

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

341



**FROM:** Economic Development Agency

**SUBMITTAL DATE:**  
February 25, 2008

**SUBJECT:** Adoption of Resolution No. 2008-147 supporting the applications for funding Cimarron Heights at Dream Homes in the City of Cathedral City

**RECOMMENDED MOTION:** That the Board of Supervisors adopt the attached Resolution No. 2008-147 supporting the applications of Dream Homes Housing Partners, L.P. for Low-Income Housing Tax Credits and State of California Department of Housing and Community Development (HCD) Multifamily Housing Program (MHP) funds for Cimarron Heights at Dream Homes in the City of Cathedral City.

**BACKGROUND:** Dream Homes Housing Partners, L.P. (the "Applicant"), a California limited partnership, is applying to the California Tax Credit Application Committee (TCAC) for a reservation of tax credits and Multifamily Housing Program (MHP) funding for Cimarron Heights at Dream Homes, an affordable multi-family apartment complex in the City of Cathedral City (the "Project").

(Continued on Page 2)

FORM APPROVED COUNTY COUNSEL  
 BY: MICHELLE CLACK  
 DATE: 3/10/08  
 Departmental Concurrence

RZ:DL:ER:TF:MM

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*Robin Zimpfer*  
\_\_\_\_\_  
Robin Zimpfer

Assistant County Executive Officer/EDA

**FINANCIAL DATA**

Current F.Y. Total Cost:	\$ 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:** 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 L. Sargent*  
BY: \_\_\_\_\_  
Jennifer L. Sargent

**County Executive Office Signature**

- Consent
- Policy
- Consent
- Policy

Dept's Recomm.:  
Per Exec. Ofc.:

**Prev. Agn. Ref.:** 3.24-2/26/08, 3.18-2/5/08

**District:** 4th

**Agenda Number:**

**3.16**

**BACKGROUND** (Continued): The MHP application must be submitted on or prior to March 27, 2008 to be considered for the current funding availability. The allocation of low-income housing tax credits and MHP funding will be used to finance the bulk of the project costs. At present, there is a financing gap of approximately \$800,000. In order to complete the tax credit and MHP application process, the developer must provide TCAC and HCD with a Resolution from the local jurisdiction providing support for the Project. The Applicant has requested that the County contribute \$800,000 to fill the gap.

The need to expand the Affordable Housing Stock for Low Income and Special Needs Households is a high priority in Riverside County's Consolidated Plan. The attached Resolution will support the Applicant's request for tax credits and MHP funding for Cimarron Heights at Dream Homes. The Resolution will also direct staff to recommend to the Board of Supervisors the loan of \$800,000 in HOME funds for development and construction of the Project, subject to applicable legal requirements, the Project receiving all applicable permits, City of Cathedral City's approval, and negotiation of a HOME agreement satisfactory to the Board.

#### PROJECT DESCRIPTION:

The proposed housing development is located on a vacant site located east of San Antonio Drive, north of Ramon Road, northeast of San Diego Drive and west of the Whitewater Wash floodway with Assessor's Parcel Numbers 677-410-009, 677-331-003 and 677-332-003 in the City of Cathedral City in Riverside County. The Project is designed to serve low-income families and has a mix of 56 two-bedroom rental units, 27 three-bedroom rental units and one three-bedroom manager's unit. All of the units will be located in six two-story apartment buildings. The apartment complex will include a leasing office, laundry facility, open play areas, a swimming pool and community room. Neighboring the apartment complex as part of the development, west across San Diego Drive, will be a 5,020 square foot community center available to both the residents of Cimarron Heights and the extended community of Dream Homes.

The applicant intends to use up to \$800,000 in HOME funds for hard costs to construct the 84-unit multi-family housing complex. Other funding sources that are being sought by the applicant include a \$1,226,000 loan from MMA Financial, Inc.; a deferred developer fee of \$200,000; a loan of \$8,730,894 from the Redevelopment Agency for the City of Cathedral City; a loan of \$6,428,188 from the State of California HCD Multi-family Housing Program (MHP); a loan of \$450,000 from the Affordable Housing Program; and a tax credit equity contribution of \$8,764,020. The total cost of development is estimated to be \$26,599,102.

