defined below) shall be prohibited without the prior written approval of  
2 Habitat in its sole and absolute discretion. Any Transfer, including a Permitted Transfer, of the  
3 Property by Homebuyer shall be subject to this Homebuyer Covenant Agreement.

4         b) The term "Transfer" used herein shall mean the sale, assignment, conveyance, lease or  
5 transfer, voluntary or involuntary, of any interest in the Property. Without limiting the generality  
6 of the foregoing, Transfer shall include (i) a transfer by devise, inheritance or intestacy to a party  
7 who does not meet the definition of Low Income Household; (ii) a life estate; (iii) creation of a  
8 joint tenancy interest; (iv) a gift of all or any portion of the Property; or (v) any voluntary  
9 conveyance or sale of the Property; (vi) lease or renting of the Property. Transfer shall not  
10 include a Permitted Transfer.

11         c) The term, "Permitted Transfer" used herein shall mean the following transfers of title  
12 or interests therein:

- 13             i. A transfer resulting from the death of Homebuyer where the transfer is to the  
14 spouse who is also a Homebuyer;
- 15             ii. A transfer by the Homebuyer to his/her spouse where the spouse becomes the co-  
16 owner of the Property and enters into an assumption agreement relating to any  
17 existing mortgage loans and this Agreement;
- 18             iii. A transfer resulting from a decree of dissolution of the marriage or legal separation  
19 or from a settlement agreement incidental to such a decree which requires the  
20 Homebuyer to continue to make loan payments by which a spouse who is an  
21 obligor becomes the sole owner of the Property; or
- 22             iv. A transfer into an inter vivos trust in which the Homebuyer or Homebuyer are  
23 beneficiaries.

24 A violation of any of the affordability or use restrictions contained herein shall constitute a  
25 breach of this Homebuyer Covenant Agreement. Homebuyer has executed, concurrently with  
26 this Homebuyer Covenant Agreement, an Acknowledgement of Agreement Containing  
27 Covenants Affecting Real Property, attached hereto as Exhibit "B" and incorporated herein by  
28 this reference.

1           4) SENIOR PRIORITY. Notwithstanding anything to the contrary, this Covenant shall  
2 be in the second priority lien position, superior to all deeds of trust.

3           5) RELEASE OF COVENANT UPON TERMINATION OF TERM. Provided  
4 Homebuyer is not in default under the terms of this Homebuyer Covenant Agreement or any  
5 other loan secured by a deed of trust recorded against the Property, the County shall release this  
6 Homebuyer Covenant Agreement upon expiration of the Term.

7           6) MAINTENANCE OF THE PROPERTY. Homebuyer, on behalf of itself and its  
8 successors, assigns, and each successor in interest to the Property or any part thereof hereby  
9 covenants to and shall protect, maintain, and preserve the Property in compliance with all  
10 applicable federal and state law and regulations and local ordinances. In addition, Homebuyer, its  
11 successors and assigns, shall maintain the improvements on the Property in the same aesthetic  
12 and sound condition (or better) as the condition of the Property at the time of the recordation of  
13 this Homebuyer Covenant Agreement, reasonable wear and tear excepted. This standard for the  
14 quality of maintenance of the Property shall be met whether or not a specific item of  
15 maintenance is listed below. However, representative items of maintenance shall include  
16 frequent and regular inspection for graffiti or damage or deterioration or failure, and immediate  
17 repainting or repair or replacement of all surfaces, fencing, walls, equipment, etc., as necessary;  
18 emptying of trash receptacles and removal of litter; maintenance of all landscaping in a healthy  
19 and attractive condition, including trimming, fertilizing and replacing vegetation as necessary;  
20 painting the buildings prior to the deterioration of the painted surfaces; conducting a roof  
21 inspection on a regular basis. In the event Homebuyer, its successors or assigns fails to maintain  
22 the Property in accordance with the standard for the quality of maintenance, the Habitat or its  
23 designee shall have the right, but not the obligation, to enter the Property upon reasonable notice  
24 to Homebuyer, correct any violation, and hold Homebuyer, or such successors or assigns  
25 responsible for the cost thereof, and such cost, until paid, shall constitute a lien on the Property.

26           7) NONDISCRIMINATION. Homebuyer covenants by and for itself, its successors and  
27 assigns, and all persons claiming under or through them, that this Homebuyer Covenant  
28 Agreement is made and accepted upon and subject to the following conditions: There shall be no

1 discrimination against or segregation of any person or group of persons, on account of any basis  
2 listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are  
3 defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of  
4 Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease,  
5 transfer, use, occupancy, tenure, or enjoyment of the Property, nor shall the transferee itself or  
6 any person claiming under or through him or her, establish or permit any such practice or  
7 practices of discrimination or segregation with reference to the selection, location, number, use,  
8 or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the Property.

