

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

819



FROM: Economic Development Agency

SUBMITTAL DATE:
July 19, 2007

SUBJECT: First Amendment to Loan Agreement for Horizons at Indio Senior Apartments in the City of Indio

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached First Amendment to the Loan Agreement for the Use of HOME funds with UHC Indio L.P.;
2. Approve the attached Intercreditor Agreement between the County of Riverside and the Redevelopment Agency of the City of Indio;
3. Authorize the Chairman of the Board to sign the attached Agreements; and
4. Authorize the Assistant County Executive Officer/EDA or designee to take all necessary steps to implement the Agreements, including signing subsequent essential and relevant documents and not limited to future subordination agreements to permanent loans by Citibank N.A., and Joe Serna.

BACKGROUND: On December 20, 2005, the Board of Supervisors approved a Loan Agreement for the use of HOME funds with UHC Indio, L.P., (Partnership), for the development and construction of an 80-unit rental housing complex for seniors. The Agreement called for a loan of \$1,000,000 with 1% interest payable in 55 years.

(continued on page 2)

RZ:DL:ER:TF:JG

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Robin Zimpfer

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Assistant County Executive Officer/EDA

FINANCIAL DATA

Current F.Y. Total Cost:	\$ 1,400,000	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 Sargent

Jennifer Sargent

County Executive Office Signature

COUNTY COUNSEL
 JUL 19 2007
 Michelle Clark

Departmental Concurrence

Dept Recomm.: Consent
 Per Exec. Ofc.: Consent
 Policy
 Policy

Prev. Agn. Ref.: 3.17-11/23/04; 3.6-11/21/04; District: 4th
3.21-12/20/05

Agenda Number:

3.31

**ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD**

BACKGROUND (Continued):

The project has since experienced a funding shortfall due to the loss of California state tax credits, a change in the scope of off-site improvements, and a substantial increase in construction costs. The Partnership has requested an additional \$400,000 from the County to help cover this funding gap. The Partnership has also requested an additional \$350,000 from the Department of Housing and Community Development Joe Serna Jr. Farm Worker Housing Grant Program (Joe Serna), and \$400,000 from the Community Redevelopment Agency of the City of Indio (CRA). The original HOME Loan amount of \$1,000,000 would then be amended to \$1,400,000. The current development cost of the project is now at \$18,726,614.

The project is currently under construction with scheduled completion in August 2008.

The CRA has agreed to enter into an agreement with the County to make the County's HOME Loan of equal priority to the CRA loan. Currently the HOME loan is in fourth position behind construction and permanent loans made to the Partnership by, Citibank N.A., Joe Serna, and the CRA. Upon the execution of the attached Intercreditor Agreement the County's HOME loan will share third position with the CRA Loan.

County Counsel has reviewed and approved the attached First Amendment to the Loan Agreement for the Use of HOME Funds and the Intercreditor Agreement. Staff recommends that the Board approve the attached documents..