

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

908



**FROM:** Economic Development Agency

**SUBMITTAL DATE:**  
March 8, 2007

**SUBJECT:** Loan Agreement for the Use of HOME Funds for San Jacinto Villas in the City of San Jacinto

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

1. Approve the Loan Agreement for the use of \$750,000 in HOME Program Funds between the County of Riverside and San Jacinto Santa Fe, Limited Partnership (L.P.);
2. Approve the Estoppel Certificate and Subordination Agreements with Wells Fargo Bank, National Association (N.A.), and CharterMac Mortgage Capital Corporation;
3. Approve the Intercreditor Agreement with the Redevelopment Agency of the city of San Jacinto, Wells Fargo Bank, N.A., and San Jacinto Santa Fe, L.P.;
4. Authorize the Chairman of the Board to sign Loan Agreement for the use of HOME funds, Subordination Agreements, Estoppel Certificate and Intercreditor Agreement; and
5. Authorize the Assistant County Executive Officer/EDA or designee to take all necessary steps to implement this Agreement to include signing subsequent essential and relevant documents.

**BACKGROUND:** San Jacinto Santa Fe, L.P., a California limited partnership (the "Applicant"), is proposing to use \$750,000 in HOME funds for the development and construction of an 81-unit family housing complex in the city of San Jacinto (the "Project"). (continued on page 2)

RZ:JC:JV:ER:TF:MM

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*Robin Zimpfer*  
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Assistant County Executive Officer/EDA

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 750,000	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**

<b>SOURCE OF FUNDS:</b> 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 J. Huff*

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

Prev. Agn. Ref.: 3.13 - 10/17/2006; 9.3 - 11/14/2006      District: 3rd      Agenda Number:

**3.8**

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

March 8, 2007

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**BACKGROUND** (continued):

The project site is approximately 4.78 acres and situated to the east of Buena Vista Street, to the west of Santa Fe Street, to the north of Oakwood Street and to the south of Esplanade Avenue in the city of San Jacinto. The development will consist of 40 two-bedroom units, 40 three-bedroom units, and one three-bedroom manager's unit. The two-bedroom units are approximately 947 square feet, and the three-bedroom units are approximately 1,076 square feet. The units are located in 10 two-story, wood frame, stucco buildings. All units will be equipped with a refrigerator, dishwasher, combination range/oven, garbage disposal, central heating/cooling, and two full bathrooms. Each unit will include a private outdoor area in the form of either a balcony or patio. The residents will have access to a tot lot, basketball court, swimming pool and a 1,942-square-foot community building to include a computer learning center, kitchen, laundry room and manager's unit/office. The applicant has proposed to set aside 11 HOME-assisted units.

The Applicant intends to use up to \$750,000 in HOME funds to cover construction costs and local development impact fees. Other funding sources for the development include a loan of \$2,233,120 from CharterMac Mortgage Capital Corporation ("CharterMac"); a deferred developer's fee of \$124,758; a tax credit equity contribution of \$14,424,000; and a loan of \$2,300,000 and grant of \$250,000 from the Community Redevelopment Agency of the city of San Jacinto. The total development cost is estimated to be \$20,081,878.

The HOME Loan will be subordinated to Wells Fargo Bank, N.A., the construction lender, as well as CharterMac, the permanent lender for the project, when construction is completed. The Delivery Assurance Deed of Trust ("DADOT") is for the benefit of CharterMac, securing its Delivery Assurance Certificate for the placement of a permanent loan upon completion of construction. Because the DADOT has been recorded prior to the execution of the County HOME Loan, Fannie Mae, the successor in interest to CharterMac, agrees to subordinate the DADOT to the County HOME Loan.

The Intercreditor Agreement solidifies all the terms agreed between the County, the Redevelopment Agency of the city of San Jacinto, Wells Fargo, N.A. and the Applicant with respect to each respective loan to the Project.

On October 17, 2006, the Board of Supervisors approved the Notice of Finding of No Significant Impact on the Environment, and, subsequently, the County received authorization from the U.S. Department of Housing and Urban Development to incur costs effective November 4, 2006. The project activity was included in the County of Riverside 2006/2007 One-Year Action Plan on November 14, 2006.

County Counsel has reviewed and approved the attached HOME Agreement, Subordination Agreements, Estoppel Certificate and Intercreditor Agreement. Staff recommends the Board approve the attached documents.