

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

502



FROM: Economic Development Agency

SUBMITTAL DATE:
12/3/04

SUBJECT: Loan Agreement for the Use of HOME Investment Partnerships Act Funds for Vista Sunrise Apartments in the City of Palm Springs.

RECOMMENDED MOTION: That the Board of Supervisors:

- 1) Approve the attached Loan Agreement for the use of \$1,500,000 in HOME Program Funds between the County of Riverside and Vista Sunrise Apartments, 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: Vista Sunrise Apartments, L.P., a California Limited Partnership (the "Applicant"), whose general partner is MBA Development Corp., a Missouri Corporation qualified to transact business in the State of California, is proposing to use \$1,500,000 in HOME funds for the development and construction of an 85-unit rental housing complex for individuals and families living with HIV/AIDS.
(Cont'd.)

Bradley J. Hudson

Bradley J. Hudson
Assistant County Executive Officer/EDA

BJH:RZ:TF

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FINANCIAL DATA	Current F.Y. Total Cost:	\$ 1,500,000.00	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0.00	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0.00	For Fiscal Year:	2004/2005

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA:

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*

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

COUNTY OF RIVERSIDE
DEC 12 11:00
DEC -3 6N 5:25

Prev. Agn. Ref.: 3.19-7/15/2003

District: 4th

Agenda Number:

BACKGROUND (Cont'd):

The project has a mix of 36 studio, 42 one-bedroom, and 7 two-bedroom units. One two-bedroom unit will be set aside for on-site manager. The development will be constructed on a 3.4 acre site on the southwest section of Vista Chino Road and Sunrise Way in the City of Palm Springs. The development will include a community building of approximately 2,495 square feet with lounge area, case management office, restrooms, laundry facilities, a swimming pool, and barbeque areas. 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, and garbage disposal.

The estimated total development cost for the project is approximately \$9,719,000. 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 \$2,488,000; a City of Palm Springs Redevelopment Agency ("City") loan of \$1,301,000; an Affordable Housing Program loan of \$850,000; and a Multi-family Housing Program (MHP) loan from the State of California Housing and Community Development of \$3,247,000. In addition, the City agreed to donate 1.22 acres of City of Palm Spring's owned parcel valued at \$205,000 to the Applicant. The Desert Healthcare District, a California public agency, has entered into a ground lease for a minimum of 55 years for the balance of the land for this project and other unimproved land to be developed with the Housing Authority of the County of Riverside. The Applicant has entered into an Option to Sublease with the intention to eventually enter into a sublease with the Housing Authority for the 2.4 acre land for this project. All eighty-four HOME-assisted units will be set aside for the benefit of Very-Low and Low income households whose income do not exceed 50% and 60% of the Riverside County Median Income respectively for a period of at least 55 years. County HOME funds of \$1,500,000 shall be in a second position subordinated to a permanent financing of a first deed of trust of MHP loan.

On July 15, 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. Resolution No. 2003-319 approved by the Board authorized the HOME allocation and funding to this development and directed staff to formalize the approval in a HOME Agreement. The project activity was included in the 2002/2003 One Year Action Plan of the Consolidated Plan on March 11, 2003.

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.