9  
10 Homebuyer, its successors and assigns, shall refrain from restricting the rental, sale, or lease of  
11 the Property or any portion thereof, on the basis of race, color, creed, religion, sex, sexual  
12 orientation, marital status, national origin, or ancestry of any person. Every deed, lease, and  
13 contract entered into with respect to the Property, or any portion thereof, after the date of this  
14 Homebuyer Covenant Agreement shall contain or be subject to substantially the following  
15 nondiscrimination or nonsegregation clauses:

- 16 a) In deeds: "The grantee herein covenants by and for himself or herself, his or her  
17 heirs, executors, administrators, and assigns, and all persons claiming under or  
18 through them, that there shall be no discrimination against or segregation of, any  
19 person or group of persons on account of any basis listed in subdivision (a) or (d) of  
20 Section 12955 of the Government Code, as those bases are defined in Sections 12926,  
21 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and  
22 Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use,  
23 occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the  
24 grantee or any person claiming under or through him or her, establish or permit any  
25 practice or practices of discrimination or segregation with reference to the selection,  
26 location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or  
27 vendees in the premises herein conveyed. The foregoing covenants shall run with the  
28 land."

1           b)     In leases: “The lessee herein covenants by and for himself or herself, his or her  
2           heirs, executors, administrators, and assigns, and all persons claiming under or  
3           through him or her, and this lease is made and accepted upon and subject to the  
4           following conditions: That there shall be no discrimination against or segregation of  
5           any person or group of persons, on account of any basis listed in subdivision (a) or (d)  
6           of Section 12955 of the Government Code, as those bases are defined in Sections  
7           12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section  
8           12955, and Section 12955.2 of the Government Code, in the leasing, subleasing,  
9           transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor  
10          shall the lessee himself or herself, or any person claiming under or through him or  
11          her, establish or permit any such practice or practices of discrimination or segregation  
12          with reference to the selection, location, number, use, or occupancy, of tenants,  
13          lessees, sublessees, subtenants, or vendees in the premises herein leased.”

14          c)     In contracts: There shall be no discrimination against or segregation of any person  
15          or group of persons, on account of any basis listed in subdivision (a) or (d) of Section  
16          12955 of the Government Code, as those bases are defined in Sections 12926,  
17          12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and  
18          Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use,  
19          occupancy, tenure, or enjoyment of the land, nor shall the transferee itself or any  
20          person claiming under or through him or her, establish or permit any such practice or  
21          practices of discrimination or segregation with reference to the selection, location,  
22          number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of  
23          the land.”

24          8) NOTICES. All Notices provided for in this Homebuyer Covenant Agreement shall be  
25          deemed received when personally delivered, or two (2) days following mailing by certified mail,  
26          return receipt requested. All mailing shall be addressed to the respective Parties at their addresses  
27          set forth below, or at such other address as each party may designate in writing and give to the  
28          other party:



1 9)

2 HABITAT FOR HUMANITY

HOMEBUYER

3 Executive Director  
4 Habitat for Humanity  
5 Inland Valley, Inc.  
6 27475 Ynez Rd #390  
7 Temecula, CA 92591

<Insert Homebuyer Address Here>

8 COUNTY OF RIVERSIDE

9 Director, Riverside County

10 Housing and Workforce Solutions

11 3403 10<sup>th</sup> Street, Ste. 300

12 Riverside, CA 92501

13 ATTN: Director

14 10) REMEDIES. Habitat shall have the right, in the event of any breach of any such  
15 agreement or covenant contained herein, to exercise all the rights and remedies, and to maintain  
16 any actions at law or suit in equity or other proper proceedings to enforce the curing of such  
17 breach of agreement or covenant.

18 11) INSURANCE. Homebuyer shall maintain property insurance and flood insurance,  
19 listing Habitat as additional insured for the Term of this Homebuyer Covenant Agreement.  
20 Homebuyer shall keep the improvements now existing or hereafter erected on the Property  
21 insured against loss by fire, hazards included within the term "extended coverage," and such  
22 other hazards, including floods or flooding. In addition to the insurance requirements set forth  
23 in this paragraph above, this insurance shall be maintained in the amount of the replacement  
24 value of the improvements located on the Property.

