

**SUBMITTAL TO THE BOARD OF COMMISSIONERS OF THE  
HOUSING AUTHORITY  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

215



**FROM:** Executive Director

**SUBMITTAL DATE:**  
7 September 2004

**SUBJECT:** Vista Sunrise Apartments Ground Lease

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

1. Approve the attached Vista Sunrise Lease Agreement;
2. Authorize the Chairman of the Board of Commissioners to execute the attached Lease Agreement; and
3. Authorize the Executive Director to take the necessary steps to implement the agreement including signing all relevant and necessary documents.

**BACKGROUND:** The Housing Authority of the County of Riverside (Housing Authority) proposes to lease unimproved real property located near the southeast corner of Vista Chino Road and Sunrise Way in Palm Springs. The leased land will support development of an integrated campus providing services to patients suffering with HIV/AIDS and will include an affordable multi-family housing complex with a medical clinic.

BJH:RZ:er

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Bradley J. Hudson, Assistant County Executive Officer

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 55.00	In Current Year Budget:	0.00
	Current F.Y. Net County Cost:	\$ 0.00	Budget Adjustment:	0.00
	Annual Net County Cost:	\$ 0.00	For Fiscal Year:	2004 / 2005

<b>SOURCE OF FUNDS:</b> private	<b>Positions To Be Deleted Per A-30</b>	<input type="checkbox"/>
	<b>Requires 4/6 Vote</b>	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:** **APPROVE** FORM APPROVED  
COUNTY COUNSEL  
  
SEP 20 2004

**County Executive Office Signature** *Bronda King* By *Lee A. J. ...*

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

**Prev. Agn. Ref.:** none | **District:** 4 | **Agenda Number:**

#### LEASE TERMS

The proposed ground lease is for a minimum term of fifty-five (55) years. The annual rental rate is for \$1.00. The lease agreement provides an option to purchase the underlying fee ownership interest during the term of the lease at the fair market value which the Housing Authority can pay for by conveying to the Desert Health Care District replacement and comparable real property within the City of Desert Hot Springs or as purchase money, at the Housing Authority's option.

#### THE SUBLEASE

The Housing Authority intends to sublease a portion of the ground to Vista Sunrise Apartments LP, whose member partners include the Desert Aids Project and McCormick Barron Salazar, to facilitate the construction of an eighty-five (85) unit affordable multi-family housing project serving persons diagnosed with HIV/AIDS. The sublease will be for a minimum term of fifty-five (55) years at an annual rent of \$1.00 (one dollar). The sublease provides Vista Sunrise Apartments LP or its member partners an option to purchase the underlying fee interest of the sublease ground if the Housing Authority exercises its master option to purchase the entire ground.

The City of Palm Springs has issued conditions of approval for construction of the project. The Redevelopment Agency for the City of Palm Springs has entered into a Disposition and Development Agreement with Vista Sunrise Apartments LP calling for the construction of the project and contributing a total of \$1,550,000 including a land conveyance.

#### CONSTRUCTION OF THE MEDICAL CLINIC

The proposed ground lease requires the Housing Authority, or the County of Riverside, to construct a medical clinic, the design to be determined, upon the balance of the ground not subleased for construction of the affordable housing complex. Construction of the medical clinic will complete the HIV / AIDS campus. Construction of the medical clinic must be completed within two (2) years of the execution date of the lease. The Housing Authority's failure to construct or cause to be constructed the medical clinic within twenty-four (24) will result in automatic exercise of the Housing Authority's option to purchase the underlying fee ownership interest as described above.

COMILLA DE EMERGENCIAS  
DEPARTAMENTO DE SALUD  
CIVIL  
EXECCUTIVE