

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

162



FROM: Economic Development Agency

SUBMITTAL DATE:
January 9, 2007

SUBJECT: Substitution of Managing General Partner for Vista Sunrise Apartments in the City of Palm Springs

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached request from Vista Sunrise Apartment L.P. to substitute the Partnership Managing General Partner from Coachella Valley Aids Consortium (CVAC) to Vista Sunrise Inc.;
2. Authorize the Chairman of the Board to sign the attached consent form; and
3. Authorize the Assistant County Executive Officer/EDA or designee to take all necessary steps to implement the Agreement, including signing subsequent essential and relevant documents.

BACKGROUND: On July 26, 2005, the Board of Supervisors approved an Amended and Restated Loan Agreement ("HOME Loan Agreement") for the use of HOME funds with Vista Sunrise Apartment, L.P., ("Partnership"), for the development and construction of a rental housing complex for individuals and families living with HIV/AIDS.
(continued on page 2)

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:	\$ 1,700,000	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

[Handwritten Signature]

Dep't Concurrence
 COUNTY COUNSEL
 JAN 11 2007
 FORM APPROVED
 COUNTY COUNSEL
 Policy
 Policy
 Consent
 Consent
 Dep't Recomm.:
 Per Exec. Ofc.:

Prev. Agn. Ref.: 3.7-8/1/06; 3.20-12/20/05; 3.19-7/26/05; 3.8-12/21/04; 3.19-7/15/03; 9.2-3/11/03

District: 4th

Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

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December 29, 2006

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BACKGROUND (Cont'd):

The Agreement called for a loan of \$1,500,000 with a 0% interest payable in 45 years. Subsequent to that, an additional \$200,000 in HOME funds was granted to the project to cover additional cost increase.

Section 42 of the HOME Loan Agreement calls for County's approval prior to any sale, assignment, conveyance, or lease of any trust or power, or transfer in any other form with respect to the HOME Loan Agreement or the Project. The Partnership has submitted a formal request to the County requesting that the County's consent to the substitution of the Managing General Partner of the Vista Sunrise Apartments Project. The current Managing General Partner is CVAC and has not been able to obtain their non-profit 501(c)(3) status. The proposed Managing General Partner, Vista Sunrise Inc., has obtained its non-profit 501(c)(3) and all their legal corporation status. It has agreed to assume all obligations and responsibilities that come with the HOME Loan Agreement. Vista Sunrise Inc. needs to be admitted into the Partnership to replace CVAC as the Managing General Partner in order for the project to qualify for the property tax exemption.

The project anticipated date of completion is January 2007.

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