



MEMORANDUM
SUCCESSOR AGENCY
COUNTY OF PLACER

TO: Honorable Members of the Successor Agency DATE: January 26, 2021
FROM: David Defanti, Successor Agency Officer Designee
BY: Devin McNally, Assistant Planner
SUBJECT: Amendment to Resale and Refinancing Restriction Agreement with Option to Purchase at Restricted Price for Loan No. 1000146

ACTION REQUESTED

- 1. Approve Amendment to Resale and Refinancing Restriction Agreement with Option to Purchase at Restricted Price (Redevelopment First Time Homebuyer Program) Loan No. 1000146 and authorize the Successor Agency Officer to execute the Amendment.

BACKGROUND

In August 2008, the Placer County Redevelopment Agency and Placer County provided two loans (No. 1000146 and No.2123-30141) in the total amount of \$120,000 towards the purchase of a home located at 108 Eddie Drive in Roseville. The Resale and Refinancing Restriction Agreement with Option to Purchase at Restricted Price (“Loan Agreement”) and the Promissory Note (“Note”) provided restrictions on the refinancing of the First Lender Loan. The redevelopment loan became part of the Successor Agency portfolio with the dissolution of the Redevelopment Agency while the county loan stayed with the County.

In November 2020, the Borrower contacted staff requesting to refinance the First Lender Loan at an amount that exceeds the current outstanding balance to finance home improvements to the HVAC system and windows. Amendments to the Loan Agreement (Section 23) and the Note (Section 6) are required to allow the Borrower to refinance for an amount that exceeds the current First Lender Loan balance. Staff determined that amending the loan terms to allow this refinancing option is allowed under the program guidelines and is consistent with the mission of providing affordable quality housing to Placer County residents.

PROPOSED CHANGES

Section 23 of the Resale and Refinancing Restriction Agreement with Option to Purchase at Restricted Price is proposed to be amended as follows:

23. REFINANCE OF FIRST LENDER LOAN.

The outstanding principal and interest on the **Agency** Note shall not be due upon prepayment and/or refinancing of the First Lender Loan, and this Agreement and the **Agency** Deed of Trust shall be subordinated to the refinanced First Lender Loan, provided that following such refinance, the principal amount of the refinanced First Lender Loan does not exceed the then outstanding balance (plus refinancing and closing costs) of the existing First Lender Loan unless allowed under subsections a or b. ~~and~~ The lender making the refinanced First Lender Loan is a must be an Agency approved bank, credit union or savings and loan association and the rate and term must be approved in advance by the Agency. The **Agency** and the Owner agree that the requirements of Section 23 are necessary to ensure the continued affordability of the Property to Owner and to minimize the risk of loss of the Property by Owner through default and foreclosure of mortgage loans. Owner further acknowledges a violation of the provisions of this Section 23 shall constitute a Default under this Agreement. A form for use by the Owner in requesting **Agency** subordination to a refinanced First Lender Loan is attached as Exhibit F to this Agreement.

(a) The principal amount of the refinanced First Lender Loan may exceed the outstanding balance if (i) the refinanced First Lender Loan is a consolidation of other liens against the Property; (ii) the lender making the refinanced First Lender Loan must be an Agency approved bank, credit union or savings and loan association and the rate and term must be approved in advance by the Agency; and (iii) the combined value of the refinanced First Lender Loan and the Agency Loan does not exceed 80 percent of the assessed value of the Home; or

(b) The principal amount of the refinanced First Lender Loan may exceed the outstanding balance if (i) the refinanced loan is for the purpose of financing improvements to the Home and the improvements are approved in writing in advance by the Agency; (ii) the lender making the refinanced First Lender Loan must be an Agency approved bank, credit union or savings and loan association and the rate and term must be approved in advance by the Agency; (iii) the combined value of the refinanced First Lender Loan and the Agency Loan does not exceed 80 percent of the assessed value of the Home; (iv) Owner provides documentation of completed improvements to the Agency in a timely manner; and (v) any remaining funds are put towards the refinanced First Lender Loan.

Failure to meet any conditions of this Section 23 shall result in the total amount of the principal and interest owed under this Agreement and the Agency Note(s) shall immediately become due and payable.

SUCCESSORY AGENCY OFFICER NOTE

This action is approved and recommended by the Successor Agency Officer.

FISCAL IMPACT

There is no new net cost associated with this action.

ATTACHMENT

Attachment A: Amendment to Resale and Refinancing Restriction Agreement with Option to Purchase at Restricted Price Redevelopment First Time Homebuyer Program) for Loan No. 1000146

cc: Steve Pedretti – CDRA Director
Shawna Purvines – CDRA Principal Planner | Housing Manager
Karin Schwab – County Counsel
Clayton Cook – Deputy County Counsel

ATTACHMENT A

FIRST AMENDMENT TO RESALE AND REFINANCING RESTRICTION AGREEMENT WITH OPTION TO PURCHASE AT RESTRICTED PRICE

(REDEVELOPMENT FIRST TIME HOMEBUYER PROGRAM)

Owner: **Stephen Ensey**
Property Address:
108 Eddie Drive
Roseville, CA 95661

This First Amendment (“Amendment”) to the Resale and Refinancing Restriction Agreement with Option to Purchase at Restricted Price (the “Agreement”) is entered into as of this ____ day of _____, 2021 (the “Effective Date”), by and between the Placer County Successor Agency (“Agency”) and **Stephen Ensey** (the “Owner”). The Agency and the Owner are collectively referred to herein as the “Parties.”

