

Attachment 2 - Amendment No. 1 to the Agreement Regarding Development
of Real Property by Rolling Hills II, LP (the HOME Loan Agreement)

AMENDMENT NO. 1
TO THE AGREEMENT REGARDING DEVELOPMENT
OF REAL PROPERTY WITHIN THE COUNTY OF SAN LUIS OBISPO BY
ROLLING HILLS II, L.P.

THIS AGREEMENT AMENDMENT is made and entered into on
October 24, 2016, by and between ROLLING HILLS II, L.P., a
California limited partnership ("Subrecipient"), whose managing general partner is
PEOPLES' SELF-HELP HOUSING CORPORATION, a California nonprofit public
benefit corporation ("PSHHC"), and the COUNTY OF SAN LUIS OBISPO, a political
subdivision of the State of California ("the County").

WITNESSETH:

WHEREAS, the County has approved Parcel Map CO 09-0040, which divided a
7.4 acre parcel of real property located in the County of San Luis Obispo, State of
California, into two new parcels of 5.4 acres (Parcel 1) and 2.0 acres (Parcel 2); and

WHEREAS, Parcel 2 of Parcel Map CO 09-0040 is described in the attached
Exhibit A and is hereinafter referred to as "the Property"; and

WHEREAS, on August 10, 2010, the County approved an AGREEMENT TO
PROVIDE INCLUSIONARY HOUSING UNIT(S) (the "Inclusionary Housing Agreement")
which was recorded by the County Recorder as Document No. 2010039405; and

WHEREAS, the Inclusionary Housing Agreement requires that the Property shall
be developed with a residential multi-family project, and the said project shall include
four (4) inclusionary dwelling units which shall be affordable housing for rental to
persons and families in accordance with the standards and requirements of Section
22.12.070 and Section 22.12.080 of the San Luis Obispo County Code; and

WHEREAS, the Subrecipient's managing general partner, PSHHC, has acquired
the Property, and the Subrecipient intends to develop and manage a multi-family
residential project on the Property; and

WHEREAS, PSHHC obtained County approval of Conditional Use Permit DRC
2012-00047 on February 24, 2014, which allows the Property to be developed with a
thirty (30) unit multi-family rental apartment project that will include twenty-nine (29)

Attachment 2 - Amendment No. 1 to the Agreement Regarding Development of Real Property by Rolling Hills II, LP (the HOME Loan Agreement)

rental units exclusively for low and very low income households (less than 80% of Area median income) and one manager's unit (hereinafter referred to as the "Project"); and

WHEREAS, the County has allocated \$1,476,548 in HOME Program funds, Long Term Affordability Funds and Title 29 Funds to assist with the construction of the Project; and

WHEREAS, on July 22, 2016, the County and the Subrecipient executed the AGREEMENT REGARDING DEVELOPMENT OF REAL PROPERTY WITHIN THE COUNTY OF SAN LUIS OBISPO BY ROLLING HILLS II, L.P. (the "HOME Loan Agreement") by which the County committed the said \$1,476,548 in funds to the Subrecipient to be used for the purpose of constructing the Project; and

WHEREAS, the HOME Loan Agreement and the Inclusionary Housing Agreement have many similar or identical affordable housing requirements; and

WHEREAS, the Subrecipient and the County desire to incorporate the requirements of the Inclusionary Housing Agreement into the HOME Loan Agreement and then extinguish the Inclusionary Housing Agreement.

NOW, THEREFORE, IT IS AGREED by and between the parties hereto that the Original County HOME Loan Agreement is amended as follows:

Sections 2(h), 6(c) and 22(b)(f) of the HOME Loan Agreement are amended as follows:

2. Scope of Work

(h) During the Term of this Agreement, the Subrecipient shall retain legal ownership of the Project and of all rights, royalties, profits and proceeds generated or caused by the 30 multi-family rental apartment units. No transfer of the Project and/or the Property is permitted except as described in the HOME Loan Note and in Section 22 of this HOME Loan Agreement.

