

**SUBMITTAL TO THE BOARD OF DIRECTORS OF THE
REDEVELOPMENT AGENCY
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

432



FROM: Redevelopment Agency

SUBMITTAL DATE:
February 23, 2004

SUBJECT: Loan Agreement between the Jurupa Valley and 1-1986 Redevelopment Project Areas

RECOMMENDED MOTION: That the Board approve and authorize the Chairman to execute the attached Loan Agreement to loan seven million dollars (\$7,000,000) from the Jurupa Valley Project Area to the Home Gardens and El Cerrito sub areas of Redevelopment Project Area 1-1986.

BACKGROUND: The Agency is currently in the process of implementing a number of public facility projects in the Home Gardens and El Cerrito sub areas of the Redevelopment Project Area 1-1986. It is the desire of the Agency to construct these projects as soon as possible to eliminate blighting conditions in these communities. Typically, the Agency would issue tax allocation bonds to fund these projects however, because the Agency has ample funds available in the Jurupa Valley Project Area, it is proposed that the financing for these projects be provided by a loan from the Jurupa Valley Project Area. This financing method can be implemented more quickly than bonds, will cost less to administer, interest will be paid to the Agency rather than to bond holders, the Agency will be able to repay the funds over a short term and the loan can be paid off early without any additional costs if desired. Therefore, it is recommended that the Board approve the fifteen year loan with an interest rate of six percent that will provide four million dollars for Home Gardens and three million dollars for El Cerrito. If approved, staff will return to the Board for specific project funding within these areas as projects are ready to be constructed.

Departmental Concurrence

[Signature]

Bradley J. Hudson, Executive Director

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 7,000,000	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	NA

COMPANION ITEM ON BOARD OF SUPERVISORS AGENDA: no

SOURCE OF FUNDS: Jurupa Valley Redevelopment Capital Improvement Funds	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: **APPROVE** **FORM APPROVED COUNTY COUNSEL**

FEB 24 2004

County Executive Office Signature *Bhonda King* **BY** *Lee A. Inoué*

- Dep't Recomm.: Policy
- Per Exec. Ofc.: Policy
- Consent
- Consent

COUNTY OF RIVERSIDE
FEB 30 6:15:00
OFFICE EXECUTIVE

FEB 24 2004
RECORDS MANAGEMENT

Prev. Agn. Ref.: none | **District:** 2 | **Agenda Number:**

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD

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