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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:**  
June 17, 2010

**SUBJECT:** Adoption of RDA Resolution No. 2010-040 Supporting the Tax Credit Application for Vineyards at Menifee Apartments in the City of Menifee

**RECOMMENDED MOTION:** That the Board of Directors (Board) adopt the attached RDA Resolution No. 2010-040 Supporting the Tax Credit Application of Palm Desert Development Company for Low-Income Housing Tax Credits for the Vineyards at Menifee Apartments in the City of Menifee.

**BACKGROUND:** (Commences on Page 2)

FORM APPROVED COUNTY COUNSEL  
DATE 6/16/10  
BY MICHELLE CLACK  
Departmental Concurrence

Robert Field  
Executive Director

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 3,600,000	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 SUPERVISORS AGENDA:** No

<b>SOURCE OF FUNDS:</b> Redevelopment Low-and Moderate-Income Housing Funds	<b>Positions To Be Deleted Per A-30</b>	<input type="checkbox"/>
	<b>Requires 4/5 Vote</b>	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:**

APPROVE

BY: Jennifer L. Sargent

County Executive Office Signature

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

**Prev. Agn. Ref.:** 4.7-3/25/08; 3.13-6/17/08;  
3.17-7/1/08

**District:** 3

**Agenda Number:**

4.3  
RDA-001a-11.doc  
FRM 11 (REV 06/2003)

Adoption of RDA Resolution No. 2010-040 Supporting the Tax Credit Application for Vineyards at Menifee Apartments in the City of Menifee

June 17, 2010

Page 2

**BACKGROUND:** On March 25, 2008, the Redevelopment Agency for the County of Riverside ("Agency") granted Palm Desert Development Company ("Developer") a \$2,000,000 grant to purchase the property on which the proposed project is to be built; a 4.8 acre parcel situated on the north east corner of Newport Road and Winter Hawk Road in the City of Menifee, Assessor Parcel Number 338-170-025 ("Project Site"). On June 2008, the residents of the community of Menifee voted to incorporate, which means that due to the incorporation of the City of Menifee, the Project Site is no longer inside the territorial jurisdiction of the Agency.

The Developer is applying to the California Tax Credit Application Committee ("TCAC") for a reservation of tax credits for the Vineyards at Menifee Apartments, an affordable senior apartment complex in the City of Menifee in Riverside County. At present, there is a financing gap of approximately \$3,600,000. In order to complete the tax credit application process, the developer must provide TCAC with a Resolution from the local jurisdiction providing support for the Project. The Developer has requested that the Agency contribute an additional \$3,600,000 to fill the gap. Agency funds shall be subject to any restriction on the use of the Agency funds contained in the California Health and Safety Code.

The need to expand the affordable housing stock for low income and special needs households is a high priority in Riverside County. The attached Resolution will support the Palm Desert Development Company's application for tax credit reservation for Vineyards at Menifee Apartments Project. The Resolution will also recommend to the Board of Directors the loan of \$3,600,000 in Redevelopment Low- and Moderate-Income Housing Set-Aside Funds for construction of eligible activities on this Project Site.

**PROJECT DESCRIPTION:**

The Project will consist of 64 one-bedroom and 16 two-bedroom rental units including one two-bedroom manager's unit. The development will serve seniors, age 55 and over, with incomes which are no more than 60% of the Riverside County Area Median Income. A minimum of 39 Agency restricted units will be set aside. Additionally, in connection with the Riverside County Mental Health funds that are being sought, a minimum of 10% of the units will be restricted for seniors referred by the Department of Mental Health Homeless Housing Opportunities, Partnership, and Education Program ("HHOPE"). All units will include kitchens equipped with refrigerator, dishwasher, range/oven, garbage disposal, and central heating and cooling. The development will feature a community room, laundry facility, swimming pool, and BBQ picnic areas. The community room will provide indoor communal and education space. The community center includes a gym, computer room, game room, media room, eating area, kitchen and restrooms.

Other funding sources include a \$1,470,870 conventional loan; a loan of \$1,500,000 from the Mental Health Services Act ("MHSA") Program; tax credit equity contribution of \$11,128,849; a \$2,000,000 grant from the Redevelopment Agency for the County of Riverside; \$571,374 in waived impact fees; and deferred developer's fee of \$99,653. The total cost of development is estimated to be \$20,712,495.

Agency Counsel has reviewed and approved the attached resolution. Staff recommends that the Board approve the attached resolution.

RF:DM:ER:TF:JG 10152

S:\Housing\HOME\2008 HOME-Tom FWineyards\Form 11\F11 - Resolution-Vineyards.doc Final.

