

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

911



**FROM:** Economic Development Agency      **SUBMITTAL DATE:** May 2, 2003

**SUBJECT:** Loan Agreement for the Use of HOME Investment Partnerships Act Funds for Heritage Park at Cathedral City Senior Housing Apartments in the City of Cathedral City

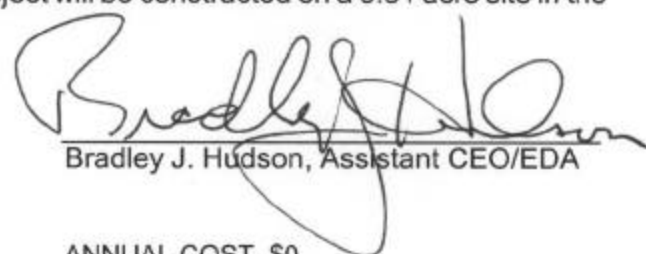
**RECOMMENDED MOTION:** That the Board of Supervisors:

- 1) Approve the attached Loan Agreement for the use of \$750,000 in HOME Program Funds with the Cathedral City Heritage Park, L.P.;
- 2) Authorize the Chairman of the Board to sign the attached Agreement; and
- 3) Authorize the Assistant County Executive Officer, Economic Development Agency (Assistant CEO/EDA) to take all necessary steps to implement this Agreement, including signing subsequent essential and relevant documents.

**BACKGROUND:**

Cathedral City Heritage Park, L.P., a California Limited Partnership (the "Applicant"), is proposing to use \$750,000 in HOME funds to pay a portion of the construction costs for a 153-unit rental-housing complex for independent living seniors age 55 and over. The project will be constructed on a 5.81 acre site in the City of Cathedral City ("City").

(Cont'd)

  
Bradley J. Hudson, Assistant CEO/EDA

**FINANCIAL DATA:**

CURRENT YEAR COST: \$750,000

NET COUNTY COST: \$0

BUDGET ADJUSTMENT: No

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

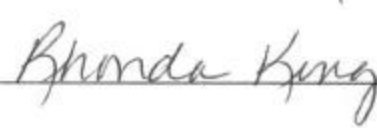
SOURCE OF FUNDS: HOME Investment Partnerships Act Grant Funds

ANNUAL COST \$0  
IN CURRENT YEAR BUDGET: Yes  
FOR FY: 2002/2003

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

**APPROVE**

County Executive Officer Signature: \_\_\_\_\_



FORM APPROVED  
COUNTY COUNSEL

MAY 07 2003

  
BY \_\_\_\_\_

Department Recommendation:  Consent  Policy  
Per Executive Office:  Consent  Policy

Prev. Agn. Ref.  
3.11 - April 22, 2003

Dist.  
4th

AGENDA NO

3

Form 11

May 2, 2003

Loan Agreement for the Use of HOME Investment Partnerships Act Funds for Heritage Park at Cathedral City Senior Housing Apartments in the City of Cathedral City

Page 2

**BACKGROUND (Cont'd):**

The project has a mix of 144 one-bedroom units and nine two-bedroom units. Two of the two-bedroom units will be set aside as on-site managers' units. All units will be equipped with central heating and air conditioning, full kitchens (including refrigerator, dishwasher, range, and garbage disposal), and a balcony or patio area. The development will include a 2,000 square foot community building with a community meeting room, kitchen, restrooms, laundry facilities, swimming pool, and spa.

The estimated total development cost for the project is approximately \$12,758,265. The Applicant will use HOME funds for hard dwelling construction costs during the course of construction. Other funding sources include: a Private Activity Bond of \$6,000,000; a limited partner tax credit equity contribution of \$3,013,013; a City Redevelopment Agency loan of \$2,700,000; and a deferred developer's fee of \$295,252. The 25% percent HOME matching funds requirement will be satisfied through the below market interest loan from the City Redevelopment Funds. Eleven HOME-assisted units will be set aside by the Applicant for the benefit of very-low income households for a period of at least 55 years.

On April 22, 2003, the Board approved the Notice of Finding of No Significant Impact on the Environment, and the County has received authorization from the U.S. Housing and Urban Development to incur costs.

County Counsel has approved the attached Loan Agreement as to form. Staff recommends that the Board approve the Agreement.

**FISCAL IMPACT:**

The project will be funded with HOME Investment Partnerships Act grant funds, and there will be no impact on the County's General Fund.