

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

615



FROM: Economic Development Agency

SUBMITTAL DATE:
December 17, 2007

SUBJECT: Subordination Agreement for Horizons at Indio Senior Apartments in the City of Indio

RECOMMENDED MOTION: It is recommended that the Board of Supervisors:

1. Approve the attached Subordination Agreement between the County of Riverside and Citibank, N.A.;
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 Agreement to include signing subsequent essential and relevant documents.

BACKGROUND: The Board of Supervisors approved a Loan Agreement in the amount of \$1,400,000 for the use of HOME Investment Partnerships Act Grant Funds with UHC Indio, L.P., a California Limited Partnership whose General Partner is Heritage Community Housing Inc., a California public benefit corporation, for the construction of a 80-unit rental housing complex for seniors in the City of Indio.
(Continued on page 2)

FORM APPROVED COUNTY COUNSEL
 BY: MICHELLE CLACK
 DATE: 12/21/07
 Departmental Concurrence

Robin Zimpfer

RZ:DL:ER:TF:JG

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Robin Zimpfer
Assistant County Executive Officer/EDA

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:	2007/2008

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

Policy
 Policy

Consent
 Consent

Dept Recomm.:
 Per Exec. Ofc.:

Prev. Agn. Ref.: 3.17-11/23/04; 3.6-11/21/04; District: 4th
3.21-12/20/05; 3.31-7/31/07

Agenda Number:

3.7

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

BACKGROUND (Continued):

The Partnership has received a deferred loan of \$316,000 from the Affordable Housing Program (AHP) for the development and construction of the project. The County is requiring that the AHP loan be subordinate to the County HOME loan. The County's HOME Loan shares third position with the loan made by the Community Redevelopment Agency of the City of Indio. The County's loan is junior to a construction and permanent loan made to the Partnership by, Citibank N.A., and the State of California Housing and Community Development Joe Serna Jr. Farm Worker Housing Grant Program. The attached Subordination Agreement signifies the County's senior position to the AHP Loan.

PROJECT DESCRIPTION:

The project has a mix of 47 one-bedroom and 33 two-bedroom units. One additional two-bedroom unit will be set aside for the on-site manager. The proposed project site is an L-shaped lot located on the northwest side of Monroe Street and Shadow Palm Drive in the City of Indio. The development will include a community building of approximately 2,145 square feet with lounge area, kitchen facilities, restrooms, a swimming pool, spa, and laundry facilities.

The project is currently under construction and it is anticipated the construction will be completed by May 2008.

County Counsel has reviewed and approved the attached Subordination Agreement with Citibank N.A. Staff recommends that the Board approve the attached document.