

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

421



FROM: Economic Development Agency

SUBMITTAL DATE:
July 24, 2006

SUBJECT: Loan Agreement for the Use of HOME Investment Partnerships Act Funds for Casitas del Valle Family Apartment Project in the City of Moreno Valley

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached Loan Agreement for the Use of \$500,000 in HOME Program Funds between the County of Riverside and Casitas del Valle Housing Associates, L.P.;
2. Approve the attached Subordination Agreement with the California Housing Finance Agency (CalHFA);
3. Authorize the Chairman of the Board to sign the Loan Agreement for the use of HOME funds, and Subordination Agreement with CalHFA; and
4. Authorize the Assistant County Executive Officer/EDA or designee to take all necessary steps to implement the Agreements to include signing subsequent essential and relevant documents.

BACKGROUND: Casitas del Valle Housing Associates, L.P., a California Limited Partnership (the "OWNER"), whose general partner is Coachella Valley Housing Coalition, a certified Community Housing Development Organization, is requesting \$500,000 in HOME funds for the development and construction (Cont'd)

RZ:JC:JV:ER:TF:JG

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Robin Zimpfer

Robin Zimpfer
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 500,000	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2006/2007

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**

County Executive Office Signature

James A. August

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

Prev. Agn. Ref.: 3.20-5/23/2006;9.7-6/27/2006 **District:** 5th **Agenda Number:**

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

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COUNTY COUNSEL
AUG 29 2006
Departmental Concurrence
Maria L. ...

July 24, 2006

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BACKGROUND (Cont'd):

of a 40-unit rental housing complex for families in the city of Moreno Valley.

The project has a mix of 4 one-bedroom; 15 two-bedroom; 17 three-bedroom; and 4 four-bedroom units. One three-bedroom unit will be set aside for the on-site manager. The proposed project site, approximately 3.5 acres, is located at the end of a cul-de-sac on Lamos Place in the city of Moreno Valley. The development will include a community building of approximately 2,000 square feet with a computer room to be used as a computer learning center, kitchen, and a laundry room. The individual units come equipped with a refrigerator, dishwasher, stove/oven, garbage disposal, heat/air conditioners, carpeting and with computer hard wiring. The one-bedroom units are approximately 763 square feet; the two-bedroom units are 1,252 square feet; the three-bedroom units are 1,426 square feet; and, the four-bedroom units are approximately 1,462 square feet.

The OWNER intends to use up to \$500,000 in HOME Funds to cover soft and hard dwelling construction costs. The estimated total development cost for the project is approximately \$9,057,712. Other funding sources for the project include a deferred loan of \$1,650,000 from the Community Redevelopment Agency of the City of Moreno Valley Housing Set-Aside Funds (CRA); Tax Exempt Bond financing of \$1,114,100 from CalHFA; deferred loan of \$1,995,436 from the California Department of Housing and Community Development Multifamily Housing Program (MHP); a limited partner tax credit equity contribution of \$3,519,129; deferred loan of \$160,000 from the Affordable Housing Program (AHP); and, general partner equity contribution of \$119,047. All of the units will be restricted to low-income households with incomes which are no more than 60% of the Riverside County Median Income.

The COUNTY's HOME Loan will be in the fourth position behind a construction and permanent loan made to the Partnership by CalHFA, MHP, and the CRA Loan. The attached Subordination Agreement is required by CalHFA to signify their senior position to the HOME Loan.

On May 23, 2006, 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. The project activity was included in the 2005/2006 One Year Action Plan on June 27, 2006.

County Counsel has reviewed and approved the attached HOME Agreement and the Subordination Agreement with CalHFA. Staff recommends that the Board approve the attached documents.