

871

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



FROM: Redevelopment Agency

SUBMITTAL DATE:
October 8, 2008

SUBJECT: Loan Agreement for the Use of California Housing Finance Agency Loan Funds

RECOMMENDED MOTION: That the Board of Directors:

1. Approve the attached Loan Agreement with Coachella Valley Housing Coalition;
2. Authorize the Chairman of the Board of Directors to sign the Loan Agreement; and
3. Authorize the Executive Director or designee to take all necessary steps to implement this Agreement, including, but not limited to, signing subsequent, necessary and relevant documents.

BACKGROUND: The Coachella Valley Housing Coalition, a California Nonprofit Public Benefit Corporation (CVHC), is requesting a loan from the Redevelopment Agency for the County of Riverside's (Agency) allocation of California Housing Finance Agency (CalHFA) Housing Enabled by Local Partnership (HELP) Loan Funds in the amount of One Million Dollars (\$1,000,000).

(continued on Page 2)

FORM APPROVED COUNTY COUNSEL
BY: *Michelle Clack*
DATE: *10/10/08*
Departmental Concurrence
MICHELLE CLACK

Deanna Lorson

RZ:DL:ER:TF:MT

Robin Zimpher, Executive Director,
by Deanna Lorson, Deputy Executive Director

R:\RDACOM\HOUSING\2008 RDA HOUSING PROJECTS\Nuestro Orgullo\Form 11-Help Funds

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 1,000,000	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: California Housing Finance Agency Loan 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

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

Prev. Agn. Ref.:

District: 4th

Agenda Number:

BACKGROUND (continued): The Agency applied for and received an allocation of CalHFA HELP Funds in the amount of One Million Seven Hundred Fifty Thousand Dollars (\$1,750,000) in the form of a ten-year loan with a 3% interest rate per annum in May 2003. The Agency applied for these funds with the intention of partnering with affordable housing developers to provide affordable housing opportunities to low and very low-income households.

The intended use of the CalHFA HELP Funds is to provide loans for land acquisition, off-site infrastructure improvements and other up-front costs associated with the development of affordable housing. The Agency and CVHC previously entered into a Revolving Loan Agreement wherein the Agency provided CVHC a loan from its CalHFA HELP Fund allocation for the acquisition of land that would be used to develop an affordable housing project. Subsequently, CVHC fulfilled the terms and conditions of that Revolving Loan Agreement and developed 200 single-family homes using their Mutual Self Help Program.

CVHC is now prepared to begin construction of their next affordable housing project, known as the Nuestro Orgullo Homes, 291 single-family homes constructed through CVHC's Mutual Self Help Program. The Nuestro Orgullo Homes development will be located in the community of Mecca on approximately 60 acres. CVHC is requesting a loan from the Agency's CalHFA HELP Funds for infrastructure improvements specifically for this development. The term of the loan will be One Million Dollars (\$1,000,000) at 1.5% simple interest commencing on the execution date of this Agreement until the close of escrow of the sale of the last lot in this development or May 15, 2012, whichever occurs first.

Eighty Seven lots will be restricted to very low-income households whose incomes do not exceed 50% of the area median income for the County, adjusted by family size at the time of occupancy. A Regulatory Agreement will be executed and recorded on these restricted units and will remain in effect for a period of 45 years.

Agency Counsel has reviewed and approved the attached Loan Agreement. Staff recommends that the Board approve the attached document.