

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

351



FROM: Redevelopment Agency

SUBMITTAL DATE:
February 14, 2005

SUBJECT: Mission Palms Senior Housing Project: Request for Partial Reconveyance and Partial Release of Covenant Agreement

RECOMMENDED MOTION: That the Board of Directors:

- 1) Approve the Request for Partial Reconveyance;
- 2) Approve the Partial Release of Covenant Agreement; and
- 3) Authorize the Chairman of the Board to sign the attached Request for Partial Reconveyance and Partial Release of Covenant Agreement.

BACKGROUND: The first phase of the Mission Palms project was completed in December 2004. The project site consists of two contiguous parcels. Phase 1 of the project contains 108 senior apartment units and is located on Parcel 1. Phase 2 will include an additional 92 units and be located on Parcel 2. In order to facilitate the tax credit financing of Phase 2, a lot line adjustment was recorded by Palm Desert Development Company (the "Developer") on November 18, 2004. The lot line adjustment resulted in a decrease of 5,574 square feet in the size of Parcel 1, and a corresponding increase in the size of Parcel 2

(continued on next page)

[Handwritten Signature]
Bradley J. Hudson
Executive Director

BJH:RZ:MR:KT:LN:ln
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FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2004/2005

COMPANION ITEM ON BOARD OF SUPERVISORS AGENDA: Yes

SOURCE OF FUNDS: Redevelopment Housing Set-Aside 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 08 2005

County Executive Office Signature

[Handwritten Signature: Brenda King]

BY *[Handwritten Signature: Lee A. Jordan]*

Dept's Recomm.:
Per Exec. Ofc.:

Policy Consent Policy Consent

Prev. Agn. Ref.: #4.3 - 9/9/2003

District: 2nd

Agenda Number:

BACKGROUND: (Cont'd)

as indicated in Exhibit "A," attached. This area includes the project's La Rue Street entrance and approximately 235' of adjacent driveway running in an easterly direction.

The Developer received a loan from the Redevelopment Agency (the "Agency") in the amount of \$750,000 to construct Phase 1 of the project. The Agency is the beneficiary of the loan, and the County is the trustee of a second trust deed guaranteeing the loan. The second trust deed encumbers Parcel 1. The Developer has requested that the County, as the Trustee for the Agency, release its lien on the 5,574 square foot area that was removed from Parcel 1 through the previously mentioned lot line adjustment. The attached Request for Partial Reconveyance from the Agency authorizes the County, as Trustee, to approve a deed of partial reconveyance. The Partial Release of Covenant Agreement removes the subject area from encumbrances and restrictions relating to the covenant agreement on Parcel 1, so that the permanent financing on Phase 1 can be finalized and the tax credit financing of Phase 2 can be facilitated.

There is a companion item on the policy agenda for approval by the Board of Supervisors. This item is the Deed of Partial Reconveyance.

County Counsel has approved the attached Request for Partial Reconveyance and Partial Release of Covenant Agreement as to form.

FISCAL IMPACT:

This project will have no impact on the County General Fund.