

**SUBMITTAL TO THE BOARD OF DIRECTORS OF THE
REDEVELOPMENT AGENCY
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



FROM: Redevelopment Agency

SUBMITTAL DATE:
January 17, 2008

SUBJECT: Loan Agreement for Tres Lagos I Senior Apartments in the Community of Wildomar

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

1. Approve the attached Loan Agreement with Palm Desert Development Company;
2. Approve the attached Deed of Trust with Assignment of Rents, Promissory Note, and Covenant Agreement;
3. Authorize the Chairman of the Board of Directors to sign the Loan Agreement, Deed of Trust with Assignment of Rents, and Covenant Agreement; and
4. Authorize the Executive Director or designee to take all necessary steps to implement these Agreements, including, but not limited to, signing subsequent necessary and relevant documents.

BACKGROUND: Palm Desert Development Company, a California corporation ("PDDC"), is requesting a loan from the Redevelopment Agency for the County of Riverside for the development and construction of an approximately 80-unit apartment complex and one on-site manager unit for qualified low-income senior households in the unincorporated area of the County of Riverside in the community of Wildomar (the "Project"). (Continue on page 2)

FORM APPROVED COUNTY COUNSEL
MICHELLE CLACK
DATE 1/17/08
Department Conference

Robin Zimpfer

Robin Zimpfer
Executive Director

RZ:DL:ER:TF:MM
S:\RDACOM\HOUSING\2007 RDA Housing Projects\Tres Lagos Senior Apts\Form
11\F11 - Agmt for Tres Lagos I Senior Apts.doc

FINANCIAL DATA	Current F.Y. Total Cost:	\$3,800,000	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: Redevelopment Low- and Moderate-Income Housing 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
 Dep't Recomm.:
 Per Exec. Ofc.:

Prev. Agn. Ref.: _____ **District:** 1st **Agenda Number:** _____

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

4.2

BACKGROUND (continued): The Project is the first phase of development identified as Tres Lagos I Senior Apartments. The Project is located on approximately 4.0 acres, of the 10.16 acres acquired by PDDC, located at the corner of Arnett Road and Catt Road. The Project is situated to the east of Arnett Road, south of Catt Road, and west of Fox Ridge Lane in the unincorporated area of the County of Riverside in the community of Wildomar. The Project site is located just outside of the Redevelopment Project Area 1-1986. The Assessor's Parcel Numbers for the 10.16-acre property are 380-100-008, 380-100-009, 380-100-010, 380-100-011, and 380-100-012.

The proposed Project will consist of 64 one-bedroom units, 16 two-bedroom units, and one on-site manager's unit. The one-bedroom units are approximately 561 square feet and the two-bedroom units are approximately 781 square feet. All of the units will be equipped with full kitchens, including a frost-free refrigerator, dishwasher, combination range/oven, microwave, garbage disposal, and central heating and cooling. Each unit will also include a balcony or patio. The residents of the apartment complex will have access to a 3,107 square foot community building that will include a community meeting room, kitchen, laundry room, and manager's office. Additional on-site amenities include a pool, putting green, and leisure areas for seniors to use.

All 80 units in the development will be reserved for qualified low-income senior households whose incomes do not exceed sixty percent (60%) area median income for the County, adjusted by family size at the time of occupancy.

The estimated total development cost for the Project is approximately \$17,844,685. Other funding sources include a permanent loan from Centerline Mortgage for \$1,441,638; a limited partner tax credit equity contribution of \$12,480,615; and a deferred developer fee for \$122,432. The period of affordability will be for 55 years.

On February 5, 2008, the incorporation of the community of Wildomar is on the ballot. If the voters should elect and approve the incorporation of Wildomar, the Project will no longer be inside the territorial jurisdiction of the Redevelopment Agency for the County of Riverside ("Agency"). Consequently, the Redevelopment Low- and Moderate-Income Housing funds cannot be provided to the Project as it will no longer reside inside the jurisdiction of the Agency. In the event the incorporation of Wildomar is approved or any subsequent date prior to draw down of this loan and award of federal/state tax credit and closing of construction loan, this Agreement will be null and void.

County Counsel has reviewed and approved the attached Loan Agreement, Deed of Trust with Assignment of Rents, Promissory Note, and Covenant Agreement. Staff recommends that the Board approve the attached documents.