

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

588



**FROM:** Economic Development Agency

**SUBMITTAL DATE:**  
August 3, 2005

**SUBJECT:** Subordination Agreement For Mission Palms I Apartments

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

1. Approve the attached Subordination Agreement between Chartermac Mortgage Capital Corporation and Mission LaRue Limited Partnership;
2. Authorize the Chairman of the Board to execute the attached Subordination Agreement & Acknowledgements; and
3. Authorize the 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 August 13, 2002, the Board of Supervisors approved a Loan Agreement for the Use of HOME Funds with Mission LaRue Limited Partnership which provides for construction and permanent financing of a 109 unit rental housing project for independent living seniors in the community of Rubidoux.

Departmental Concurrence

*Robin Zimpfer*

RZ:ER:TF

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Robin Zimpfer  
Assistant County Executive Officer/EDA

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 0.00	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:	2005/2006

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

**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**

FORM APPROVED COUNTY COUNSEL

AUG 11 2005

**County Executive Office Signature**

*Bhonda King*

BY *Lee A. Vinocour*

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

**Prev. Agn. Ref.:** 3.19 -8/13/2002, 3.17-12/10/02, 3.13-1/5/2005, 3.18 - 7/26/05

**District:** 2nd

**Agenda Number:**

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

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BACKGROUND (Cont'd):

The project was completed and the Certificate of Occupancy was received on September 1, 2004. The owner of the complex, Mission LaRue Limited Partnership, is securing permanent financing to pay off the construction loan on this project and has requested that the County HOME loan be subordinate to the permanent first mortgage provided by Chartermac Mortgage Capital Corporation. The County's financial position in the project will not be altered by such request.

PROJECT DESCRIPTION:

The housing complex has a mix of 88 one-bedroom and 20 two-bedroom units. One three-bedroom unit is set aside for an on-site manager. The project is located in the northeast corner of Mission Boulevard and La Rue Street in the community of Rubidoux. Eleven HOME-assisted units are set aside for the benefit of very low income households.

County Counsel has reviewed and approved the attached Subordination Agreement. Staff recommends that the Board approve the attached document.

FISCAL IMPACT:

The project was funded with HOME Investment Partnerships Act grant funds, and there will be no impact on the County's General Fund.