

COUNTY OF MONTEREY

NEIGHBORHOOD STABILIZATION PROGRAM 3

AMENDMENT #1 to GRANT AGREEMENT

THIS Amendment #1 to the Grant Agreement (Amendment) is made and entered into on May __, 2014 by and between the County of Monterey, hereinafter referred to as the "County," and Rockrose Housing Corporation, a California nonprofit public benefit corporation, hereinafter referred to as "Grantee."

WHEREAS, the County desires to assist lower-income residents by providing low cost housing opportunities;

WHEREAS, the County has received Neighborhood Stabilization Program 3 funds ("NSP3 Funds") from the United States Department of Housing and Urban Development ("HUD") under Section 1497 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "NSP3 Act"), which amends Title III of Division B of the Housing and Economic Recovery Act of 2008. The NSP3 Funds must be used by the County in accordance with 75 F.R. 64322 (Notice of Formula Allocations and Program Requirements for Neighborhood Stabilization Program Formula Grants) (the "NSP3 Regulations"). Together, the NSP3 Act and the NSP3 Regulations are the "NSP3 Requirements."

WHEREAS, except as otherwise prescribed by the NSP3 Requirements, the statutory and regulatory provisions that govern the Community Development Block Grant ("CDBG") program under Title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.), as amended (including those at 24 CFR part 570 subparts A, C, D, J, K, and O, as appropriate), apply with equal force to the NSP3 Funds;

WHEREAS, the Grantee is developing Rockrose Gardens, a 21-unit rental multi-family housing development for persons who are psychiatrically disabled and earn less than 50% of the Area Median Income and including one unit reserved for an onsite manager (the "Development");

WHEREAS, the County previously awarded the Grantee a loan of \$325,000 of NSP3 funds which converted to a grant to underwrite pre-development costs for the Development;

WHEREAS, the County subsequently awarded the Grantee additional NSP3 funding in the amount of \$362,182 (Grant Agreement) for increased local permit fees, costs related to underground utility lines, utility hook-up, security upgrades, and other items which surfaced after construction was started;

WHEREAS, pursuant to the County's NSP3 grant award from HUD, all funds available to the County under the NSP3 were to be expended on or before by March 16, 2014 or they would be forfeited;

WHEREAS, the County had approximately \$40,000 of unspent NSP3 grant funds remaining

after the grant deadline;

WHEREAS, the County has amended its NSP3 Action Plan to allow the use of all remaining NSP3 funds for the development of multifamily rental housing for households earning less than 50% of the Area Median Income;

WHEREAS, the County, Grantee, and the Development could all benefit from further HUD funding of the Development;

NOW, THEREFORE, the County and Grantee, in consideration of the covenants, conditions, agreements and stipulations hereinafter set forth, mutually agree to amend the Grant Agreement dated February 25, 2014 as follows:

Article I shall be deleted in its entirety and replaced with the following:

The County agrees to provide to the Grantee additional grant funds in an amount not to exceed \$40,000 for cumulative grant funding of up to \$725,182 (the "Grant Funds").

Article II shall be deleted in its entirety.

Article III shall be deleted in its entirety and replaced with the following:

The Grantee agrees to use the Grant Funds to pay for costs incurred in the course of the Development.

Article IV shall be deleted in its entirety and replaced with the following:

The Grantee shall submit a written draw request to the County, including (i) the amount of funds needed, and, (ii) where applicable, a copy of the bill or invoice covering a cost incurred. Said draw request shall be submitted to the County no later than May 31, 2014. If the Grantee fails to request the full amount of the Grant by May 31, 2014, the remaining funds shall be forfeited and the Grantee may not draw them.

All other portions of the Grant Agreement shall remain in full force and effect.

WHEREAS, this Amendment has been entered into by the undersigned as of the date first above written.

COUNTY:

COUNTY OF MONTEREY, a political subdivision
of the State of California

By: _____

Name: _____

Its: _____

APPROVED AS TO FORM:

By: _____
Deputy County Counsel

GRANTEE:

ROCKROSE HOUSING CORPORATION, a
California nonprofit public benefit corporation

By: _____

Name: _____

Its: _____