25 The insurance carrier providing the insurance shall be chosen by the Homebuyer. All  
26 insurance policies and renewals thereof shall include a standard mortgage clause in favor of and  
27 in a form acceptable to Habitat. Habitat shall have the right to hold the policies and renewals  
28 thereof, subject to the terms of any mortgage, deed of trust or other security agreement with a  
lien, which has priority over this Homebuyer Covenant Agreement. Habitat may be named as a  
loss payee as its interest may appear and may be named as an additional insured. If Habitat

1 requires, Homebuyer shall promptly give to Habitat copies of all receipts of paid premiums and  
2 renewal notices. In the event of a loss, Homebuyer shall give prompt notice to the insurance  
3 carrier, any senior lender and the Habitat. Habitat may make proof of loss if not made  
4 promptly by any senior lender or the Homebuyer.

5 Unless Habitat and Homebuyer otherwise agree in writing, insurance proceeds shall be applied  
6 to restoration or repair of the Property damaged, if the restoration or repair is economically  
7 feasible, or County Loan would be lessened, the insurance proceeds shall be applied to the  
8 sums set forth in this Homebuyer Covenant Agreement, whether or not then due, with any  
9 excess paid to the Homebuyer.

10 If the Property is abandoned by Homebuyer, or if the Homebuyer fails to respond to Habitat  
11 within 30 days from the date notice is mailed by Habitat to Homebuyer that the insurance  
12 carrier offers to settle a claim for insurance benefits, Habitat is authorized to collect and apply  
13 the insurance proceeds at Habitat's option either to restoration or repair of the Property or to the  
14 County Loan amount.

15 12) TERM. The non-discrimination covenants, conditions and restrictions contained in  
16 Section 7 of this Homebuyer Covenant Agreement shall remain in effect in perpetuity. Every  
17 other covenant, condition and restriction contained in this Homebuyer Covenant Agreement  
18 shall continue in full force and effect for the Term, as defined in Section 2 of this Homebuyer  
19 Covenant Agreement.

20 13) RIGHT TO MONITOR. Habitat and its successors and assigns, shall have the right,  
21 but not the obligation, to monitor and enforce the covenants contained herein. Homebuyer  
22 covenants that it shall comply with any monitoring program set up by Habitat to enforce said  
23 covenants.

24 14) NOTICE AND CURE. Prior to exercising any remedies hereunder, Habitat shall  
25 give Homebuyer notice of such default. Any monetary default shall be cured within seven (7)  
26 days of such written notice. Except as otherwise set forth herein, if a non-monetary default is  
27 reasonably capable of being cured within thirty (30) days, Homebuyer shall have such period to  
28 effect a cure prior to exercise of remedies by Habitat. If the non-monetary default is such that

1 it is not reasonably capable of being cured within thirty (30) days, and Homebuyer (a) initiates  
2 corrective action within said period, and (b) diligently, continually, and in good faith works to  
3 effect a cure as soon as possible, then Homebuyer shall have such additional time as is  
4 reasonably necessary to cure the default prior to exercise of any remedies by the Habitat; but in  
5 no event no later than sixty (60) days.

6  
7 If a violation of any of the covenants or provisions of this Homebuyer Covenant Agreement  
8 remains uncured after the respective time period set forth in this Section 13, Habitat and its  
9 successors and assigns, without regard to whether Habitat or its successors and assigns is an  
10 owner of any land or interest therein to which these covenants relate, may institute and  
11 prosecute any proceedings at law or in equity to abate, prevent or enjoin any such violation or  
12 attempted violation or to compel specific performance by Homebuyer of its obligations  
13 hereunder. No delay in enforcing the provisions hereof as to any breach or violation shall  
14 impair, damage or waive the right of any party entitled to enforce the provisions hereof or to  
15 obtain relief against or recover for the continuation or repetition of such breach or violations or  
16 any similar breach or violation hereof at any later time. Homebuyer hereby waives and  
17 releases any statute of limitations defense in connection with any Habitat action or proceeding  
18 to protect, assert, or enforce any right or remedy contained herein.

19 15) GOVERNING LAW; VENUE; SEVERABILITY. This Homebuyer Covenant  
20 Agreement shall be governed by the laws of the State of California. Any legal action related to  
21 the performance or interpretation of this Homebuyer Covenant Agreement shall be filed only in  
22 the Superior Court of the State of California located in Riverside, California, and the parties  
23 waive any provision of law providing for a change of venue to another location. In the event  
24 any provision in this Homebuyer Covenant Agreement is held by a court of competent  
25 jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless  
26 continue in full force without being impaired or invalidated in any way.

