

239

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



**FROM:** Economic Development Agency

**SUBMITTAL DATE:**  
June 7, 2007

**SUBJECT:** Subordination Agreement for Casitas del Valle Family Apartment Project

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

1. Approve the attached Subordination Agreement between the County of Riverside and the State of California Department of Housing and Community Development;
2. Authorize the Chairman of the Board to sign the Subordination Agreement; and
3. Authorize the Assistant County Executive Officer/EDA or designee to take all necessary steps to implement the Subordination Agreement to include signing subsequent essential and relevant documents.

**BACKGROUND:** On September 12, 2006, the Board of Supervisors approved a Loan Agreement in the amount of \$500,000 for the use of HOME funds with Casitas del Valle Housing Associates, L.P., a California Limited Partnership (Owner) whose general partner is Coachella Valley Housing Coalition, for the development and construction of a 40-unit rental housing complex for families in the city of Moreno Valley.

(continued on Page 2)

Departmental Concurrence

*Robin Zimpfer*

Robin Zimpfer  
Assistant County Executive Officer/EDA

RZ:DL:JV:ER:TF:JGM  
S:\CDBG\HOME\2006 HOME-TOM F\Casitas del Valle\Form  
11'sf11-subordination MHP.doc

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	NA	In Current Year Budget:	NA
	Current F.Y. Net County Cost:	NA	Budget Adjustment:	No
	Annual Net County Cost:	NA	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

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

County Executive Office Signature

- Policy
- Policy
- Consent
- Consent

Dept Recomm.:  
Per Exec. Ofc.:

Prev. Agn. Ref.: 3.21-9/12/06; 9.7-6/27/06;  
3.20-5/23/06

District: 5th

Agenda Number:

ATTACHMENTS FILED  
WITH THE CLERK OF THE BOARD

3.30

FORM APPROVED  
COUNTY COUNSEL

JUN 13 2007  
Coachella Valley

**BACKGROUND** (continued):

The County's HOME Loan is currently in the third position behind a construction and permanent loan made to the Partnership by the California Housing Finance Agency (CalHFA) and a loan made by the Community Redevelopment Agency of the City of Moreno Valley (CRA). The project was completed in January 2007.

The Owner is replacing a portion of the construction loan provided by CalHFA with the State of California Department of Housing and Community Development Multi Family Housing Program Loan Fund (MHP). MHP is requiring the County and the CRA subordinate to their loan. As a result of this Subordination Agreement, the County's HOME loan will be in fourth position behind the permanent loan made to the Partnership by CalHFA, MHP and the CRA Loan.

County Counsel has reviewed and approved the attached Subordination Agreement with MHP. Staff recommends that the Board approve the subordination and the attached document.