

**FIRST AMENDMENT TO
DISPOSITION AND DEVELOPMENT AGREEMENT**

(3753 MYERS STREET)

**HOUSING AUTHORITY OF THE CITY OF RIVERSIDE,
AND HABITAT FOR HUMANITY RIVERSIDE, INC.**

This FIRST AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT is made and entered into this ____ day of _____, 2017, by and between the HOUSING AUTHORITY OF THE CITY OF RIVERSIDE, a public body, corporate and politic (“Authority”) and HABITAT FOR HUMANITY RIVERSIDE, INC., a California nonprofit public benefit corporation (“Developer”), with respect to the following facts:

WHEREAS, on July 30, 2015, Authority and Developer entered into a Disposition and Development Agreement (“Agreement”) regarding the disposition of specific properties located at 3753 Myers Street, Riverside, California owned by the Authority that Developer would purchase; and

WHEREAS, the Agreement intended for the construction of twelve (12), common-interest, Affordable Units, for sale to Low Income Households who are also First Time Homebuyers at a Gross Affordable Sales Price located at 3753 Myers Street, Riverside, California, Assessor Parcel Number 234-101-051 (“Property”); and

WHEREAS, on June 30, 2015, the City of Riverside provided the Developer a pre-development HOME loan of One Hundred Fifty Thousand (\$150,000) as described in Section 3.3.2 of the Agreement; and

WHEREAS, all construction and permanent financing mortgage funding was to come from the California Department of Veterans Affairs Residential Enhanced Neighborhoods Program (CalVet); and

WHEREAS, on or about August 15, 2016 it was determined that the terms of the CalVet construction and permanent financing precluded the funding of common-interest improvements and conflicted with required HOME regulations; and

WHEREAS, on May 23, 2017, the City consolidated the City HOME Predevelopment Loan and City Development HOME Loan for a total development loan amount of \$950,000; and

WHEREAS, in accordance with Section 3.3.4 of the Agreement, the Authority and Developer met to identify potential supplemental funding sources and diligently pursue such additional funds; and

WHEREAS, the Parties were unsuccessful in securing additional funds necessary for construction and permanent financing for the development of twelve (12), common interest, Affordable Units; and

WHEREAS, the Housing Authority and Developer desire to amend the Agreement to reflect the construction of only four (4) Affordable Residential Units, for sale; and

WHEREAS, funding from CalVet has been terminated and the City of Riverside will provide a City HOME Loan of Nine Hundred Fifty Thousand Dollars (\$950,000) of development subsidy for the project.

NOW, THEREFORE, in consideration of the foregoing recitals which are incorporated herein by this reference, the parties agree as follows:

1. Recitals Section K, of the Agreement, is amended in its entirety to read as follows:

K. The four (4) newly constructed Affordable Units to be constructed on the Site shall be held for sale to Low Income Households who are First Time Homebuyers at a Gross Affordable Sales Price. The Affordable Units will be restricted to sales to Low Income Households for a forty-five (45) year restriction period.

2. Section 1, Definitions, 1.1 Defined Terms, “Affordable Units” is amended in its entirety to read as follows:

“**Affordable Units**” mean the four (4) single-family residential units in the Project which shall be available to, occupied by or held for sale exclusively to Qualified Buyers at an Gross Affordable Sales Price.

3. Section 1, Definitions, 1.1 Defined Terms, “HOA” is amended in its entirety to read as follows:

“**Authority Declaration of Conditions, Covenants and Restrictions**” means the Agreement and Covenants, Conditions and Restriction’s (“Authority CC&Rs”) in such a form as may be determined by the Housing Authority that shall provide affordability restrictions for a period of not less than forty-five (45) years as required by Health and Safety Code Section 33334.3(f)(1)(B). The Authority CC&Rs shall be recorded against the Parcel upon the initial sale of the Affordable Unit to a Qualified Homebuyer. The Authority CC&Rs are attached hereto as Attachment No. 7.

4. Section 1, Definitions, 1.1 Defined Terms, “Project” is amended in its entirety to read as follows:

“**Project**” means predevelopment activities related to the Site, the acquisition of the Site by Developer, the construction of four (4) Affordable Units, the sale thereof to Qualified Buyers at an Gross Affordable Sales Price and any other activities undertaken in connection therewith.

5. Section 1, Definitions, 1.1 Defined Terms, “CalVet Loan Program” is deleted in

its entirety.

6. Section 1, Definitions, 1.1 Defined Terms, “CalVet” is deleted in its entirety.

7. Section 3.1, Sources of Financing, the first paragraph is hereby replaced in its entirety as follows:

As set forth in the Project Budget, the parties anticipate that Project costs shall be financed with a combination of funds from the proceeds of the corporate sponsorship and grants, the City HOME Loan, Housing Authority write down of land value, and such other financing sources as secured pursuant to Section 3.3.

8. Section 3.3, Sources of Financing, Section 3.3.1 “CalVet Loan Program” is deleted in its entirety and replaced with “intentionally deleted.”