6. Compensation.

(c) The Subrecipient may not request disbursement of HOME funds, County Long Term Affordability Fund, or Title 29-Affordable Housing Fund until the

Attachment 2 - Amendment No. 1 to the Agreement Regarding Development of Real Property by Rolling Hills II, LP (the HOME Loan Agreement)

funds are needed for payment of eligible costs (i.e., reimbursement of construction costs). Do not request more than is necessary. The County shall withhold five percent of the total amount of the HOME funds (a 5% retainer) until construction is completed (until the construction permit is finalized, a certificate of occupancy is granted by review authority, and all twenty-nine (29) affordable housing units are occupied by low and very low income households.

22. No Assignment Without Consent.

(b)(f) The removal and replacement of any general partner(s) of the Subrecipient for cause by the limited partner pursuant to the Subrecipient / limited partner agreement. The managing general partner, PSHHC, shall not be replaced without prior approval of the County, which approval shall not be unreasonably withheld, conditioned or delayed.

The following Sections 34, 35 and 36 are added to the HOME Loan Agreement:

34. Compliance with this HOME Loan Agreement will equal or exceed compliance with the requirements of the Inclusionary Housing Agreement (recorded Document No. 2010039405). More specifically, compliance with this HOME Loan Agreement Sections 2(b), 2(e), 2(h) as amended, and 4(c) will satisfy the requirements of the Inclusionary Housing Agreement Sections 1, 2, 3, 4, 5, 7 and 9. Accordingly, the County will execute and deliver to the Subrecipient a termination of the Inclusionary Housing Agreement in recordable form which the Subrecipient, at its expense, may record against the Property.

35. Source of Funds. The County advises the Subrecipient that none of the Long Term Affordability Funds or the Title 29 Funds to be loaned to the Subrecipient have been funded or subsidized in whole or in part with any tax-exempt bond proceeds.

36. Approvals. In any approval, consent, or other determination by the County required

Attachment 2 - Amendment No. 1 to the Agreement Regarding Development
of Real Property by Rolling Hills II, LP (the HOME Loan Agreement)

under any of the County HOME Loan Documents the County shall act reasonably and
in good faith.

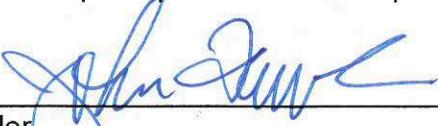
This Agreement Amendment may be executed in counterparts and shall be fully effective as if signed by all parties whether or not the signatures of all the parties appear on the original or on any one copy of this Agreement Amendment.

(Signature blocks appear on the next page.)

Attachment 2 - Amendment No. 1 to the Agreement Regarding Development of Real Property by Rolling Hills II, LP (the HOME Loan Agreement)

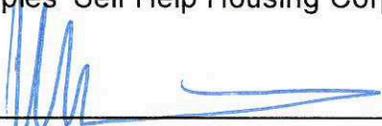
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

Peoples' Self Help Housing Corporation
a California nonprofit public benefit corporation



John Fowler
President and CEO
Peoples' Self Help Housing Corporation

10-20-16
Date



Ken Trigueiro
Executive Vice President and CFO
Peoples' Self Help Housing Corporation

10/20/16
Date

Rolling Hills II, L.P., a California limited partnership
By: Peoples' Self Help Housing Corporation
Its Managing General Partner



John Fowler
President and CEO

10/20/16
Date



Ken Trigueiro
Executive Vice President and CFO

10/20/16
Date

Attachment 2 - Amendment No. 1 to the Agreement Regarding Development
of Real Property by Rolling Hills II, LP (the HOME Loan Agreement)

COUNTY OF SAN LUIS OBISPO



JAMES A. BERGMAN, Director
Department of Planning and Building

10.24.2016

Date

APPROVED AS TO FORM AND LEGAL EFFECT:

RITA L. NEAL
County Counsel

By: 

Deputy County Counsel

10.21.16

Date

EXHIBIT "A"
LEGAL DESCRIPTION

Real property in the unincorporated area of the County of San Luis Obispo, State of California, described as follows:

Parcel 2 of Parcel Map CO 09-0040, in the County of San Luis Obispo, State of California, according to map recorded August 17, 2010 in Book 74, Pages 27 and 28 of Parcel Maps, in the office of the County Recorder of said county.

APN: 040-289-049