Forty HOME-assisted units will be set aside for the benefit of low and very-low income households for a period of at least 55 years.

2 **RESOLUTION 2008-147**  
3 **SUPPORTING THE APPLICATION FOR MULTIFAMILY**  
4 **HOUSING PROGRAM FUNDS AND LOW-INCOME HOUSING TAX CREDITS**  
5 **FOR CIMARRON HEIGHTS AT DREAM HOMES**

6 **WHEREAS**, the California Tax Credit Allocation Committee (TCAC) provides funding  
7 for affordable housing projects through its application process; and

8 **WHEREAS**, the California Department of Housing and Community Development (HCD)  
9 provides funding to assist the new construction, rehabilitation and preservation of permanent  
10 and transitional rental housing for lower income households through its competitive  
11 Multifamily Housing Program (MHP); and

12 **WHEREAS**, the application deadline to be considered for the current funding availability  
13 through MHP and TCAC is March 27, 2008; and


14 **WHEREAS**, the County of Riverside has identified the Expansion of Affordable Rental  
15 Housing Stock for Low-Income and Special Needs Households as a high housing priority  
16 through the County of Riverside's Five Year Consolidated Plan and its One-Year Action Plan  
17 for the Use of Federal Funds; and

18 **WHEREAS**, Dream Homes Housing Partners, L.P. (Applicant), a California limited  
19 partnership, intends to submit an application for TCAC and MHP funding for the development  
20 of affordable rental units on a vacant site located east of San Antonio Drive, north of Ramon  
21 Road, northeast of San Diego Drive and west of the Whitewater Wash floodway with  
22 Assessor's Parcel Numbers 677-410-009, 677-331-003 and 677-332-003 in the City of  
23 Cathedral City in Riverside County (Project); and

24 **WHEREAS**, the Project currently has a financing gap of approximately \$800,000; and

25 **WHEREAS**, to complete the MHP and TCAC application process the Applicant must  
26 provide a resolution from the local jurisdictions, including the County of Riverside, supporting  
27 the Project; and

28 **WHEREAS**, the proposed Project will consist of eighty-three (83) affordable rental units  
and one (1) additional manager's unit; and

FORM APPROVED COUNTY COUNSEL  
BY:  DATE: 3/15/08  
MICHELLE CLACK

1           **WHEREAS**, National Community Renaissance of California ("National CORE") will be  
2 the lead developer for the Project to be known as Cimarron Heights at Dream Homes; and

3           **WHEREAS**, National CORE has successfully completed several affordable apartment  
4 complexes in Riverside County.

5           **BE IT RESOLVED, DETERMINED, AND ORDERED** by the Board of Supervisors for the  
6 County of Riverside, State of California, in regular session assembled on March 18, 2008, as  
7 follows:

- 8       1) That the Board of Supervisors hereby finds and declares that the above recitals are true  
9       and correct.
- 10      2) The Board of Supervisors supports the Applicant's application for a reservation of tax  
11      credits and MHP funding for Cimarron Heights at Dream Homes, an eighty-four (84)  
12      unit affordable multi-family housing complex proposed to be located in the City of  
13      Cathedral City in Riverside County.
- 14      3) The Board of Supervisors agree to provide financing of up to \$800,000 in HOME funds  
15      to Applicant for construction eligible activities on the Project, subject to the following:  
16      applicable legal requirements, project receiving all applicable permits, City of Cathedral  
17      City's approval, and negotiation of a HOME agreement satisfactory to the Board of  
18      Supervisors.
- 19      4) Additionally, the term of the HOME funds loan will be one percent (1.00%) interest over  
20      55 years.
- 21      5) The HOME funds loan is also conditioned upon a successful receipt of MHP funding.
- 22      6) The Board of Supervisors commitment to provide funding is valid until May 26, 2009,  
23      and shall thereafter have no force or effect, unless a HOME agreement has theretofore  
24      been approved and executed by the Board of Supervisors and the Applicant, with  
25      respect to the Project.

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