27 16) COVENANTS RUNNING WITH THE LAND. All conditions, covenants and  
28 restrictions contained in this Homebuyer Covenant Agreement shall be covenants running with

1 the land, and shall, in any event, and without regard to technical classification or designation,  
2 legal or otherwise, be, to the fullest extent permitted by law and equity, binding for the benefit  
3 and in favor of, and enforceable by County, its successors and assigns, against Homebuyer, its  
4 successors and assigns, to or of Homebuyer's interest in the Property, or any portion thereof or  
5 any interest therein, and any party in possession or occupancy of said Property or portion  
6 thereof. County shall be deemed the beneficiary of the covenants, conditions and restrictions of  
7 this Homebuyer Covenant Agreement both for and in its own right and for the purposes of  
8 protecting the interests of the community. The covenants, conditions, and restrictions shall run  
9 in favor of the County, without regard to whether the County has been, remains, or is an owner  
10 of any land or interest therein in the Property. Except as provided in the preceding sentence, the  
11 covenants, conditions and restrictions contained in this Homebuyer Covenant Agreement shall  
12 not benefit nor be enforceable by any other owner of real property except the County.

13 17) BINDING EFFECT. The rights and obligations of this Homebuyer Covenant  
14 Agreement shall bind and inure to the benefit of the respective heirs, successors and assigns of  
15 the parties.

16 18) COUNTERPARTS. This Homebuyer Covenant Agreement may be signed by the  
17 different parties hereto in counterparts, each of which shall be an original, but all of which  
18 together shall constitute one and the same agreement.

19 19) PERMITTED MORTGAGES. No violation or breach of the covenants, conditions,  
20 restrictions, provisions or limitations contained in this Homebuyer Covenant Agreement shall  
21 defeat or render invalid or in any way impair the lien or charge of any mortgage.

22  
23  
24 [Remainder of Page Intentionally Blank]

25  
26 [Signatures on Following Page]

1 IN WITNESS WHEREOF, COUNTY and HOMEBUYER have executed this  
2 Agreement as of the dates set forth below.

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**COUNTY:**

**HOMEBUYER:**

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

<homebuyer name and vesting>

By: form - do not sign  
Heidi Marshall,  
Director of HWS

By: \_\_\_\_\_  
<homebuyer name>

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

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

**HABITAT FOR HUMANITY INLAND  
VALLEY, INC.**, a California nonprofit  
public benefit corporation

By: \_\_\_\_\_  
<homebuyer 2 name>

By: \_\_\_\_\_  
Tammy Marine,  
Executive Director

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

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

APPROVED AS TO FORM:  
Minh C. Tran, County Counsel

By:   
Amrit Dhillon,  
Deputy County Counsel

**(Signatures on this page must be notarized)**

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT**

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 \_\_\_\_\_ }

On \_\_\_\_\_, before me, \_\_\_\_\_  
Date Here Insert Name and Title of the Officer

personally appeared \_\_\_\_\_  
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 \_\_\_\_\_

Place Notary Seal Above

Signature of Notary Public

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT**

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 \_\_\_\_\_ }

On \_\_\_\_\_, before me, \_\_\_\_\_  
Date Here Insert Name and Title of the Officer

personally appeared \_\_\_\_\_  
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 \_\_\_\_\_

Place Notary Seal Above

Signature of Notary Public

## EXHIBIT "A"

### LEGAL DESCRIPTION OF PROPERTY

THE LAND IS SITUATED IN THE CITY OF TEMECULA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

LOT 5 OF BLOCK 34 OF THE TOWNSITE OF TEMECULA, IN THE CITY OF TEMECULA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN [BOOK 15, PAGE 726 OF MAPS](#), RECORDS OF SAN DIEGO COUNTY, CALIFORNIA.

TOGETHER WITH THAT PORTION OF AN ANNEXED STREET ADJACENT AND ON THE SOUTH SIDE OF SAID LOTS, AS VACATED BY RESOLUTION FILED DECEMBER 8, 1936 IN [BOOK 304, PAGE 356 OF OFFICIAL RECORDS](#) OF RIVERSIDE COUNTY, CALIFORNIA.

(APN: 922-062-016)

### AND

LOT 6 OF BLOCK 34 OF THE TOWNSITE OF TEMECULA, IN THE CITY OF TEMECULA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN [BOOK 15, PAGE 726 OF MAPS](#), IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TOGETHER WITH THAT PORTION OF AN ANNEXED STREET ADJACENT AND ON THE SOUTH SIDE OF SAID LOT AS VACATED BY RESOLUTION FILED DECEMBER 8, 1936 IN [BOOK 304, PAGE 356 OF OFFICIAL RECORDS](#) OF RIVERSIDE COUNTY, CALIFORNIA.

