

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

442



**FROM:** Redevelopment Agency

**SUBMITTAL DATE:**  
April 2, 2008

**SUBJECT:** Loan Agreement for Murrieta Infill Housing Project in the City of Murrieta

**RECOMMENDED MOTION:** That the Board of Directors:

1. Approve the attached Agreement to Develop with 3<sup>rd</sup> Street Holdings, LLC;
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 Agreement to Develop; and
4. Authorize the Executive Director or designee to take all necessary steps to implement the Agreement to Develop including, but not limited to, signing the Deed of Trust, Covenant Agreement, and subsequent necessary and relevant documents.

**BACKGROUND:** 3<sup>rd</sup> Street Holdings, LLC, a California limited liability company (the "Owner"), is requesting a loan for \$538,000 from the Redevelopment Agency for the County of Riverside (the "Agency") for the development and construction of four (4) single-family homes affordable to lower-income homebuyers, within the Redevelopment Agency's 1-1986 Project Area in the City of Murrieta (the "Project").  
(Continue on page 2)

RZ:DL:ER:TF:LB

*Robin Zimpfer*

Robin Zimpfer  
Executive Director

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<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 538,000	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 SUPERVISORS AGENDA:** No

<b>SOURCE OF FUNDS:</b> Redevelopment Low- and Moderate-Income Housing Funds	<b>Positions To Be Deleted Per A-30</b>	<input type="checkbox"/>
	<b>Requires 4/5 Vote</b>	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:**

APPROVE  
*Jennifer L. Sargent*  
BY: Jennifer L. Sargent

**County Executive Office Signature**

FORM APPROVED COUNTY COUNSEL  
BY: *Michelle Clack*  
DATE: 4/15/08  
MICHELLE CLACK

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

**Prev. Agn. Ref.:**

**District:** 3rd

**Agenda Number:**

4.4

**BACKGROUND** (continued): The Owner, whose developer is Meyer Development and Construction, Inc., a California corporation, plans to develop and construct the Project on four (4) vacant sites located on the east side of 3rd Avenue, south of Juniper Street and north of Ivy Street in the city of Murrieta. The Assessor's Parcel Numbers are 906-181-005, 906-181-006, 906-182-025, and 906-182-026.

The Project, whose total development cost is estimated to be \$1,346,000, has received the city of Murrieta's ("City") support. Each home will comply with the development guidelines set forth by the Agency and the City. An agreement restricting occupancy to lower-income homebuyers earning no more than eighty percent (80%) of the Riverside County median income for a minimum period of forty-five (45) years will be recorded against each parcel.

At the completion of these homes, portions of this loan will be assumed by each qualified homebuyer as a silent second mortgage for forty-five (45) years. A total of four (4), four-bedroom homes will be constructed. Two (2) of the four-bedroom units are approximately 1,440 square feet, and two (2) are approximately 1,636 square feet.

In addition to the loan of \$538,000 in Redevelopment Low- and Moderate-Income Housing Set-Aside Funds, the Owner will secure a construction loan of \$487,268. The balance of the funds comes from the Owner's equity of \$321,732.

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