

**SECOND AMENDMENT TO
PERMANENT LOCAL HOUSING ALLOCATION PROGRAM LOAN AGREEMENT
(The Aspire Project)**

THIS SECOND AMENDMENT TO PERMANENT LOCAL HOUSING ALLOCATION PROGRAM LOAN AGREEMENT (“Second Amendment”) is made and entered into this _____ day of _____, 2025, by and between the CITY OF RIVERSIDE, a California charter city and municipal corporation (“City”) and THE ASPIRE, LP, a California limited partnership, with respect to the following (“Developer”):

RECITALS

A. The City has received Permanent Local Housing Allocation program funds from the State of California (“PLHA Funds”), pursuant to Chapter 364, Statutes of 2017 9SB2, Atkins), as authorized by Health and Safety Code Section 50470, which created the Building Homes and Jobs Trust Fund and the PLHA Program. The PLHA Funds must be used in accordance with the guidelines issued by the California Housing and Community Development Department and must support the increase of housing for low income households.

B. On January 12, 2021, City and Developer entered into that certain Permanent Local Housing Allocation Program Loan Agreement (“Agreement”), wherein the City agreed, subject to the satisfaction of certain conditions precedent, to provide financial assistance to Developer for the construction of a multi-family, affordable housing project for termed-out foster youth and homeless youth, consisting of approximately thirty-two (32) units and one (1) manager’s unit (“Project”).

C. On September 16, 2021, City and Developer entered into that certain First Amendment to Permanent Local Housing Allocation Program Loan Agreement (“First Amendment”), wherein Attachment No. 4, Schedule of Performance, was deleted and replaced with Attachment No. 4-A.

B. The City and Developer desire to amend the Agreement to increase the loan from the City to Developer from PLHA Funds (the “PLHA Loan”) in the additional amount of Five Hundred One Thousand Eight Hundred Eighty-Seven Dollars and Seventy-Five Cents (\$501,887.75), for a total revised amount of One Million Forty-Two Thousand Nine Hundred Six Dollars and Seventy-Five Cents (\$1,042,906.75).

NOW, THEREFORE, incorporating the recitals set out above, the Parties hereto mutually agree to the following amendment to the Agreement.

1. Section 3.3, “PLHA Loan”, is hereby amended to increase the PLHA Loan in an additional amount of Five Hundred One Thousand Eight Hundred Eighty-Seven Dollars and Seventy-Five Cents (\$501,887.75), for a total revised amount not to exceed One Million Forty-Two Thousand Nine Hundred Six Dollars and Seventy-Five Cents (\$1,042,906.75).

2. Attachment No. 5, Budget, is hereby amended to include Attachment No. 5-A, attached hereto and incorporated herein.

3. All other terms and conditions of the Agreement between the Parties which are not inconsistent with the terms of this First Amendment shall remain in full force and effect as if fully set forth herein.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Second Amendment to Permanent Local Housing Allocation Program Agreement to be duly executed the day and year first above written.

CITY OF RIVERSIDE, a California charter city and municipal corporation

THE ASPIRE, LP, a California limited partnership

By: _____
Mike Futrell
City Manager

By: Kingdom Riverside LLC, a California limited liability company, its managing general partner

Attest: _____
Donesia Gause
City Clerk

By: Kingdom Development, Inc., a California nonprofit public benefit corporation, its sole member and manager

By: William Leach
William Leach (Mar 12, 2025 11:10 CDT)
William Leach
President

Approved as to Form:

By: IHO-The Aspire LLC, a California limited liability company, its administrative general partner

By: _____
Chief Financial Officer

By: Innovative Housing Opportunities, Inc., a California nonprofit public benefit corporation, its sole member and manager

Approved as to Form:

By: Sean Murphy
Sean B. Murphy
Deputy City Attorney

By: Rochelle Mills
Rochelle Mills
President and CEO

ATTACHMENT NO. 5-A

Budget

(Attached)