**BOARD OF DIRECTORS**

**REDEVELOPMENT AGENCY**

**RDA RESOLUTION 2010-040  
SUPPORTING THE APPLICATION FOR  
LOW-INCOME HOUSING TAX CREDITS FOR  
VINEYARDS AT MENIFEE APARTMENTS  
IN THE CITY OF MENIFEE**

**WHEREAS**, Agency is a redevelopment agency duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the provisions of the California Community Redevelopment Law ("CRL"), which is Part 1 of Division 24 of the California Health and Safety Code (commencing with Section 33000 et seq.); and

**WHEREAS**, on July 16, 2002, the Riverside County Board of Supervisors adopted Ordinance No. 821 and No. 822 approving the merger of the 5-1986 Project Area and the 5-1987 Project Area forming the redevelopment plan for the I-215 Project Area (hereinafter referred to as "Project Area"); and

**WHEREAS**, on March 25, 2008, the Redevelopment Agency for the County of Riverside ("Agency") granted Palm Desert Development Company ("Developer") \$2,000,000 to purchase real property located on the northeast corner of Newport Road and Winter Hawk Road, known as Assessor Parcel Number 338-170-025 in the City of Meniffee in Riverside County ("Project Site") for the purpose of developing affordable housing; and

**WHEREAS**, Agency, pursuant to Section 33334.2 of the California Health and Safety Code, wishes to utilize its Low- and Moderate-Income Housing Set-Aside Funds to improve and increase the supply of affordable housing in the unincorporated County of Riverside (hereinafter referred to as "County"); and

**WHEREAS**, Developer is proposing to build an affordable housing development which will consist of eighty (80) affordable rental units and one (1) additional manager's unit ("Project") on the Project Site; and

**WHEREAS**, the Project Site is located outside the Project Area and within the City of Meniffee; and

FORM APPROVED COUNTY COUNSEL  
BY: MICHELLE CLACK  
DATE: 6/16/10

1       **WHEREAS**, Agency adopted RDA Resolution 2005-35 on December 20, 2005, with a  
2 finding that the use of Low and Moderate-Income Housing Set-Aside Funds outside the  
3 Redevelopment Project Area is of benefit to the Project Area; and

4       **WHEREAS**, the Riverside County Board of Supervisors adopted Resolution 2005-374  
5 on December 20, 2005, with a similar finding; and

6       **WHEREAS**, the Agency endeavors to preserve, protect, improve and increase the  
7 affordable housing stock and eliminate blight; and

8       **WHEREAS**, the Project will alleviate blighting condition on the Project Site as set forth  
9 in Section 33031 of the California Health and Safety Code; and

10       **WHEREAS**, the California Tax Credit Allocation Committee ("TCAC") allocate tax credits  
11 for affordable housing projects through its application process; and

12       **WHEREAS**, the application deadline to be considered for the current funding availability  
13 through TCAC is July 7, 2010; and

14       **WHEREAS**, the Developer intends to submit an application for TCAC tax credit  
15 allocation for the development of the Project on the Project Site; and

16       **WHEREAS**, the Project currently has a financing gap of approximately \$3,600,000; and

17       **WHEREAS**, to complete the TCAC application process the Developer must provide a  
18 resolution from the local jurisdictions, including the Agency, supporting the Project; and

19       **WHEREAS**, the Developer has successfully completed several affordable apartment  
20 complexes in Riverside County.

21       **BE IT RESOLVED, DETERMINED, AND ORDERED** by the Board of Directors for the  
22 Redevelopment Agency for the County of Riverside, in regular session assembled on June 29,  
23 2010, as follows:

- 24       1) That the Board of Directors hereby finds and declares that the above recitals are true  
25       and correct.
- 26       2) The Board of Directors supports the Developer's application for a reservation of tax  
27       credits, for the development of an eighty one unit apartment complex to be located in the  
28       City of Menifee in Riverside County, on Assessor Parcel Number 338-170-025.

- 1 3) Subject to any restriction on the use of the Agency funds contained in the California  
2 Community Redevelopment Law, the Board of Directors agrees to provide financing of  
3 up to \$3,600,000 in Redevelopment Low- and Moderate-Income Housing Set-Aside  
4 Funds ("RDA Loan") to Developer for construction of eligible activities on the Project,  
5 subject to the following: applicable legal requirements, project receiving all applicable  
6 permits, and negotiation of Agency loan agreement satisfactory to the Board of  
7 Directors.
- 8 4) Additionally, the term of the RDA Loan will be one percent (1.00%) interest over 55  
9 years.
- 10 5) The Board of Directors commitment to provide funding is valid until September 30, 2011,  
11 and shall thereafter have no force or effect, unless RDA Loan agreement has theretofore  
12 been approved and executed by the Board of Directors and the Developer, with respect  
13 to the Project.

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