(APN: 922-062-010)

**Note: (6) new APN #s will be assigned when the 2 above Lots are subdivided into 6 lots**

**The land [or property] as described herein Exhibit "A" Legal Description, shall be subdivided to the extent legally necessary for Developer to sell each of the six (6), three-bedroom homes that comprise the Project.**



**EXHIBIT "B"**

**County of Riverside  
ACKNOWLEDGMENT AGREEMENT CONTAINING COVENANTS  
AFFECTING REAL PROPERTY**

The undersigned acknowledges as follows:

1. We have purchased the property at <Insert Property Address Here>, Riverside County, State of California designated as:
2. There is recorded against this property a certain Agreement Containing Covenants Affecting Real Property recorded in the Official Records of the County of Riverside, State of California on \_\_\_\_\_, \_\_\_\_\_, as Instrument No. \_\_\_\_\_ ("Homebuyer Covenant Agreement").
3. We meet the current requirements established by the County of Riverside in order to be deemed a qualified Low Income Household as defined in the Homebuyer Covenant Agreement.
4. We have read and fully understand the Homebuyer Covenant Agreement and have had the opportunity to ask Habitat staff any questions we have about the document.
5. We understand that the Homebuyer Covenant Agreement runs with the land and is binding on us when we decide to transfer or sell the property, and we agree to comply fully with its terms.

OWNER(S):

\_\_\_\_\_  
Print Name: <Insert Name>

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

\_\_\_\_\_  
Print Name: <Insert Name>

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

SCHEDULE A  
Housing and Workforce Solutions  
Budget Adjustment  
Fiscal Year 2022/2023  
Habitat Way II Affordable Housing

Increase in Appropriations:

21370-5500900000-525500	Salary Reimbursement	\$	65,670
21370-5500900000-536200	Contrib. To Non-County Agency	\$	1,313,417

Increase in Estimated Revenues:

21370-5500900000-766000	Fed-Community Redevelopment	\$	1,379,087
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Figure 2—Site Plan



# Riverside County Board of Supervisors Request to Speak

Submit request to Clerk of Board (right of podium), Speakers are entitled to three (3) minutes, subject to Board Rules listed on the reverse side of this form.

SPEAKER'S NAME: Ray Buzicka

Address: \_\_\_\_\_

City: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone #: \_\_\_\_\_

Date: \_\_\_\_\_ Agenda # 3.19

### PLEASE STATE YOUR POSITION BELOW:

Position on "Regular" (non-appealed) Agenda Item:

\_\_\_\_\_ Support      \_\_\_\_\_ Oppose      \_\_\_\_\_ Neutral

**Note:** If you are here for an agenda item that is filed for "Appeal", please state separately your position on the appeal below:

\_\_\_\_\_ Support      \_\_\_\_\_ Oppose      \_\_\_\_\_ Neutral

I give my 3 minutes to: \_\_\_\_\_

# BOARD RULES

## **Requests to Address Board on "Agenda" Items:**

You may request to be heard on a published agenda item. Requests to be heard must be submitted to the Clerk of the Board before the scheduled meeting time.

## **Requests to Address Board on items that are "NOT" on the Agenda/Public Comment:**

Notwithstanding any other provisions of these rules, a member of the public shall have the right to address the Board during the mid-morning "Oral Communications" segment of the published agenda. Said purpose for address must pertain to issues which are under the direct jurisdiction of the Board of Supervisors. YOUR TIME WILL BE LIMITED TO THREE (3) MINUTES. Donated time is not permitted during Public Comment.

## **Power Point Presentations/Printed Material:**

Speakers who intend to conduct a formalized Power Point presentation or provide printed material must notify the Clerk of the Board's Office by 12 noon on the Monday preceding the Tuesday Board meeting, insuring that the Clerk's Office has sufficient copies of all printed materials and at least one (1) copy of the Power Point CD. Copies of printed material given to the Clerk (by Monday noon deadline) will be provided to each Supervisor. If you have the need to use the overhead "Elmo" projector at the Board meeting, please ensure your material is clear and with proper contrast, notifying the Clerk well ahead of the meeting, of your intent to use the Elmo.

