

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

931



FROM: Economic Development Agency

SUBMITTAL DATE:
March 2, 2009

SUBJECT: Loan Agreement for the Use of HOME Funds for River Canyon Apartments

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached Loan Agreement and Deed of Trust for the use of \$750,000 in HOME Program Funds between the County of Riverside and Cathedral Family Housing Partners, L.P.;
2. Authorize the Chairman of the Board to sign the attached Loan Agreement and Deed of Trust;
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:

Cathedral Family Housing Partners, L.P. is a California limited partnership ("OWNER") whose managing general partner is Southern California Housing Development Corporation, a certified Community Housing Development Organization. OWNER is requesting \$750,000 in HOME funds for the development and construction of an 60-unit multi-family apartment complex in the City of Cathedral City (the "Project").
(Continued on page 2)

FORM APPROVED COUNTY COUNSEL
BY: MICHELLE CLACK
DATE: 3/19/09
Departmental Concurrence

Robin Zimpfer

Robin Zimpfer
Assistant County Executive Officer/EDA

RZ:DL:ER:TF:JG

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FINANCIAL DATA	Current F.Y. Total Cost:	\$ 750,000	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 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

- Consent
- Policy
- Consent
- Policy

ERG
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SEARCHED INDEXED

Prev. Agn. Ref.: 3.11-10/23/08; 3.29-7/01/08

District: 4th

Agenda Number:

3.17

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

Form 11 (Rev 06/2003)

BACKGROUND (continued):

The project has a mix of 41 two-bedroom, and 18 three-bedroom units. One additional three-bedroom unit will be set aside for on-site manager. The proposed project site, approximately 4.55 acres, is located on Assessor Parcel Number 673-140-010, 673-140-011, 673-140-012, 673-140-013, and 673-140-017, situated between Corregidor Drive and Vaquero Road, north of Victoria Drive in Cathedral City. All units will come equipped with a refrigerator, dishwasher, combination range/oven, garbage disposal, central heating/cooling, and carpeting. The two-bedroom units are approximately 950 square feet, and the three-bedroom units are 1,100 square feet. The development will include a community building of approximately 1,800 square feet with a kitchen, restrooms, laundry facilities, a computer lab room, and a manager's office.

The OWNER intends to use the HOME funds for hard and soft construction expenses. Other funding sources that are being sought by the applicant include a \$4,006,162 loan from the Redevelopment Agency for the City of Cathedral City, a permanent loan of \$2,195,017, a \$354,000 deferred loan from the Federal Home Loan Affordable Housing Program (AHP) Funds, \$350,000 in deferred developer fee, and a limited partner tax credit equity contribution of \$7,851,907. The total development costs are estimated to be \$15,507,086. Eleven (11) units will be designated as Low HOME units which are limited to very low-income households whose incomes do not exceed 50% of the Riverside County Median Income for a period of at least 55 years. The term of the HOME funds loan will be one percent (1.00%) interest over 55 years.

On July 01, 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 2008/2009 One Year Action Plan on October 23, 2008.

County Counsel has reviewed and approved the attached Loan Agreement and Deed of Trust. Staff recommends that the Board approve the attached documents.