9. Section 3.3, Sources of Financing, Section 3.3.2 “City HOME Loan,” first paragraph, is amended in its entirety as follows:

3.3.2. City HOME Loan

City is in the process of appropriating a loan to Developer, from available funds pursuant to the federal HOME Investment Partnerships Act and HOME Investment Partnerships Program, 42 U.S.C. Section 12701, et seq., and the implementing regulations thereto set forth in 24 CFR Section 92.1, et seq. (collectively, the “HOME Program”) by way of a HOME Partnership Investment Loan Agreement (the “City HOME Loan Agreement”) in an amount not to exceed \$950,000 (the “City HOME loan”).

10. Section 6.6.1, Formation of HOA; Recordation of HOA CC&Rs is amended in its entirety to read as follows:

6.6.1. Recordation of Housing CC&Rs

Developer shall obtain Authority’s written approval of the Housing CC&Rs, and shall include such covenants and restrictions therein as may be requested by Authority with respect to the Affordable Units. Thereafter, Developer shall submit the Housing CC&Rs to the Department of Real Estate and otherwise comply with the CID Law. Developer shall amend or cause to be amended the Housing CC&Rs as required by the CID Law upon transfer of the Affordable Units to the nonprofit mutual benefit corporation or the third party purchasers thereof, respectively. Developer shall not amend the Housing CC&Rs without the prior written approval of Authority. The Housing CC&Rs shall require that all Affordable Units be owner-occupied.

11. Section 6.6.3(e) HOA; HOA CC&Rs is amended in its entirety to read as follows:

6.6.3(e). Housing CC&Rs

Developer shall have prepared and submitted to Authority and Authority shall have approved, the Housing CC&Rs.

12. Section 6.6.3(i), HOME Regulatory Agreement is amended in its entirety to read as follows:

6.6.3(i). HOME Regulatory Agreement

Developer shall have submitted, and City shall have approved, a form of the HOME Regulatory Agreement, which shall contain covenants, conditions, and restrictions required by Authority in accordance with all applicable Governmental Regulations, including, without limitation, covenants restriction the sale of the Affordable Unit to Qualified Buyers at an Affordable Price for fifteen (15) years from the date of initial sale of the Affordable Unit.

13. Replace the Site Plan, Attachment No. 1 with the revised Site Plan, attached hereto as Attachment No. 1 Revised.

14. Replace the Project Development, Attachment No. 3 with the revised Project Development, attached hereto as Attachment No. 3 Revised.

15. Replace the Schedule of Performance, Attachment No. 4 with the revised Schedule of Performance, attached hereto as Attachment No. 4 Revised.

16. Replace the Project Budget, Attachment No. 5 to the DDA with the revised Project Budget, attached hereto as Attachment No. 5 Revised.

17. Attachment No. 7, Article II, Section 3. Construction of Project is amended in its entirety to read as follows:

Developer shall complete the construction of the Project consisting of four (4) residential units in a timely manner and in accordance with the Agreement and all applicable laws, regulations and entitlements. No demolition or construction activities shall be undertaken on the Site without a validly issued building permit in accordance with the requirements of the City of Riverside Municipal Code.

18. Attachment No. 7, Article III, Section 2. Selection of Buyers is amended in its entirety to read as follows:

Developer shall be responsible for the selection of buyers for the Affordable Units constructed on the Site. Developer shall develop and submit to the Authority a written procedure for selection of buyers which, upon approval by Authority, shall be implemented by the Developer. To the extent permitted by law, preference shall be given first to Households who currently reside or are employed in the City of Riverside. Developer shall

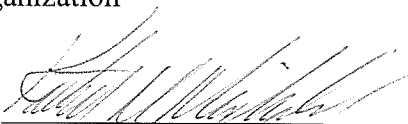
submit a marketing and outreach program to Authority for Authority approval. Developer shall use commercially reasonable best efforts to sell the Affordable Units in accordance with the approved marketing and outreach program and the approved homebuyer selection program. Developer shall also ensure that the Affordable Units are sold in compliance with the income eligibility and First Time Homebuyer criteria set forth below.

19. All terms and conditions of the Disposition and Development Agreement not inconsistent with this First Amendment, shall remain in full force and effect and are incorporated herein by this reference as if set forth in full.

HOUSING AUTHORITY OF
THE CITY OF RIVERSIDE,
a public body, corporate and politic

By: _____
Executive
Director

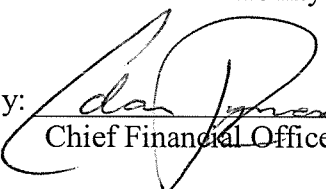
HABITAT FOR HUMANITY
RIVERSIDE, INC., a nonprofit
organization

By: 
Its: Executive Director


By: 
Its: Treasurer

Attest: _____
Housing Authority Secretary

Certified as to Availability of Funds:

By:  *Asst CFO, per.*
Chief Financial Officer

APPROVED AS TO FORM:

By: 
Authority General Counsel