## **Individual Speaker Limits:**

**Individual speakers are limited to a maximum of three (3) minutes.** Please step up to the podium when the Chairman calls your name and begin speaking immediately. Pull the microphone to your mouth so that the Board, audience, and audio recording system hear you clearly. Once you start speaking, the "green" podium light will light. The "yellow" light will come on when you have one (1) minute remaining. When you have 30 seconds remaining, the "yellow" light will begin to flash, indicating you must quickly wrap up your comments. Your time is up when the "red" light flashes. The Chairman adheres to a strict three (3) minutes per speaker. ***Note: If you intend to give your time to a "Group/Organized Presentation", please state so clearly at the very bottom of the reverse side of this form.***

## **Group/Organized Presentations:**

Group/organized presentations with more than one (1) speaker will be limited to nine (9) minutes at the Chairman's discretion. The organizer of the presentation will automatically receive the first three (3) minutes, with the remaining six (6) minutes relinquished by other speakers, as requested by them on a completed "Request to Speak" form, and clearly indicated at the bottom of the form.

## **Addressing the Board & Acknowledgement by Chairman:**

The Chairman will determine what order the speakers will address the Board, and will call on all speakers in pairs. The first speaker should immediately step to the podium and begin addressing the Board. The second speaker should take up a position in one of the chamber aisles in order to quickly step up to the podium after the preceding speaker. This is to afford an efficient and timely Board meeting, giving all attendees the opportunity to make their case. Speakers are prohibited from making personal attacks, and/or using coarse, crude, profane or vulgar language while speaking to the Board members, staff, the general public and/or meeting participants. Such behavior, at the discretion of the Board Chairman, may result in removal from the Board Chambers by Sheriff Deputies.

**Lopez, Daniel**

---

**From:** Roy Bleckert <sprintcar166@gmail.com>  
**Sent:** Monday, July 10, 2023 10:47 PM  
**To:** COB; Supervisor Jeffries - 1st District; Office of 2nd District Supervisor; District3; District 4 Supervisor V. Manuel Perez; District 5  
**Subject:** Agenda Items 3.18-21  
**Attachments:** 1.JPG

CAUTION: This email originated externally from the Riverside County email system. **DO NOT** click links or open attachments unless you recognize the sender and know the content is safe.

**Please enter the reference material & Attachment as part of the public record for the July 11 2023 Board Meeting !!!**  
Thx

In the if you never ask, the answer is always NO file 🙄 can the file attached below be posted on your Screen like you cats do when making presentations when I speak on items 3.18-24 ? I am thinking the quality of the pic would be better than what is on the overhead projector ?

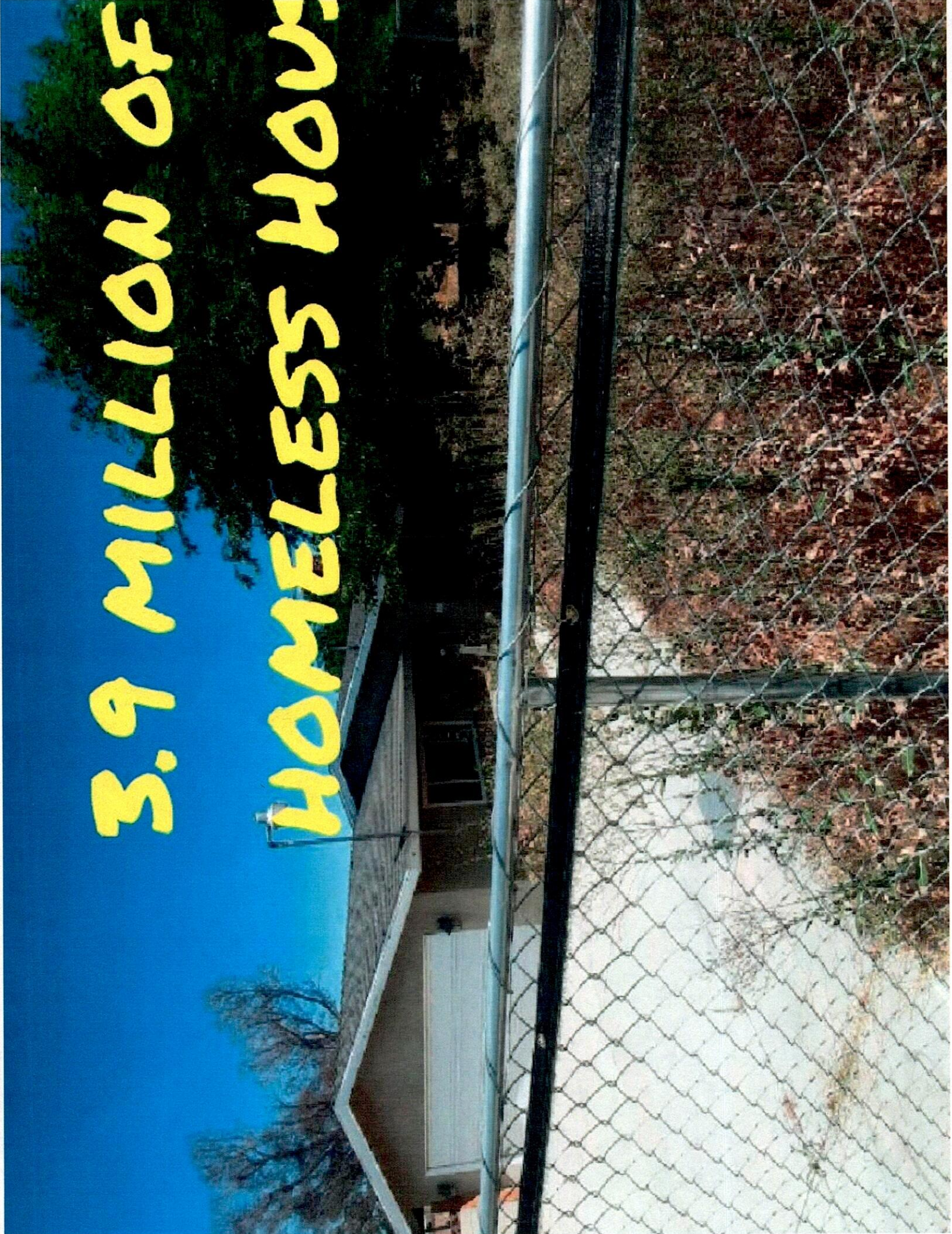
**Reference Material** <https://rivco.org/news/ground-break-saturday-affordable-housing-project-transition-age-foster-youth>

