

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

820



FROM: Economic Development Agency

SUBMITTAL DATE:
July 19, 2007

SUBJECT: Second Amendment to Grant Agreement for El Solano Apartments in the City of Blythe

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached Second Amendment to Grant Agreement for the Use of HOME funds;
2. Authorize the Chairman of the Board to execute the attached Second Amendment to Grant Agreement for the Use of HOME funds; and
3. Authorize the Assistant County Executive Officer/EDA or designee to take all necessary steps to implement the Amended Agreement including, but not limited to, signing subsequent necessary and relevant documents.

BACKGROUND: On May 1, 2003, the Board of Supervisors approved a Grant Agreement for the Use of HOME Funds (the "HOME Grant Agreement") with the Coachella Valley Housing Coalition ("CVHC"), a certified non-profit Community Housing Development Organization, for the acquisition and rehabilitation of an existing 40-unit rental housing complex and one on-site manager's unit in the city of Blythe (the "Project"), formerly owned by the Housing Authority of the County of Riverside. (Continue on page 2)

Departmental Concurrence

Robin Zimpfer

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Assistant County Executive Officer/EDA

RZ:DL:ER:TF:MM

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FINANCIAL DATA	Current F.Y. Total Cost:	\$1,216,000	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2007/2008

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

COUNTY COUNSEL

Policy
 Policy

Consent
 Consent

Dept's Recomm.:
Per Exec. Ofc.:

Prev. Agn. Ref.: 3.10 - 6/13/06, 3.7 - 5/20/03, 3.8 - 4/22/03, 9.2 - 3/11/03, District: 4th, Agenda Number:

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD

3.26

JUL 19 2007
Blythe City

BACKGROUND (continued): The County agreed to grant CVHC \$1,000,000 of HOME Investment Partnerships Act funds for the acquisition and rehabilitation of the Project.

The rehabilitation work on the project has been completed and CVHC is requesting an additional \$150,000 to be used for Initial Operating Deficit Reserve to meet any shortfall in project income during project rent-up not to exceed 18 months to pay for project operating expenses, scheduled payments to a replacement reserve, and debt service. Any funds remaining from the Initial Operating Deficit Reserve will be paid into the Replacement Reserve of the Project. This request of \$150,000, together with the previous grant of \$66,000 from the First Amendment to HOME Grant Agreement, dated June 13, 2006, will be used for Initial Operating Deficit Reserve. The HOME Grant amount, including the grant from the First Amendment, of \$1,066,000 would be amended to \$1,216,000.

The term of the HOME Grant Agreement and the affordability period will be amended from a period of thirty (30) years to a period of fifty-five (55) years and continue in full force and effect from the date of the Certificate of Occupancy, starting June 27, 2007 and evidenced by a Covenant Agreement.

All references in the HOME Grant Agreement for twenty (20) floating HOME-assisted units will be amended to twenty-one (21) floating HOME-assisted units set-aside for households whose incomes do not exceed fifty percent (50%) of the area median income for the County of Riverside, adjusted by family size, at the time of occupancy.

All other terms and conditions of the HOME Grant Agreement remain unmodified and in full force and effect.

County Counsel has reviewed and approved the attached Second Amendment to Grant Agreement for the Use of HOME Funds. Staff recommends that the Board approve the attached document.