

**SUBMITTAL TO THE BOARD OF COMMISSIONERS OF THE
HOUSING AUTHORITY
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

825A



FROM: Housing Authority

SUBMITTAL DATE:
January 18, 2008

SUBJECT: Subordination Agreement for Rick Weiss Apartment Project in the City of Palm Springs

RECOMMENDED MOTION: That the Board of Commissioners:

1. Approve the attached Subordination Agreement between the Housing Authority of the County of Riverside and the State of California Department of Housing and Community Development;
2. Authorize the Chairman of the Board of Commissioners to execute the attached Subordination Agreement; and
3. Authorize the Executive Director or designee to take all necessary steps to implement the Agreement to include signing subsequent essential and relevant documents.

BACKGROUND: On July 25, 2005 the Board of Commissioners approved a Disposition and Development Agreement (DDA) with Vista Sunrise Apartment, L.P., ("Partnership"), for the development and construction of an 80-unit rental housing complex for individuals and families living with HIV/AIDS.

In connection with the DDA, an Agreement Containing Covenants Affecting Real Property (Covenant Agreement) was recorded against the property. Subsequent to that the Housing Authority subordinated the Covenant Agreement to a construction loan made by the California Housing Finance Agency (CalHFA).

(Continued on page 2)

Robin Zimpfer

Robin Zimpfer, Executive Director

RZ:DL:ER:HM:TF:jg

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subordination HA MHP.doc

FINANCIAL DATA	Current F.Y. Total Cost:	\$N/A	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$N/A	Budget Adjustment:	No
	Annual Net County Cost:	\$N/A	For Fiscal Year:	2007/2008

SOURCE OF FUNDS: N/A	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/6 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

BY: *Jennifer L. Sargent*

Jennifer L. Sargent

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
BY: *Michelle Clack*
MICHELLE CLACK
DATE: 1/24/08

Departmental Concurrence

- Dep't Recomm.: Consent Policy
- Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: 10.1-7/12/05; 10.2-7/26/05 | **District:** 4 | **Agenda Number:**

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

10.1

BACKGROUND (continued):

The project was completed in December 29, 2006. The Partnership is replacing a portion of the construction loan provided by CalHFA with the State of California Department of Housing and Community Development Multi-Family Housing Program Loan Fund (MHP) and MHP is requiring the Housing Authority to subordinate to its loan. As a result of this Subordination Agreement, the Housing Authority's Covenant Agreement will be junior to the permanent loan made to the Partnership by CalHFA and the MHP Loan.

County Counsel has reviewed and approved the attached Subordination Agreement with MHP. Staff recommends that the Board approve the subordination and the attached document.