

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

525



FROM: Economic Development Agency

SUBMITTAL DATE:
December 4, 2003

SUBJECT: Subordinate Financing and Resale Control Agreement with the California Housing Finance Agency for Cathedral City Group 5 Self-Help Homes

RECOMMENDED MOTION: That the Board of Supervisors:

- 1) Approve the attached Subordinate Financing and Resale Control Agreement with the California Housing Finance Agency;
- 2) Authorize the Chairman of the Board to sign all of the documents; and
- 3) Authorize the Assistant County Executive Officer/EDA to take all necessary steps to implement the HOME Agreement executed between the County and Coachella Valley Housing Coalition dated June 18, 2002, including signing subsequent essential and relevant documents

BACKGROUND: On June 18, 2002, the Board of Supervisors approved a Sub-recipient Grant Agreement for the use of HOME Investment Partnerships Act Grant Funds with the Coachella Valley Housing Coalition (CVHC), for the construction of ten self-help single-family homes on scattered sites throughout the City of Cathedral City.

(Cont'd)

FORM APPROVED COUNTY COUNSEL
DEC 15 2003
Departmental Concurrence
BY *[Signature]*

[Signature]

Bradley J. Hudson, Assistant CEO/EDA

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|--|-------------------------------|---------------|-------------------------|---|
| FINANCIAL DATA | Current F.Y. Total Cost: | \$ 200,000.00 | In Current Year Budget: | Yes |
| | Current F.Y. Net County Cost: | \$ 0 | Budget Adjustment: | No |
| | Annual Net County Cost: | \$ 0 | For Fiscal Year: | 2003/04 |
| SOURCE OF FUNDS: HOME Investment Partnerships Act Grant Funds | | | | Positions To Be Deleted Per A-30 <input type="checkbox"/> |
| | | | | Requires 4/5 Vote <input type="checkbox"/> |

C.E.O. RECOMMENDATION: **APPROVE**

County Executive Office Signature *Rhonda King*

Dept't Recomm.: Consent Policy
Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: 3.21 -6/18/2002 | District: 4th | Agenda Number:

3.4

Form 11

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BACKGROUND (Cont'd):

CVHC is in process of finalizing the permanent commitment from the California Housing Finance Agency (CalHFA) to provide below-market rate mortgage financing to facilitate the acquisition of low and moderate income borrowers for these houses. CalHFA is requesting that the County HOME Agreement and documents be subordinate to the CalHFA Loan(s).

The estimated development cost for the project is approximately \$1,685,000. Cathedral City Redevelopment Agency donated all 10 lots valued at \$300,000. In addition, the State of California Department of Housing and Community Development provided \$100,000 for technical assistance in Self-Help Housing Program Funds. Homebuyers will contribute a total value of \$203,500 in sweat equity. The HOME funds of \$200,000 will be used to assist the developer for planning submittal fees as well as hard construction costs. The sales price for 3 and 4- bedroom homes are \$160,000 and \$170,000 respectively.

County Counsel has approved the attached Subordinate Financing and Resale Control Agreement. Staff recommends that the Board approve the Subordinate 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.