



M E M O R A N D U M
COMMUNITY DEVELOPMENT RESOURCE AGENCY
ADMINISTRATION
County of Placer

TO: Board of Supervisors

DATE: January 26, 2021

FROM: Steve Pedretti, Agency Director

BY: Devin McNally, Assistant Planner

SUBJECT: Amendment to Promissory Note for Loan No. 2123-30141

ACTION REQUESTED

1. Approve Amendment to Promissory Note Secured by Deed of Trust (County of Placer HOME First Time Homebuyer Program) Loan No. 2123-30141 and authorize the Community Development Resource Agency Director 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 remained 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 6 of the Promissory Note is proposed to be amended as follows:

6. Refinance of First Lender Loan. 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 **meets the requirements of Section 23 of that certain Resale and Refinancing Restriction Agreement with Option to Purchase at Restricted Price entered into between Borrower and Placer County Redevelopment Agency recorded by the Placer County Recorder on September 2, 2008 (recorded as DOC-2008-0071100-00), as may be amended from time to time.** ~~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. The lender making the refinanced First Lender Loan must be a County approved bank, credit union or savings and loan association and the rate and term must be approved by the County.~~

FISCAL IMPACT

There is no new net cost associated with this action.

ATTACHMENT

Attachment A: Amendment to Promissory Note Secured by Deed of Trust (County of Placer HOME First Time Homebuyer Program) for Loan No. 2123-30141

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 PROMISSORY NOTE SECURED BY DEED OF TRUST

(COUNTY OF PLACER HOME FIRST TIME HOMEBUYER PROGRAM)

\$63,350.00

Auburn, California
Dated: _____, 2021

This First Amendment (“Amendment”) to the Promissory Note Secured by Deed of Trust (“Note”) is entered into as of this ____ day of _____, 2021 (the “Effective Date”), by and between the County of Placer, a political subdivision of the State of California (“County”) and **STEPHEN ENSEY** (“Borrower”). The County and the Borrower are collectively referred to herein as the “Parties.”

RECITALS

WHEREAS, Borrower has agreed to pay County the principal sum of **SIXTY-THREE THOUSAND, THREE HUNDRED FIFTY DOLLARS AND 00/100 (\$63,350.00)**, plus Contingent Interest, pursuant to the Note dated August 27, 2008, in accordance with the terms and conditions described in the Loan Agreement and the Note relating to the home located at 108 Eddie Drive in Roseville, California (the “Home”); and

WHEREAS, the Note 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 County.”; and

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

WHEREAS, an amendment to the Note is required to allow the Borrower to refinance for an amount that exceeds to current First Lender Loan balance.

AGREEMENT

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

1. Section 6 of the Note shall be replaced in its entirety with the following:
 6. Refinance of First Lender Loan. 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 that certain Resale and Refinancing Restriction Agreement with Option to Purchase at Restricted Price entered into between Borrower and Placer County Redevelopment Agency recorded by the Placer County Recorder on September 2, 2008 (recorded as DOC-2008-0071100-00), as may be amended from time to time.

2. Except as specifically modified above in this Amendment, all the remaining terms and conditions of the Note 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.

BORROWER:

By: _____ Date: _____
Stephen Ensey

COUNTY:

By: _____ Date: _____
Steve Pedretti, Director
Community Development Resource Agency
County of Placer

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 Ensey**, 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 **Steve Pedretti**, 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)