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

FROM: Redevelopment Agency

SUBMITTAL DATE:
September 17, 2008

SUBJECT: First Amendment to Acquisition and Rehabilitation Agreement for Marine Drive Properties in the Community of Valle Vista

RECOMMENDED MOTION: That the Board of Directors:

1. Find that the project is exempt from CEQA pursuant to section 15301, Class 1 – rehabilitation involves negligible or no expansion of an existing use;
2. Approve the attached First Amendment to Acquisition and Rehabilitation Agreement, Deed of Trust and Covenant Agreement (collectively "Agreements");
3. Authorize the Chairman of the Board of Directors to execute said attached Agreements; and
4. Authorize the Executive Director or designee to take all necessary steps to implement the Agreements including, but not limited to, signing subsequent necessary and relevant documents.

BACKGROUND: On April 8, 2008, the Board approved an Acquisition and Rehabilitation Agreement for \$3,300,000 in Redevelopment Low- and Moderate-Income Housing Set-Aside Funds ("Grant Agreement") for Riverside Housing Development Corporation (RHDC), a California non-profit benefit corporation, to acquire and rehabilitate seven, multi-family rental properties for low- and moderate-income households in the community of Valle Vista in Riverside County (the "Project"). (Continued on page 2)

RZ:DL:ER:TF:MM

Robin Zimpfer
Robin Zimpfer, Executive Director

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FINANCIAL DATA	Current F.Y. Total Cost:	\$ 6,060,000	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2008/2009

COMPANION ITEM ON BOARD OF SUPERVISORS AGENDA: No

SOURCE OF FUNDS: Redevelopment Low- and Moderate-Income Housing 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

Reviewed by
CLIP TEAM
Christopher Hans
Departmental Concurrence
DATE: 10/2/08
BY: Michelle Clack
FORM APPROVED COUNTY COUNSEL
MICHELLE CLACK

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

Prev. Agn. Ref.: 4.2 - 4/8/2008

District: 3rd

Agenda Number:

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD

4.3

BACKGROUND (continued): RHDC is requesting an additional \$2,760,000 in Redevelopment Low- and Moderate-Income Housing Set-Aside Funds to acquire and rehabilitate five additional multi-family rental properties along Marine Drive ("First Amendment"). The total grant amount will be increased from \$3,300,000 to \$6,060,000.

The Project will be amended to include five additional multi-family rental properties, two fourplex and three triplex properties. The total units for the Project will increase from 24 units to 41 units.

A total of 40 rental units ("Assisted Units"), consisting of 37 two-bedroom units and 3 three-bedroom units, will be reserved for low- or moderate-income households, whose incomes do not exceed 120% area median income for the County, adjusted by family size at the time of occupancy. Twenty of the Assisted Units will be reserved for lower-income households, whose incomes do not exceed 80% area median income for the County, adjusted by family size at the time of occupancy. One three-bedroom unit will be reserved for an on-site residential manager.

On July 1, 2008, the Riverside County Board of Supervisors adopted Resolution Number 2008-248 to change the street name of Marine Drive to Orange Blossom Lane. The Grant Agreement will be modified and amended to reflect the name change from Marine Drive to Orange Blossom Lane.

Concurrent with the First Amendment, a deed of trust, covenant restriction and notice of affordability restrictions will be recorded for the five additional multi-family rental properties. All Assisted Units will be restricted for low- or moderate-income households for a period of 55 years.

The total acquisition and rehabilitation budget for the Project is estimated at \$8,240,000. A bank loan for \$2,180,000 will be included as a source of funding.

County Counsel has reviewed and approved the attached First Amendment, Deed of Trust and Covenant Agreement. Staff recommends the Board of Directors approve the attached documents.