

**SUBMITTAL TO THE RIVERSIDE COMMUNITY
HOUSING CORP. BOARD OF DIRECTORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM: 14.1
(ID # 24342)

MEETING DATE:
Tuesday, March 12, 2024

FROM : RIVERSIDE COMMUNITY HOUSING CORP.:

SUBJECT: RIVERSIDE COMMUNITY HOUSING CORP.: Ratify and Approve the Second Amendment to Exclusive Negotiation Agreement between the Housing Authority of the County of Riverside, Riverside Community Housing Corp, and Wakeland Housing and Development Corporation in Connection with a Proposed Affordable Rental Housing Project, Located in the City of Jurupa Valley, District 2. [\$0] (Companion Item MT#24335)

RECOMMENDED MOTION: That the Board of Directors:

1. Ratify and approve the form of the attached Second Amendment to Exclusive Negotiation Agreement (Second Amendment to ENA) between the Housing Authority of the County of Riverside, Riverside Community Housing Corp., and Wakeland Housing and Development Corporation in connection with the proposed affordable housing project, located in the City of Jurupa Valley; and
2. Authorize the Chief Executive Officer (CEO) or Chief Operating Officer (COO) to execute the Second Amendment to ENA, substantially conforming in form and substance to the attached, and to take all necessary steps to implement and administer the Second Amendment to ENA, including but not limited to, signing subsequent necessary and relevant documents and extensions, subject to approval as to form by County Counsel.


ACTION:Policy


Heidi Marshall, Director of Housing & Homelessness Prevention 2/22/2024

MINUTES OF THE BOARD OF DIRECTORS

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

Ayes: Jeffries, Spiegel, Washington, Perez and Gutierrez
Nays: None
Absent: None
Date: March 12, 2024
xc: RCHC, Housing Authority
(Companion Item 10.2)

Kimberly A. Rector
Clerk of the Board
By: 
Deputy

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0	\$ 0	\$ 0	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: N/A			Budget Adjustment:	No
			For Fiscal Year:	2023/24

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On December 4, 2018 (Minute Order 14.2), the Board of Directors approved an Exclusive Negotiation Agreement (ENA) between the Housing Authority of the County of Riverside (HACR), Riverside Community Housing Corp (RCHC), a California nonprofit public benefit corporation, and Wakeland Housing and Development Corporation (Wakeland), a California nonprofit public benefit corporation and affordable housing developer, to explore and negotiate in good faith a possible disposition and development agreement, or such other type of agreement as the parties may deem appropriate, to specify their rights and obligations with respect to the sale of approximately 15.5 acres of land owned by HACR located on the east side of Camino Real south of Canyon Crest Terrace Drive and North of Limonite Avenue in the City of Jurupa Valley, more specifically identified as Assessor Parcel Number's 185-460-001, 185-470-001 and 185-470-002 (Property). Wakeland and RCHC, through a limited partnership, are proposing to develop and build 88 permanent affordable housing units on the Property restricted for persons earning 80% or less of the area median income for the County of Riverside (Proposed Project).

Pursuant to Section II(B) of the ENA, on June 1, 2022, HACR, RCHC and Wakeland entered into that certain First Amendment to ENA and extended the negotiation period to November 6, 2023. Due to extended discussions with the City of Jurupa Valley, Wakeland and RCHC desire to enter into the attached Second Amendment to ENA with the HACR to extend the negotiation period to November 6, 2025, to allow for time to complete entitlements through the city and apply for tax credits. The ENA does not constitute a commitment to sell or develop the Property; any agreement arising out of the ENA will be subject to the prior approval of the Board of Directors. HACR is concurrently presenting a companion item for approval by its Board of Commissioners.

County Counsel has reviewed and approved as to the form the form of the Second Amendment to ENA. Staff recommends the Board of Directors approve the form of the attached Second Amendment to ENA.

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Impact on Residents and Businesses

The potential development of 88 affordable units will have a positive impact on the residents in the County of Riverside as it will create much needed affordable housing in the County as well as generate construction, maintenance, and property management jobs.

Additional Fiscal Information

No general funds will be used for the proposed ENA. Wakeland and RCHC will bear its own costs and expenses incurred in connection with negotiating and preparing in good faith a possible disposition and development agreement, or such other type of agreement as the parties may deem appropriate, for the Proposed Project.

Attachment:

- Form of Second Amendment to Exclusive Negotiation Agreement


Brianna Lontajo, Principal Management Analyst 3/5/2024


Aaron Gettis, Chief Deputy County Counsel 2/28/2024

CLERK'S COPY

to Riverside County Clerk of the Board, Stop 1010

Post Office Box 1147, Riverside, Ca 92502-1147

Thank you.

SECOND AMENDMENT TO EXCLUSIVE NEGOTIATION AGREEMENT

THIS SECOND AMENDMENT TO EXCLUSIVE NEGOTIATION AGREEMENT ("Second Amendment") is entered into as of November 7, 2023 ("Effective Date") and amends that certain Exclusive Negotiation Agreement (the "Agreement") by and between the Housing Authority of the County of Riverside, a public entity, corporate and politic in its capacity as housing successor to the former Redevelopment Agency for the County of Riverside ("HACR"), Riverside Community Housing Corp, a California nonprofit public benefit corporation ("RCHC") and Wakeland Housing and Development Corporation, a California nonprofit public benefit corporation ("Wakeland"), collectively referred to as "Parties" and individually as a "Party," on the terms and provisions set forth below:

