

**U.S. DEPARTMENT OF HOUSING AND URBAN  
DEVELOPMENT**

**OFFICE OF MULTIFAMILY HOUSING PROGRAMS**

**PROJECT-BASED SECTION 8 CONTRACT  
ADMINISTRATION**

**CONSENT TO ASSIGNMENT OF  
AHAP AND HAP CONTRACT  
AS SECURITY FOR FINANCING (PBV)**

This form is used when the Owner of a project wishes to grant a security interest in a Housing Assistance Payments Contract to a lender as security for a loan made by the lender to the Owner with respect to the project. The public reporting burden for completing this form is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, and gathering and maintaining the data needed. The information collected is required to obtain benefits. HUD may disclose certain information to Federal, State, or local agencies when relevant to civil, criminal, or regulatory investigations and prosecutions. Information collected will not otherwise be disclosed or released outside of HUD, except as required and permitted by law. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

**I. IDENTIFICATION OF ACC AND HAP CONTRACT**

**Annual Contributions Contract Number:** \_\_\_\_\_

**Section 8 HAP Contract Number:** \_\_\_\_\_

**Project Name:** Arc Village Apartments

**Project Location:**

73255 Country Club Drive, Palm Desert, California 92260

**APN:** 622-370-014

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## II. NAMES

**Contract Administrator (PHA):**

Housing Authority of the County of Riverside

**Contract Administrator (PHA) address:**

Housing Authority of the County of Riverside

5555 Arlington Avenue

Riverside, California 92504-2506

**Owner:** Arc Village CIC, LP

**Owner address:**

6339 Paseo Del Lago

Carlsbad, California 92011

**Lender:** U.S. Bank National Association

**Lender address:**

c/o U.S. Bancorp Impact Finance

505 North Seventh Street

Mail Code: SL-MO-T10P

St. Louis, Missouri 63101

Attention: Director of LIHTC Asset Management

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### **III. DEFINITIONS**

**AHAP CONTRACT.** The Agreement To Enter Into Housing Assistance Payments Contract (the "AHAP") for the project pursuant to which PHA agrees to enter into a HAP Contract pursuant to the terms and conditions set forth therein.

**ASSIGNMENT AS SECURITY.** The creation of a security interest in the owner's interest pursuant to the AHAP Contract and HAP Contract, and a transfer of such security interest to an assignee secured party.

**CONTRACT ADMINISTRATOR.** HUD or a PHA acting as contract administrator under an ACC with HUD.

**FULL ASSIGNMENT.** An assignment of the AHAP Contract or the HAP Contract other than an assignment as security. "Full Assignment" includes a sale, conveyance or other transfer of the AHAP Contract or the HAP Contract, voluntary or involuntary, to a successor in interest.

**HAP CONTRACT.** The Housing Assistance Payments Contract for units in the project. The HAP Contract shall be entered between the owner and the contract administrator pursuant to Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) and the terms and conditions set forth in the AHAP Contract.

**PHA.** Public Housing Agency.

**PROJECT.** The project identified in section I of the consent to assignment.

**SECURED PARTY.** A party that holds a security interest in the owner's interest pursuant to the AHAP Contract or the HAP Contract, including the lender, and successors of the lender's security interest.

**SUCCESSOR.** The term "successor" includes an assignee.

### **IV. BACKGROUND**

Pursuant to the terms of the AHAP Contract, neither the AHAP nor the HAP Contract (including any interest in the HAP Contract or any

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payments under the HAP Contract) may be assigned without the prior written consent of the contract administrator.

The owner has advised the contract administrator that the owner wants to grant the lender a security interest in the AHAP Contract and the HAP Contract, as security for a loan by the lender to the owner with respect to the project.

## **V. CONSENT TO ASSIGNMENT AS SECURITY**

By execution of this consent to assignment as security, the contract administrator consents to the assignment as security of the AHAP Contract and the HAP Contract, once executed, by the owner to the lender as security for a loan by the lender to the owner with respect to the project.

The contract administrator consents to transfer of the lender's security interest to successor secured parties.

