

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

766



FROM: Economic Development Agency

SUBMITTAL DATE:
June 6, 2008

SUBJECT: Loan Agreement for the Use of HOME Funds for Cimarron Heights at Dream Homes in the City of Cathedral City

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached Loan Agreement and Deed of Trust ("Agreements") for the use of \$800,000 in HOME Program Funds between the County of Riverside and Dream Homes Housing Partners, L.P.;
2. Authorize the Chairman of the Board to sign the attached Agreements; and
3. Authorize the Assistant County Executive Officer/EDA or designee to take all necessary steps to implement the Agreements including, but not limited to, signing subsequent essential and relevant documents.

BACKGROUND: Dream Homes Housing Partners, L.P. is a California limited partnership ("DHHP") whose managing general partner is Southern California Housing Development Corporation, a certified Community Housing Development Organization. DHHP is requesting \$800,000 in HOME funds for the development and construction of an 84-unit multi-family apartment complex in the city of Cathedral City (the "Project").

(Continued on Page 2)

Robin Zimpfer

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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

BY: *Jennifer L. Sargent*

Jennifer L. Sargent

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
BY: *Michelle Clack*
DATE: 6/11/08
MICHELLE CLACK

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

Prev. Agn. Ref.: 3.18-2/5/08, 3.24-2/26/08, **District:** 4th **Agenda Number:**
3.16-3/18/08

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3.27
Form 11 (Rev 06/2003)

BACKGROUND (Continued): The location of the Project is east of San Antonio Drive, north of Ramon Road, northeast of San Diego Drive and west of the Whitewater Wash floodway. The Project Site is a combination of three distinct parcels containing a total of 8.16 acres within the community of Dream Homes in the city of Cathedral City. The Assessor's Parcel Numbers are 677-410-009, 677-331-003, and 677-332-003.

The Project is a family housing project consisting of 56 two-bedroom and 27 three-bedroom units. One three-bedroom unit will be reserved for an on-site resident manager. All of the units will be located in six two-story apartment buildings. The Project 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 the residents of Cimarron Heights and the extended community of Dream Homes.

The DHHP intends to use HOME funds for soft and hard costs to construct the 84-unit multi-family apartment complex. Other funding sources include a \$1,226,000 bank loan; a loan of \$8,725,185 from the Redevelopment Agency of the City of Cathedral City; a loan of \$6,428,188 from the California Department of Housing and Community Development (HCD) Multifamily Housing Program (MHP); a loan of \$705,709 from the Affordable Housing Program; a deferred developer fee of \$250,000; and a tax credit equity contribution of \$8,764,020. The total cost of development is estimated to be \$26,899,102.

The County's HOME Loan will be in the fourth position behind a construction loan and permanent mortgage made to the Partnership, an MHP Loan from HCD, and a loan from the Redevelopment Agency of the City of Cathedral City.

Forty (40) units will be designated as HOME-assisted rental units set-aside for the benefit of very low-income households whose incomes do not exceed fifty percent (50%) of the Riverside County median family income. The Project shall be affordable for a period of at least 55 years.

On February 5, 2008, the Board approved the Notice of Finding of No Significant Impact on the Environment, and the County has received authorization from the U.S. Department of Housing and Urban Development to incur costs. The project activity was included in the 2007/2008 One Year Action Plan on February 26, 2008.

County Counsel has reviewed and approved the attached Agreements. Staff recommends that the Board approve the attached documents.