

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

569



FROM: Economic Development Agency

SUBMITTAL DATE:
June 21, 2007

SUBJECT: Subordination Agreement for Rick Weiss 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: The Board of Supervisors approved a HOME Loan in the amount of \$1,700,000 for the use of HOME funds with Vista Sunrise Apartment, L.P., ("Partnership"), for the development and construction of an 80-unit rental housing complex for individuals and families living with HIV/AIDS.
(continued on Page 2)

Departmental Concurrence

Robin Zimpfer

Robin Zimpfer
Assistant County Executive Officer/EDA

RZ:DL:ER:TF:JG
S:\CDBG\HOME\2004 HOME - TOM F\ Vista Sunrise Apartments\Form 11\11-subordination MHP.doc

FINANCIAL DATA	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:	2007/08

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
- Consent
- Policy
- Consent

Dept's 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:

3.16

COUNTY COUNSEL

JUL 03 2007
BY: *Jennifer L. Sargent*

BACKGROUND (continued):

The County's HOME Loan is currently in the second position behind a construction and permanent loan made to the Partnership by the California Housing Finance Agency (CalHFA). The County's loan is senior to two other loans, namely, the Community Redevelopment Agency of the City of Palm Springs (CRA) and Western Financial Bank. The project was completed in January 2007.

The Partnership 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, CRA and Western Financial Bank subordinate to its loan. As a result of this Subordination Agreement, the County's HOME loan will be in the third position behind the permanent loan made to the Partnership by CalHFA and the MHP 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.