

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

824



FROM: Economic Development Agency

SUBMITTAL DATE:
January 16, 2008

SUBJECT: Finding of No Significant Impact (FONSI) on the Environment for Rancho Dorado Apartments

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

1. Adopt the attached Environmental Assessment Report and FONSI for the Rancho Dorado Apartments project based on the findings incorporated in the report and conclude that the project is not an action which may effect the quality of the environment;
2. Approve the attached Request for Release of Funds; and
3. Authorize the Chairman of the Board of Supervisors to execute the Request for Release of Funds and Environmental Assessment Report to be filed with the United States Department of Housing and Urban Development (HUD).

BACKGROUND: The environmental effects of activities carried out with HOME Investment Partnerships Act grant funds must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) and the related authorities listed in HUD's implementing regulations at 24 CFR parts 50 and 58. These regulations specify procedures for conducting environmental review, including finding a level of clearance and requesting release of funds. (Continued on page 2)

Robin Zimpfer

RZ:DL:ER:TF:JG:LH

Robin Zimpfer

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Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 650,000	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

Jennifer V. Sargent
BY: Jennifer V. Sargent

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
 BY: MICHELLE CLACK
 DATE: 1/24/08
 Department of Concurrence
 Policy
 Policy
 Consent
 Consent
 Dep't Recomm.:
 Per Exec. Ofc.:

Prev. Agn. Ref.:	District: 5th	Agenda Number:
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ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3.17

BACKGROUND (continued):

The Economic Development Agency (EDA) has completed applicable review procedures and has evaluated the potential effects of the project on the environment. The attached documentation was prepared pursuant to NEPA and the environmental procedures cited in 24 CFR 58.5 and 58.6, and EDA has found that the proposed Rancho Dorado Apartments Project would not have a significant effect on the environment. Publishing requirements have been met in accordance with 24 CFR 58.43 and 58.45.

PROJECT DESCRIPTION:

The applicant, Palm Desert Development Company (PDDC), a for-profit housing developer, is proposing to use up to \$650,000 in HOME funds for the development and construction of a 150-unit multi-family housing complex for lower-income families, not more than 10% of the units will be for families referred by the Department of Mental Health (HHOPE) Homeless Housing Opportunities, Partnership, and Education Program in the city of Moreno Valley in Riverside County. The multi-family housing complex will be built on a 6.62-acre lot surrounded by residential neighborhoods, a commercial plaza, a fast-food restaurant, a gas station, and a vacant, open undeveloped site. The proposed project will consist of 16 one-bedroom, 78 two-bedroom and 56 three-bedroom units. One additional three-bedroom unit will be used as a manager's unit. The project is located on the southeast corner of John F. Kennedy Dr. and Perris Blvd in the city of Moreno Valley.

The applicant intends to use up to \$650,000 in HOME funds for hard and soft construction expenses. Other funding sources that are being sought by the applicant include a \$1,410,000 loan from the Riverside County Mental Health Housing Funds administered by the California Housing Finance Agency, deferred developer fees in the amount of \$947,373, a \$9,840,148 deferred loan from the State of California Housing and Community Development (HCD) Multi-Family Housing Program (MHP) Funds, waived fees in the amount of \$1,932,800 from the city of Moreno Valley, a \$10,217,200 deferred loan from the Redevelopment Agency for the city of Moreno Valley, contribution bond of \$3,526,448, and a limited partner tax credit equity contribution of \$13,190,175. The total development costs are estimated to be \$41,714,144.

County Counsel has reviewed and approved the attached Environmental Assessment and Request for Release of Funds. Staff recommends that the Board approve the attached documents.