

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

891
C



FROM: Redevelopment Agency

SUBMITTAL DATE:
May 25, 2007

SUBJECT: Loan Agreement for the Rehabilitation of the Ripley Farm Worker Housing Center

RECOMMENDED MOTION: That the Board of Directors:

1. Approve the attached Loan Agreement by and between the Redevelopment Agency for the County of Riverside and the Housing Authority of the County of Riverside;
2. Approve the attached Deed of Trust and Promissory Note;
3. Authorize the Chairman of the Board to execute the attached Loan Agreement, Deed of Trust and Promissory Note; and
4. Authorize the Executive Director or designee to take all necessary steps to implement the attached Agreements including executing subsequent essential and relevant documents.

BACKGROUND: On November 8, 2005, a Rehabilitation of Real Property Agreement ("Rehabilitation Agreement") between the Housing Authority of Riverside County ("Housing Authority") and the Redevelopment Agency for the County of Riverside ("Agency") was approved by the Board of Directors for the purpose of renovating the 100-unit Ripley Farm Worker Center ("Project") and converting the facility to a 76-unit housing complex for rental housing to low-income households and farm workers.

(Continued on page 2)

RZ:DL:ER:TF:LB

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

F:\Shared\RDACOM\HOUSING\2005 RDA Housing Projects\Ripley Farm Worker Cntr\Frm 11\F11 Amend Ripley loan.doc

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 7,500,000	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$	Budget Adjustment:	No
	Annual Net County Cost:	\$	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
BY: *Jennifer L. Sargent*
Jennifer L. Sargent

County Executive Office Signature

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

Prev. Agn. Ref.: 4.1: 11/8/2005 District: 4 Agenda Number:

BACKGROUND (continued): The Housing Authority has experienced a substantial increase in construction costs and operating expenses and has requested for additional funds to complete the project. Currently, the Housing Authority has obtained competitive bids and the bids are due to expire soon. This project is subject to state prevailing wage requirements.

The Rehabilitation Agreement provided for a grant from the Agency in the amount of \$1,000,000 ("Agency Grant") in Redevelopment Set-Aside Funds ("Set-Aside Funds"). Originally, the project's total development cost was to be approximately \$8,253,128. The project's total development cost is now estimated at approximately \$11,860,000. In addition to the Agency Grant, the Housing Authority received a Farm Worker Housing Grant of \$3,000,000 from the State of California Department of Housing and Community Development (HCD), and has reserved \$360,000 in Housing Authority equity. The Loan Agreement will provide requested additional funds in the amount of \$7,500,000 ("Agency Loan") in the form of a deferred loan from Set-Aside Funds to meet the increased gap cost of the project.

The Agency Loan will be a zero percent deferred loan and be forgiven after 55 years. Agency will have the option to reduce the \$7,500,000 loan to a grant in equal proportion to any additional matching funds secured by the Housing Authority from HCD and/or other sources of funds for the cost of the project.

All 76 units will remain affordable to households whose incomes do not exceed eighty percent (80%) of median family income for a period of at least 55 years from the issuance of a Certificate of Occupancy.

County Counsel has reviewed and approved the attached Loan Agreement, Deed of Trust and Promissory Note as to form. Staff recommends that the Board approve the Agreements.