

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

130



FROM: Economic Development Agency

SUBMITTAL DATE:
January 12, 2004

SUBJECT: Loan Agreement for the Use of HOME Investment Partnerships Act Funds for Murrieta Family Housing Apartments in the City of Murrieta

RECOMMENDED MOTION: That the Board of Supervisors:

- 1) Approve the attached Loan Agreement for the use of \$720,000 in HOME Program Funds with the Murrieta Family Housing Partners, L.P.;
- 2) Approve the attached Subordination Agreement to Citibank (West) FSB;
- 3) Authorize the Chairman of the Board to sign the attached Agreements; and
- 4) Authorize the Assistant County Executive Officer, Economic Development Agency (Assistant CEO/EDA) to take all necessary steps to implement this Agreements, including signing subsequent essential and relevant documents

BACKGROUND: Murrieta Family Housing Partners, L.P., a California Limited Partnership (the "Applicant"), whose sole general partner is Affirmed Housing Group, a California Corporation, is proposing to use \$720,000 in HOME funds for the development and construction of a 64-unit rental housing complex for families.

(Cont'd)

FORM APPROVED
COUNTY COUNSEL

JAN 29 2004

Departmental Concurrence

Bradley J. Hudson

Bradley J. Hudson, Assistant CEO/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 720,000.00	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

Bronda King

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

Prev. Agn. Ref.: 9.26 -7/29/2003 | **District:** 3rd | **Agenda Number:**

**ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD**

BACKGROUND (Cont'd):

The project has a mix of 16 one-bedroom, 24 two-bedroom, and 24 three-bedroom units. One two-bedroom and one three-bedroom unit will be set aside for on-site manager's units. The development will be constructed on a 3.5 acre site on the northeast side of Jefferson Avenue and Juniper Street in the City of Murrieta. The development will include a community building of approximately 1,658 square feet with community meeting room, resident computer learning center, kitchen, restroom, laundry facilities, and a swimming pool. The project will have plenty of useable open space and a tot lot. The individual units come equipped with central heat and air conditioning, and full kitchens including refrigerator, dishwasher, range, garbage disposal with a balcony or patio area.

The estimated total development cost for the project is approximately \$10,625,497. The Applicant will use HOME funds for the reimbursement of fees, permits, and hard dwelling construction costs. Other funding sources include: a limited partner tax credit equity contribution of \$5,900,171; a City of Murrieta Redevelopment Agency ("Agency") loan of \$619,405; a deferred developer's fee of \$164,326; and a Citibank loan of \$1,900,000. The Agency had purchased the land at a cost of \$1,321,595 and leased back to the Partnership through a 55-year ground lease. Eleven HOME-assisted units will be set aside by the Applicant for the benefit of Very-Low income households whose income do not exceed 50% of the Riverside County Median Income for a period of at least 55 years.

County HOME funds shall be subordinated to permanent financing of a first deed of trust and construction loan in favor of the Citibank (West) and a deed of trust in the second position from the Redevelopment Agency of the City of Murrieta.

On July 1, 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. Department of Housing and Urban Development to incur costs. The project activity was included in the 2003/2004 One Year Action Plan of the Consolidated Plan on July 29, 2003.

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

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.