RECITALS

WHEREAS, the Owner and the Placer County Redevelopment Agency (“Redevelopment Agency”) entered into the Agreement with an effective date of August 27, 2008 to assist the Owner in the purchase of a home in unincorporated Placer County located at 108 Eddie Drive in Roseville, California (the “Property”); and

WHEREAS, the Agreement was recorded by the Placer County Recorder on September 3, 2008 (DOC-2008-0071100-00); and

WHEREAS, Owner also signed a Promissory Note Secured by Deed of Trust (Placer County Redevelopment Agency First Time Homebuyer Program) dated 8/27/08 that includes Section 7. Refinance of First Lender Loan which states “The outstanding principal and Contingent Interest on this Note shall not be due upon prepayment and/or refinance of the First Lender Loan, and the Deed of Trust shall be subordinated to the refinanced First Deed of Trust, provided that such refinance meets the requirements of Section 23 of the Resale Restriction Agreement”; and

WHEREAS, Owner also signed a Promissory Note Secured by Deed of Trust (Placer County Redevelopment Agency First Time Homebuyer Program) dated August 27, 2008 that includes Section 6. Refinance of First Lender Loan which states “The outstanding principal and Contingent Interest on this Note shall not be due upon prepayment and/or refinance of the First Lender Loan, and the Deed of Trust shall be subordinated to the refinanced First Deed of Trust, provided that following such refinance, the principal amount of the refinanced First Lender Loan will not exceed the then outstanding balance (plus refinancing and closing costs) of the existing First Lender Loan, and the lender making the refinanced First Lender Loan is a bank, credit union or savings and loan association approved in advance by the Agency.”; and

WHEREAS, Owner has requested to refinance the First Lender Loan at an amount that exceeds the current outstanding balance to finance home improvements to the HVAC system and windows and

WHEREAS, amendments to the Agreement and to the Note (County of Placer HOME First Time Homebuyer Program) are required to allow the Owner to refinance for an amount that exceeds the current First Lender Loan balance; and

WHEREAS, since the time of the Agreement, the Redevelopment Agency has dissolved and all assets of the Redevelopment Agency have been transferred to the Agency.

AGREEMENT

NOW, THEREFORE, it is mutually agreed by and among the Parties that the following amendments are hereby made to the Agreement:

1. Section 23 of the Agreement shall be replaced in its entirety with the following:

23. REFINANCE OF FIRST LENDER LOAN

The outstanding principal and interest on the Agency Note shall not be due upon prepayment and/or refinancing of the First Lender Loan, and this Agreement and the Agency Deed of Trust shall be subordinated to the refinanced First Lender Loan, provided that following such refinance, the principal amount of the refinanced First Lender Loan does not exceed the then outstanding balance (plus refinancing and closing costs) of the existing First Lender Loan unless allowed under subsections a or b. The lender making the refinanced First Lender Loan must be an Agency approved bank, credit union or savings and loan association and the rate and term must be approved in advance by the Agency. The Agency and the Owner agree that the requirements of Section 23 are necessary to ensure the continued affordability of the Property to Owner and to minimize the risk of loss of the Property by Owner through default and foreclosure of mortgage loans. Owner further acknowledges a violation of the provisions of this Section 23 shall constitute a Default under this Agreement. A form for use by the Owner in requesting Agency subordination to a refinanced First Lender Loan is attached as Exhibit F to this Agreement.

(a) The principal amount of the refinanced First Lender Loan may exceed the outstanding balance if (i) the refinanced First Lender Loan is a consolidation of other liens against the Property; (ii) the lender making the refinanced First Lender Loan must be an Agency approved bank, credit union or savings and loan association and the rate and term must be approved in advance by the Agency; and (iii) the combined value of the refinanced First Lender Loan and the Agency Loan does not exceed 80 percent of the assessed value of the Home; or

(b) The principal amount of the refinanced First Lender Loan may exceed the outstanding balance if (i) the refinanced First Lender Loan is for the purpose of financing improvements to the Home and such improvements are approved in writing in advance by the Agency; (ii) the lender making the refinanced First Lender Loan must be an Agency

approved bank, credit union or savings and loan association and the rate and term must be approved in advance by the Agency; (iii) the combined value of the refinanced First Lender Loan and the Agency Loan does not exceed 80 percent of the assessed value of the Home; (iv) Owner provides documentation of completed improvements to the County in a timely manner; and (v) any remaining funds are put towards the refinanced First Lender Loan.

Failure to meet any conditions of this Section 23 shall result in the total amount of the principal and interest owed under this Agreement and the Agency Note(s) shall immediately become due and payable.

2. Except as specifically modified above in this Amendment, all the remaining terms and conditions of the Agreement shall remain and continue in full force and effect.
3. The effective date of this Amendment is _____, 2021.
4. This Amendment may be signed in counterparts, each of which shall constitute an original and which collectively shall constitute one instrument.

OWNER:

By: _____ Date: _____
Stephen Ensey

COUNTY:

By: _____ Date: _____
David Defanti, Successor Agency Officer
Placer County Successor Agency

ACKNOWLEDGMENT

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 Placer

On _____, 20____, before me, _____,
(name and title of notary public/officer)

personally appeared **Stephen Ensej**, 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 _____ (Seal)

ACKNOWLEDGMENT

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 Placer

On _____, 20____, before me, _____,
(name and title of notary public/officer)

personally appeared **David Defanti**, 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 _____ (Seal)