## **VI. EFFECT OF CONSENT TO ASSIGNMENT**

The contract administrator is not a party to the loan or the loan documents, nor to any assignment of the AHAP Contract or the HAP Contract by the owner to the lender as security for the loan, nor to any transfer of the AHAP Contract or the HAP Contract or the loan by the lender. Issuance of the consent to assignment does not signify that HUD or the contract administrator has reviewed, approved or agreed to the terms of any financing or refinancing; to any term of the loan documents; or to the terms of any assignment of the AHAP Contract or the HAP Contract by the owner to the lender as security for the loan, or by the lender to any transferee of the loan.

The consent to assignment of the AHAP Contract and the HAP Contract as security for the loan does not change the terms of the AHAP Contract or the HAP Contract in any way, and does not change the rights or obligations of HUD, the contract administrator or the owner under the AHAP Contract and the HAP Contract.

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The creation or transfer of any security interest in the HAP Contract is limited to amounts payable under the HAP Contract in accordance with the terms of the HAP Contract.

## **VII. EXERCISE OF SECURITY INTEREST – ASSIGNEE ASSUMPTION OF HAP CONTRACT OBLIGATIONS**

Notwithstanding the contract administrator's grant of consent to assignment by the owner of a security interest in the AHAP Contract and the HAP Contract to the lender as security for the loan, and to further transfer of such security interest to successor secured parties, the contract administrator's execution of this consent does not constitute consent to a full assignment of the AHAP contract and the HAP Contract to any entity, including the lender or any successor secured party.

A secured party may not exercise any rights or remedies against the contract administrator or HUD under the AHAP Contract or the HAP Contract, and shall not have any right to receive housing assistance payments that may be payable to the owner under the HAP Contract, until and unless:

- The contract administrator has approved the secured party as successor to the owner pursuant to the AHAP contract, and
- The secured party seeking to exercise such rights or remedies, or to receive such payments, has executed and delivered, in a form acceptable to the contract administrator in accordance with HUD requirements, an agreement by the assignee to comply with all the terms of the AHAP Contract and the HAP Contract, and to assume all obligations of the owner under the AHAP Contract and the HAP Contract.

## **VIII. PAYMENT TO SECURED PARTY**

When a secured party notifies the contract administrator, in writing, that housing assistance payments payable pursuant to the HAP Contract should be directed to the secured party (in accordance with paragraph

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VII above), the contract administrator may make such payments to the secured party instead of the owner. In making such payments, the contract administrator is not required to consider or make any inquiry as to the existence of a default under the loan documents, but may rely on notice by the secured party; and any payments by the contract administrator to the secured party shall be credited against amounts payable by the contract administrator to the owner pursuant to the HAP Contract.

## **IX. WHEN ASSIGNMENT IS PROHIBITED**

The consent to assignment as security shall be void ab initio if HUD determines that any assignee, or any principal or interested party of the assignee, is debarred, suspended or subject to a limited denial of participation under 24 CFR part 24, or is listed on the U.S. General Services Administration list of parties excluded from Federal procurement or non-procurement programs.

*[Remainder of Page Intentionally Left Blank]*

**CONTRACT ADMINISTRATOR (PHA):**

Name of Contract Administrator (Print):

Housing Authority of the County of Riverside

By: 

Signature of authorized representative

*FOR* Heidi Marshall, Executive Director

Name and official title (Print) Michael Walsh, Deputy Executive Director

Date 4/3/2025

FORM APPROVED COUNTY COUNSEL

BY:  4-2-2025  
PAULA S. SALCIDO DATE


**OWNER AGREEMENT TO ASSIGNMENT AS SECURITY**

The owner has read the terms of the contract administrator's consent to assignment by the owner of a security interest in the AHAP Contract and the HAP Contract to the lender as security for the loan, and to further transfer of such security interest to successor secured parties. In consideration for the contract administrator's grant of such consent to assignment, the owner agrees to all the terms of the consent to assignment, and agrees that any assignment by the owner is subject to all such terms.

**OWNER:**

**ARC VILLAGE CIC, LP,**  
a California limited partnership

By: Pacific Southwest Community Development Corporation,  
a California nonprofit public benefit corporation,  
its Managing General Partner

By:   
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Juan P. Arroyo  
Executive Vice President

By: CIC Arc Village, LLC  
a California limited liability company,  
its Administrative General Partner

By: Chelsea Investment Corporation,  
a California corporation,  
its Manager

By:   
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Cheri Hoffman  
President

Date: 4/2/2025