RECITALS

- A. WHEREAS, on December 4, 2018, Minute Order 10.1 of the Board of Commissioners of HACR approved the form of the Agreement and authorized the Executive Director, or designee, of HACR to execute the Agreement; and
- B. WHEREAS, on December 4, 2018, Minute Order 14.2 of the Board of Directors of RCHC approved the form of the Agreement and authorized the Chief Operating Officer, or designee, of RCHC to execute the Agreement; and
- C. WHEREAS, the Parties entered into that certain Exclusive Negotiation Agreement dated December 4, 2018 (the "Agreement") and terminating on November 6, 2021, subject to an additional one-year extension period; and
- D. WHEREAS, Minute Order 10.1 authorized the Executive Director, or designee, to take all necessary steps to implement and administer the Agreement, including but not limited to, signing subsequent necessary and relevant documents and amendments; and
- E. WHEREAS, Minute Order 14.2 authorized the Chief Operating Officer, or designee, to take all necessary steps to implement and administer the Agreement, including but not limited to, signing subsequent necessary and relevant documents and amendments; and
- F. WHEREAS, Section II(B) of the Agreement authorized the Executive Director of HACR, or designee, in their sole discretion, to consent to an extension of the Negotiation Period and the Executive Director extended the Agreement to November 6, 2022 by that certain letter dated April 27, 2022; and
- G. WHEREAS, the Agreement was amended by that certain First Amendment to Exclusive Negotiation Agreement ("First Amendment") dated June 1, 2022 to extend the Negotiation Period to November 6, 2023; and
- H. WHEREAS, the Parties have made significant progress in accomplishing the tasks set forth and continue to work towards a mutually acceptable DDA and desire to further extend and

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amend the Agreement to accommodate financing for the project contemplated in the Agreement; and

- I. WHEREAS, HACR owns fee title to approximately 15.5 acres of land, more specifically identified as Assessor Parcel Numbers 185-460-001, 186-470-001 and 185-470-002 ("Property"), which is the subject of the Agreement, First Amendment and Second Amendment; and
- J. WHEREAS, capitalized terms not otherwise defined in this Second Amendment will have the meaning set forth in the Agreement.

NOW, THEREFORE, HACR, RCHC and Wakeland hereby mutually agree as follows:

I. Exclusive Negotiating Period.

Section II(B) of the Agreement is hereby amended to reflect that the Negotiating Period is extended to November 6, 2025. The Negotiating Period may also be extended for an additional one-year period (Extension Period) by the written mutual agreement of the Parties. During the Negotiating Period, and any Extension Periods thereto, the Parties shall continue to engage in exclusive negotiations pertaining to the acquisition and development of the Property as set forth in the Agreement.

II. Material Terms of the Acquisition.

Wakeland is applying for financing from the California Department of Housing and Community Development ("HCD"). The Parties agree that the Agreement, as amended by this Second Amendment, meets HCD's site control requirements. The Agreement, in Section III(A), also provides for essential terms of the acquisition.

Further, as part of their ongoing negotiations, the Parties have agreed that the following shall also be set forth in any DDA:

1. Purchase Price for the Property is estimated to be \$7,800,000.
2. The Property shall be conveyed by grant deed, as-is, and - subject to standard preconditions to conveyance - to a tax credit limited partnership that Wakeland shall control as the Managing General Partner (the "Owner"). The outside closing date for the sale of the Property shall be no later than November 6, 2025.
3. Any taxes associated with the Property shall be paid by Owner following Owner's acquisition of the Property.
4. The Property shall be used for the development of approximately eighty eight (88) units of affordable housing and ancillary improvements, 49% of which shall be affordable to low-income households.

III. General Provisions.

1. Nothing in this Second Amendment shall be deemed a covenant, promise, or commitment by HACR with respect to the disposition of the Property and the final terms of the disposition of the Property shall be subject to approval by HACR's Board of Commissioners and pursuant to all applicable laws.
2. Counterparts. This Second Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
3. Conflicts. In the event of any conflict between the Agreement, First Amendment and this Second Amendment, Second Amendment shall control.
4. Further Assurances. The Parties agree to execute such other documents and to take such other actions as may be necessary to further the purpose of this Second Amendment.
5. Agreement in Full Force and Effect. Except as otherwise expressly modified herein, all other terms and conditions of the Agreement remain unmodified and in full force and effect.
6. Effective Date. The Effective Date of this Second Amendment shall be November 7, 2023.

[Remainder of Page Intentionally Blank]

[Signatures on Following Page]

IN WITNESS WHEREOF, the Parties have executed this Second Amendment as of the dates set forth below.

HACR:

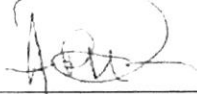
HOUSING AUTHORITY OF THE
COUNTY OF RIVERSIDE, a public entity,
corporate and politic

By: _____
Mike F. Walsh,
Deputy Executive Director

Date: _____

APPROVED AS TO FORM:

MINH C. TRAN
GENERAL COUNSEL

By:  _____
Amrit P. Dhillon,
Deputy General Counsel

WAKELAND:

Wakeland Housing and Development Corporation,
a California nonprofit public benefit corporation

By: _____
Rebecca Louie,
President and Chief Executive Officer

Date: _____

RCHC:

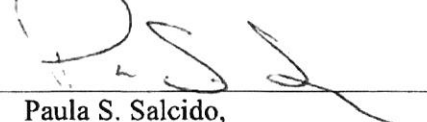
RIVERSIDE COMMUNITY HOUSING CORP,
a California nonprofit public benefit corporation

By: _____
Heidi Marshall,
Chief Executive Officer

Date: _____

APPROVED AS TO FORM:

MINH C. TRAN
GENERAL COUNSEL

By:  _____
Paula S. Salcido,
Deputy General Counsel

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