

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

724



FROM: Redevelopment Agency

SUBMITTAL DATE:
September 5, 2006

SUBJECT: Agreement with Mary Erickson Community Housing and Affordable Housing Clearinghouse, two (2) California Nonprofit Corporations, to Develop Infill Housing in the Unincorporated Area of Hemet

RECOMMENDED MOTION: That the Board of Directors:

1. Approve the attached Agreement to Develop by and between the Redevelopment Agency for the County of Riverside and Mary Erickson Community Housing and Affordable Housing Clearinghouse;
2. Authorize the Chairman of the Board to execute the attached Agreement to Develop; and
3. Authorize the Executive Director, or designee, to take the necessary steps to implement the attached Agreement to Develop including executing necessary and relevant documents.

BACKGROUND: Mary Erickson Community Housing and Affordable Housing Clearinghouse, two (2) California 501(c)(3) nonprofit corporations, propose to acquire a vacant lot on the south side of Stetson Avenue between Stanford Street and Meridian Street in the unincorporated area of Hemet for the purpose of constructing seven (7) single-family homes under the Infill Housing Program "Build 2005." Mary Erickson Community Housing and Affordable Housing Clearinghouse intend to make said homes available as home ownership opportunities to low-income, first-time homebuyers.

(continued on page 2)

Robin Zimpfer

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Executive Director

RZ:JC:JV:ER:TF:LB

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FINANCIAL DATA

Current F.Y. Total Cost:	\$ 805,000	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 SUPERVISORS AGENDA: No

SOURCE OF FUNDS: Low- and Moderate-Income Housing Fund

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 H. ...

Prev. Agn. Ref.:

District: 3

Agenda Number:

COUNTY COUNSEL
 SEP 25 2006
 Departmental Concurrence

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

SEP 26 5 11 PM '06
 RECEIVED RIVERSIDE COUNTY

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BACKGROUND (Cont'd):

The developer will receive a loan of \$805,000 in Redevelopment Low- and Moderate-Income Housing Set-Aside Funds for the land acquisition and construction of these seven (7) homes. The total development cost of the project is estimated to be \$2,288,000. The balance of the funds will come from a construction lender and developer's equity. Each home will comply with the development guidelines set forth by the Redevelopment Agency for the County of Riverside. An agreement restricting occupancy to a low-income owner occupant earning no more than eighty percent (80%) of the Riverside County median income for a minimum period of forty-five (45) years will be recorded against each parcel.

At the completion of these homes, one seventh (1/7) of this loan will be assumed by each qualified homebuyer as a silent second mortgage for forty-five (45) years. A total of four (4), three-bedroom homes and three (3), four-bedroom homes will be constructed.

County Counsel has approved the attached Agreement to Develop as to form. Staff recommends that the Board approve the Agreement.