

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

451



FROM: Economic Development Agency

SUBMITTAL DATE:
February 6, 2009

SUBJECT: Subordination Agreement for San Jacinto Villas in the City of San Jacinto

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached Subordination Agreement with Centerline Mortgage Capital Incorporated and San Jacinto Santa Fe Limited Partnership;
2. Authorize the Chairman of the Board to sign the attached Subordination Agreement; and
3. Authorize the Assistant County Executive Officer/EDA or designee to take all necessary steps to implement the Subordination Agreement including, but not limited to, signing subsequent, essential and relevant documents.

BACKGROUND: On April 3, 2007, the Board of Supervisors approved a Loan Agreement for the Use of HOME Funds with San Jacinto Santa Fe Limited Partnership ("Owner") in the amount of \$750,000 (the "HOME Loan") for the development and construction of an 81-unit, multi-family apartment complex, San Jacinto Villas Apartments, in the city of San Jacinto (the "Project"). The Project received Certificate of Occupancy on May 1, 2008.

(continued on page 2)

Robin Zimpfer

RZ:DL:ER:TF:MM

Robin Zimpfer
Assistant County Executive Officer/EDA

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FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	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 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 J. Sargent*
Jennifer J. Sargent

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
DATE 2/13/09
BY MICHELLE CLACK
Departmental Concurrence

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

Prev. Agn. Ref.: 3.13 of 10/17/06; 9.3 of 11/14/06; 3.8 of 4/3/07; and 3.22 of 12/16/08 **District:** 3rd

Agenda Number:

3.17

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

BACKGROUND (continued):

On December 16, 2008, a First Amendment to Loan Agreement for the Use of Home Funds was approved by the Board to reduce the HOME Loan from \$750,000 to \$350,000.

The Owner is securing permanent financing to pay off the construction loan on this project and has requested that the County HOME Loan be subordinate to the permanent first mortgage provided by Centerline Mortgage Capital Incorporated. The County's financial position in the project will not be altered by such request.

County Counsel has reviewed and approved to form the attached Subordination Agreement. Staff recommends that the Board approve the attached documents.