--

**Roy Bleckert..... 1 Rad Bad Dude !!!!! 951 208 9967**

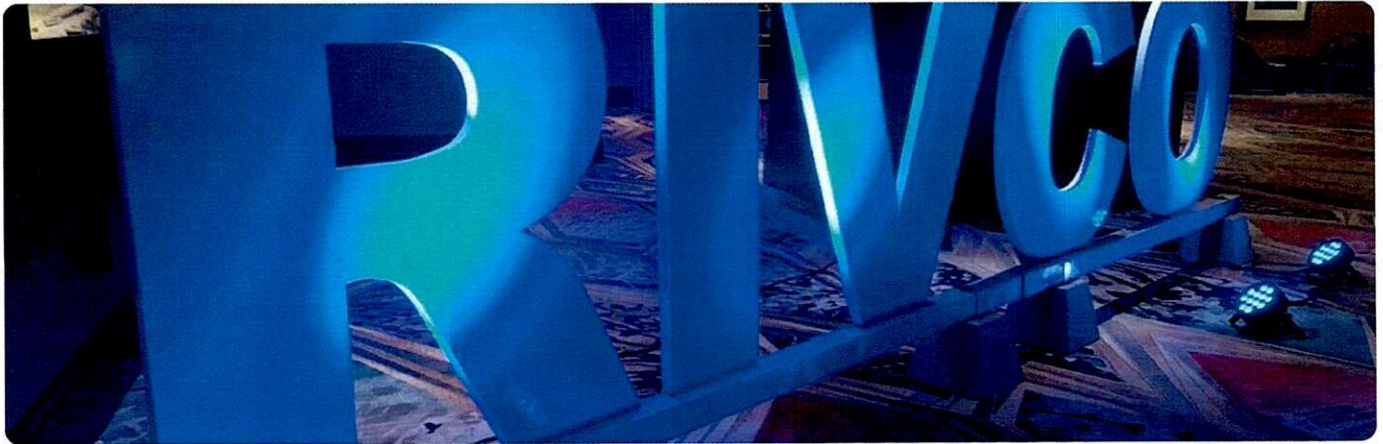
Confidentiality Statement: The information contained in this transmission is privileged and confidential. It is intended only for the recipient(s) named above. If you are not the intended recipient, please forward this to the intended recipient immediately. Anyone other than the intended recipient is strictly prohibited from any dissemination, distribution or copying of this transmission. If you have received this in error, please contact the sender immediately and destroy the transmission.

3.9 MILLION OF  
HOMELESS HOUSES





## Ground to break Saturday on affordable housing project for transition age foster youth



May 20, 2022

NEWS RELEASE

May 19, 2022

Youth transitioning out of foster care will soon have more affordable housing units available in the Moreno Valley area. The partnership between the County of Riverside and Sigma Beta Xi will also provide wraparound supportive services to tenants, including mental health services, substance use counseling, as well as self-sufficiency and employment training.

