

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

719



**FROM:** Economic Development Agency

**SUBMITTAL DATE:**  
June 1, 2005

**SUBJECT:** First Amendment to the Loan Agreement for the Use of HOME Funds, Promissory Note, and Subordinate Deed of Trust for Desert Hot Springs Self-Help Group 6

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

1. Approve the attached First Amendment to the Loan Agreement, Promissory Note ("Developer Note") and Subordinate Deed of Trust ("Developer Deed of Trust") for the use of HOME funds with CVHC;
2. Authorize the Chairman of the Board to sign all of the documents; and
3. Authorize the Interim Assistant County Executive Officer, Economic Development Agency or her designee to take all necessary steps to implement this Agreement, including signing subsequent essential and relevant documents.

**BACKGROUND:** On March 22, 2005, the Board of Supervisors approved a Loan Agreement for the Use of HOME Investment Partnerships Act Grant Funds with Coachella Valley Housing Coalition (CVHC), a certified non-profit Community Housing Development Organization, for the construction of ten (10) single family houses in the City of Desert Hot Springs.

*Robin Zimpfer*

BJH:RZ:TF

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Robin Zimpfer  
Interim Assistant County Executive Officer/EDA

<b>FINANCIAL DATA</b>	<b>Current F.Y. Total Cost:</b>	\$ 145,000.00	<b>In Current Year Budget:</b>	Yes
	<b>Current F.Y. Net County Cost:</b>	\$ 0.00	<b>Budget Adjustment:</b>	No
	<b>Annual Net County Cost:</b>	\$ 0.00	<b>For Fiscal Year:</b>	2004/2005

**COMPANION ITEM ON BOARD OF DIRECTORS AGENDA:** No

**SOURCE OF FUNDS:** HOME Investment Partnerships Act Grant Funds

<b>Positions To Be Deleted Per A-30</b>	<input type="checkbox"/>
<b>Requires 4/5 Vote</b>	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:** **APPROVE**

**County Executive Office Signature** *Bronda King*

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

**Prev. Agn. Ref.:** 3.16 – 11/23/2004  
3.5 – 3/22/2005 & 3.11 – 5/3/2005

**District:** 5th

**Agenda Number:**

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

3.12

Page 2

**BACKGROUND (Cont'd):**

CVHC has requested that one of the proposed sites located at 13046 El Cajon Drive, Desert Hot Springs, with an Assessor Parcel Number of 641-202-011 be removed from this Agreement and lower the total amount of HOME Funds allocated to the entire project of nine homes to \$145,000.

The homes will be built through the mutual self-help construction method on scattered residential lots located in an existing urban residential neighborhood.

**PROJECT DESCRIPTION:**

The proposed project will consist of 5 three-bedroom homes and 4 four-bedroom homes. The project is located on scattered in-fill sites throughout the City of Desert Hot Springs and within the blocks bounded by Flora Avenue to the North, Two Bunch Palms Trail to the South, Ocotillo Road to the East, and Cactus Drive to the West.

The HOME funds will be used to assist the developer for planning submittal fees, soft and hard construction expenses. Other funding sources include a \$1,120,000 loan from U.S. Department of Agriculture (USDA) section 502 Program and a \$95,000 loan fund from the Redevelopment Agency for the City of Desert Hot Springs. In addition, the USDA will provide \$119,700 for technical assistance in Self-Help Technical Assistance Grant Funds and Homebuyers will contribute a total value of \$160,000 in sweat equity. The total development costs are estimated to be \$1,520,000.

County Counsel has reviewed and approved the attached First Amendment to the Loan Agreement, Promissory Note ("Developer Note"), Subordinate Deed of Trust ("Developer Deed of Trust") as to form. Staff recommends that the Board approve the attached documents.

**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.