**ATTACHMENT NO. 5-A
The Aspire Project Budget**

Description	Scheduled Value	ADDITIONAL COSTS	TOTAL WITH COST DIFFERENCE	COMMENTS
SOURCE OF FUNDS:				
Loan Funds XXXX4094	11,312,725.00			
Interest Reserve	0.00			
Loan Funds XXXX4095	7,241,960.00			
Interest Reserve	0.00			
Tax Credit Equity	9,860,419.00			
City of Riverside - HOME	459,981.00			
City of Riverside -2019 PLHA	541,019.00			
City of Riverside -2020 PLHA	501,877.75			
State HCD-MHP	7,678,832.00			
Deferred Developer Fee	1,572,743.02	(14,439.28)	1,558,303.74	Reduced to cover funding gap
GP Equity- State Tax Credits	4,899,147.30			
Construction Ln Pay Down Conversion	(18,554,685.00)			
Deferred Equity	0.00			
TOTAL	25,514,019.07	(14,439.28)	1,558,303.74	0.00
USE OF FUNDS:				
LAND	7,946.57			
HARD COSTS				
Construction Contract	14,116,548.00			
Construction Contract	0.00			
SUB-TOTAL HARD COSTS - Contract	14,116,548.00			
LESS RETAINAGE @ 10%	0.00			
SUB TOTAL HARD COST LESS RETAINAGE	14,116,548.00			
WSST @ 9.6%	0.00			
TOTAL CONTRACT HARD COSTS + WSST	14,116,548.00			
OWNER HARD COSTS				
Other	0.00			
TOTAL OWNER HARD COSTS	0.00			
SUB TOTAL HARD COSTS	14,116,548.00			
HARD COST CONTINGENCY	705,827.40	190,495.42	896,322.82	Increased costs are the result of material price increases and misc additional work. See attached change order tracker.
TOTAL HARD COSTS	14,822,375.40	190,495.42		
SOFT COSTS				
Appraisals	\$ 12,800.00			
Building Fees & Permits	\$ 368,787.32			
Impact Fees	\$ 251,212.68			
Architectural & Engineering	\$ 1,262,210.00			
Environmental Reports	\$ 32,683.98			
Environmental Testing / Inspections	\$ 126,000.00			
CASp Consultant	\$ 18,850.00			
survey	\$ 3,200.00			
Energy Reports	\$ 67,500.00			
Building Mural	\$ 50,000.00			
Advisory Fees	\$ 260,000.00			
Construction Manager	\$ 154,000.00			
Builders Risk Insurance	\$ 235,469.00	6,055.61	241,524.61	Project experienced delays in getting power resulting in additional covered months needed.
Accounting	\$ 78,000.00			
Legal Fees	\$ 154,775.27			
Plan and Cost Review	\$ 9,250.00			
Construction Reports	\$ 32,300.00			
Market Study	\$ 18,485.73			
Admin Misc.	\$ 17,223.00			
Prevailing Wage Monitoring	\$ 96,938.00			
Marketing & Advertising	\$ 39,881.00			
Lease-up	\$ 50,055.26			
Transition Reserve	\$ 774,219.98			
Services Reserve	\$ 750,000.00			
Capitalized Operating Reserve	\$ 118,214.74			
Residential Unit Furnishings	\$ 175,000.00			
Common Area Furnishings	\$ 134,000.00			

TCAC Fees	\$	56,216.00			
CDLAC Fees	\$	4,199.50			
Bond Issuance Costs	\$	75,487.15			
Developer Fees		2,876,919.45			
Legal Fees - Redstone		60,000.00			
LATE DELIVERY OF CREDITS		0.00	319,766.00	319,766.00	As a result of delay in getting TCO, late credit delivery adjuster will be issued.
Soft Cost Contingency		122,792.28			
CLOSING COSTS/FINANCING FEES					
Construction Review & Inspections		0.00			
Title / Escrow / Recording		70,000.00			
Appraisal & Misc Financing Costs		25,000.00			
Lender Legal		75,000.00			
Construction Loan Fees		120,605.45			
INTEREST RESERVE					
Construction Period Interest XXXX4094		968,736.78			
Construction Period Interest XXXX4095		435,806.78			
SUB TOTAL INTEREST RESERVE		1,404,543.56			
SUB TOTAL SOFT COSTS		10,181,819.35	311,382.33	10,493,201.68	
SUB TOTAL HARD COSTS		14,822,375.40	190,495.42	15,012,870.82	
TOTAL COST OVERRUNS			501,877.75		
TOTAL PROJECT COSTS		25,012,141.32	501,877.75	25,514,019.07	