**Who:** Representatives and elected officials from the County of Riverside, Sigma Beta Xi, as well as affordable housing advocates. Attendees will include Board of Supervisors Chair Jeff Hewitt and Sigma Beta Xi CEO Corey Jackson.

**What:** Construction will begin to convert three single family homes into 12 single room occupancy units for transition age youth, youth transitioning out of foster care, and low-income families with young children. A unit for an on-site property manager will also be constructed. The final project will also include a technology center.



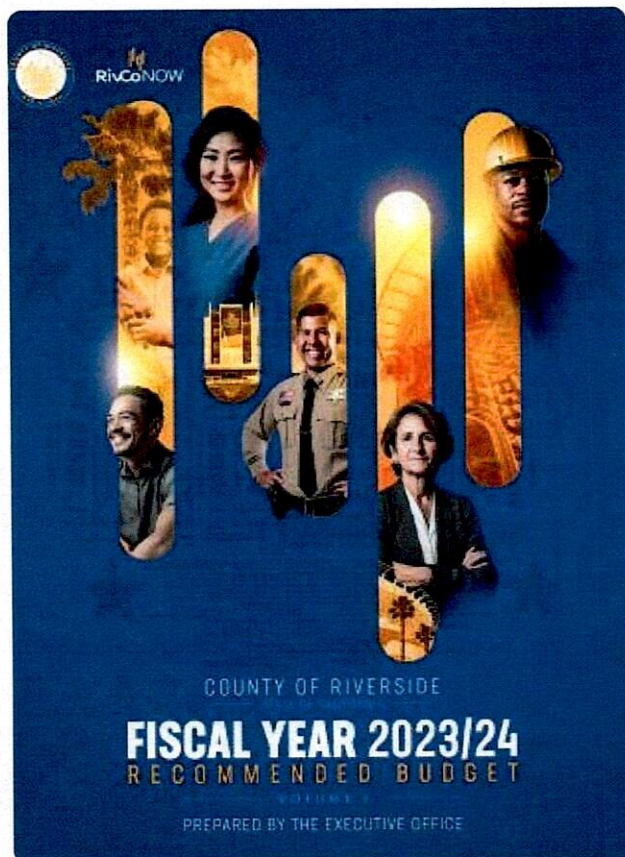


**When:** Saturday, May 21 at 10 a.m.

**Additional information:**

On April 12, the County of Riverside Board of Supervisors approved a loan for \$3.9 million in American Rescue Plan Act funds to local nonprofit Sigma Beta Xi, Inc. The loan funded Sigma Beta Xi's acquisition and construction of the 3.79-acre area. Construction is expected to be completed by spring of 2023. Once fully operational, wraparound services will be provided by SBX and other community partners.

**Latest News**





**services by \$1 billion**



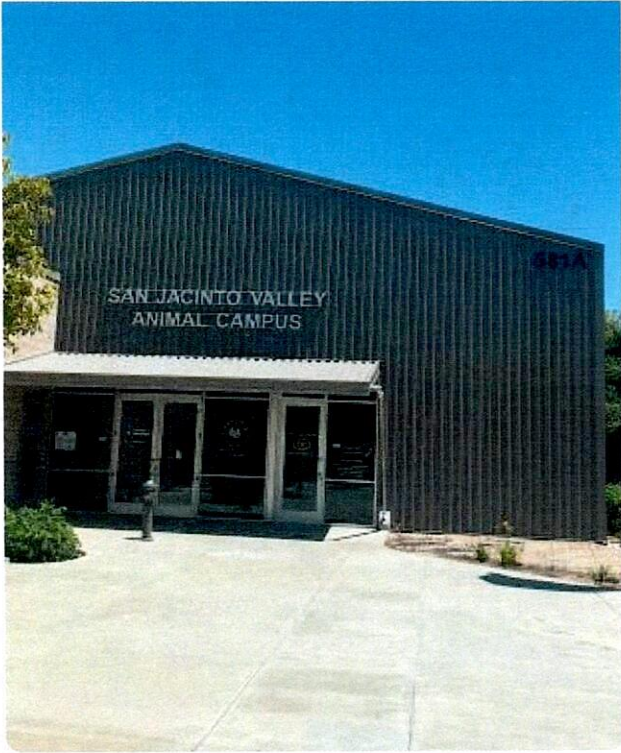
June 29, 2023

**Prado Dam Bicentennial Mural to Light Up on Fourth of July**



June 29, 2023

## **County Waste Resources Department to offer Master Composter Certificate Training**



June 28, 2023

## Plans underway to reopen San Jacinto Animal Shelter



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