

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

085



FROM: Redevelopment Agency

SUBMITTAL DATE:
May 25, 2007

SUBJECT: Loan Agreement for Tres Lagos Senior Apartments in the Unincorporated Community of Wildomar

RECOMMENDED MOTION: That the Board of Directors:

1. Approve the attached Loan Agreement with Palm Desert Development Company;
2. Approve the attached Deed of Trust with Assignment of Rents, Promissory Note, and Covenant Agreement;
3. Authorize the Chairman of the Board of Directors to sign the Loan Agreement, Deed of Trust with Assignment of Rents, and Covenant Agreement; and
4. Authorize the Executive Director or designee to take all necessary steps to implement these Agreements, including, but not limited to, signing subsequent necessary and relevant documents.

BACKGROUND: Palm Desert Development Company, a California corporation ("PDDC"), is requesting a loan from the Redevelopment Agency for the County of Riverside to acquire approximately 10.16 acres for the development and construction of an approximately 204-unit senior apartment complex, Tres Lagos Senior Apartments, for low-income senior households in the unincorporated community of Wildomar (the "Project"). (Continue on page 2)

RZ:DL:ER:TF:MM

Deanna Lorson

Deanna Lorson, Deputy Executive Director for
Robin Zimpfer, Executive Director

S:\RDACOM\HOUSING\2007 RDA Housing Projects\Tres Lagos Senior Apts\Form
11F11 - Agreement for Tres Lagos Senior Apts.doc

FINANCIAL DATA	Current F.Y. Total Cost:	\$4,365,000	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: Low- and Moderate-Income Housing 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

BY: *Jennifer L. Sargent*
Jennifer L. Sargent

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

Prev. Agn. Ref.:

District: 1st

Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

4.3

COUNTY COUNSEL
 MAY 24 2007
 Michael Cook
 Concurrence

May 24, 2007

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BACKGROUND (continued): The Project site is situated to the east of Arnett Road, to the west of Fox Ridge Lane, and to the south of Catt Road in the unincorporated area of the County in the community of Wildomar just outside of the Redevelopment Project Area 1-1986. The Assessor's Parcel Numbers are 380-100-008, 380-100-009, 380-100-010, 380-100-011, and 380-100-012. The proposed Project will be constructed in three phases. Phase One will consist of 80 units and one manager's unit, Phase Two will consist of 80 units, and Phase Three will consist of 43 units. The Project will accommodate a total of 163 one-bedroom units, 40 two-bedroom units, and an on-site manager's unit.

All of the units in the development will be reserved for low-income senior households whose incomes do not exceed sixty percent (60%) area median income for the County, adjusted by family size at the time of occupancy.

The funds for this acquisition loan will not be funded from Wildomar Sub-Area Low- and Moderate-Income Housing Set-Aside Funds, but from countywide Redevelopment Agency Low- and Moderate-Income Housing Set-Aside Funds. The loan period will be for five (5) years with one percent (1%) deferred interest. PDDC will process the entitlement, change of zone, and seek other gap financing including but not limited to federal and/or state tax credit financing.

County Counsel has reviewed and approved the attached Loan Agreement, Deed of Trust with Assignment of Rents, Promissory Note, and Covenant Agreement. Staff recommends that the Board approve the attached documents.