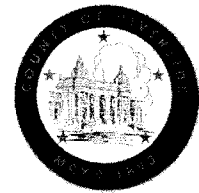


**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

515



FROM: Economic Development Agency

SUBMITTAL DATE:
July 6, 2009

SUBJECT: Finding of No Significant Impact (FONSI) on the Environment for Summerhouse Apartments in the City of Temecula

RECOMMENDED MOTION: That the Board of Supervisors:

1. Adopt the attached Environmental Assessment Report ("EA") and findings incorporated in the EA and in the FONSI for the Summerhouse Apartments project, and conclude that the project is not an action which may affect the quality of the environment;
2. Approve the attached Request for Release of Funds; and
3. Authorize the Chairman of the Board of Supervisors to execute the Request for Release of Funds and Environmental Assessment Report to be filed with the United States Department of Housing and Urban Development ("HUD").

BACKGROUND (Commences on Page 2)

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 2,500,000	In Current Year Budget:	YES
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	NO
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2009/2010

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: NO

SOURCE OF FUNDS: Neighborhood Stabilization Program Funds	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

BY:
Serena Chow

County Executive Office Signature

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

Prev. Agn. Ref.: **District:** 3 **Agenda Number:** 3.20

BACKGROUND:

The environmental effects of activities carried out with Neighborhood Stabilization Program (NSP) grant funds must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 ("NEPA") and the related authorities listed in HUD's implementing regulations at 24 CFR parts 50 and 58. These regulations specify procedures for conducting environmental review, including finding a level of clearance and requesting release of funds.

The Riverside County Economic Development Agency ("EDA") has completed applicable review procedures and has evaluated the potential effects of the project on the environment. The attached documentation was prepared pursuant to NEPA and the environmental procedures cited in 24 CFR 58.5 and 58.6, and EDA has found that the proposed project would not have a significant effect on the environment. Publishing requirements have been met in accordance with 24 CFR 58.43 and 58.45.

PROJECT DESCRIPTION:

Bridge Housing Corporation (the "Applicant"), a nonprofit corporation, is proposing to use up to \$2,500,000 in NSP funds for the acquisition, development, and construction of Summerhouse Apartments, a partially built 110-unit apartment complex in the City of Temecula for qualified low-income households ("Project"). The Project is located at 44155 Margarita Road, in the City of Temecula, CA 92530, on approximately 6.8 acres between the corners of Dartola Road and Margarita Road with assessor parcel number 959-080-022.

The Project site is a fully entitled, partially built, 110-unit multi-family development that was foreclosed by United Commercial Bank. Prior to foreclosure the previous owner completed all site work, including perimeter walls, streets, and landscaping. One eight-unit building is complete, one six-unit building is 75% complete and two small recreational buildings are 75% complete. The proposed Project will consist of 18 one-bedroom units (each approximately 690 square feet), 52 two-bedroom units (varying in size from approximately 878 to 1324 square feet), and 40 three-bedroom units (varying in size from approximately 1103 to 1918 square feet). Two three-bedroom units will be set aside for the resident managers.

The Applicant will be partnering with Orange County Rescue Mission ("OCRM"), a non-profit corporation, to create two independent communities through a legal lot line adjustment. The Applicant will develop and manage 90 units and target families earning 30%-60% of the area median income, while OCRM will develop and manage 20 units. OCRM will target homeless families and individuals earning 30% of the area median income who participate in the Homelessness Prevention and Rapid Re-Housing Program (HPRP). HPRP provides homeless families or individuals with housing and supportive services.

Other funding sources that are being sought by the Applicant include a limited partner tax credit equity contribution of \$14,247,667; a conventional loan of \$2,017,000; a deferred loan of \$5,770,458 from the City of Temecula Redevelopment Agency; and a deferred developer fee of \$300,000. The total cost of development is estimated to be \$24,835,125.

County Counsel has reviewed and approved as to form the attached Environmental Assessment and Request for Release of Funds. Staff recommends that the Board approved the attached documents.