

554  
**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



**FROM:** Economic Development Agency

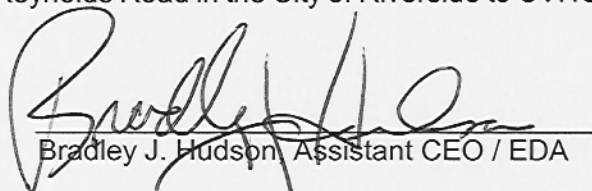
**SUBMITTAL DATE:** 28 January 2003

**SUBJECT:** First Amended and Restated Ground Lease Agreement, Option Agreement, Memorandum of Lease and Regulatory Agreement

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Approve the attached First Amended and Restated Ground Lease Agreement by between the County of Riverside, Western Riverside Housing Associates and Coachella Valley Housing Coalition; and
2. Approve the attached Option Agreement, Memorandum of Lease and Regulatory Agreement by and between the County of Riverside and Western Riverside Housing Associates; and
3. Authorize the Assistant County Executive Officer / EDA to execute the attached First Amended and Restated Ground Lease Agreement, Option Agreement, Memorandum of Lease and Regulatory Agreement; and
4. Authorize the Assistant County Executive Officer / EDA to take all necessary steps to implement the attached agreements.

**BACKGROUND:** On 18 December 2001, the County of Riverside entered a specific Ground Lease Agreement with the Coachella Valley Housing Coalition. The Ground Lease Agreement conveyed a leasehold interest in County owned land located at 3990 Reynolds Road in the City of Riverside to CVHC (Continued on page 2)

  
Bradley J. Hudson, Assistant CEO / EDA

**FINANCIAL DATA:**

CURRENT YEAR COST: \$0.00

ANNUAL COST \$0.00

NET COUNTY COST: \$0.00

IN CURRENT YEAR BUDGET: NO

BUDGET ADJUSTMENT: NO

FOR FY: 2001 / 2002

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: NO

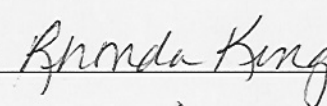
SOURCE OF FUNDS: Not Applicable

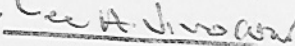
FORM APPROVED  
COUNTY COUNSEL

**C.E.O. RECOMMENDATIONS:**

**APPROVE**

FEB 04 2003

County Executive Officer Signature: 

BY 

Department Recommendation:  Consent  Policy  
Per Executive Office:  Consent  Policy

Prev. Agn. Ref.

18 December 2001, Item 3.38

Dist.

1

AGENDA NO.

3.26

ATTACHMENTS FILED  
WITH THE CLERK OF THE BOARD

**PAGE 2 OF 2**

**SUBJECT:** First Amended and Restated Ground Lease Agreement and Option Agreement

**BACKGROUND:**  
**CONTINUED:**

for an original term of 55 years. The Ground Lease Agreement and conveyance of the leasehold interest was entered into to allow CVHC to construct and operate a 44-unit single room occupancy facility to house mental health patients diagnosed as having single or multiple mental health disorders.

The project has received financing commitment from the Riverside County Department of Mental Health's California State Short-Doyle funds in the amount of \$900,000 and from the County of Riverside's HOME Investment Partnership Act funds in the amount of \$350,000. Both sources of County funds are structured in the form of completely deferred loans due with a single balloon payment after a 55-year term. The project has also received allocation of Low Income Housing Tax Credits, as the primary funding source, from the California Tax Credit Allocation Committee. Since the date of execution of the original Ground Lease Agreement, and as a practical requirement of a Low Income Housing Tax Credit funding, CVHC formed Western Riverside Housing Associates, A California Limited Partnership in December 2002. CVHC has requested an assignment of the Ground Lease Agreement. The proposed First Amended and Restated Ground Lease Agreement and Option Agreement propose a 57-year term with an option to extend for an additional period of 20 years if it is so needed to service debt for repayment to the County of Riverside. Additionally, as an alternate available to the County, the Option Agreement allows the County latitude to decide to terminate the agreement at the end of the lease term and repurchase improvements for the price of all outstanding debt due to the County of Riverside.