

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

324



**FROM:** Redevelopment Agency

**SUBMITTAL DATE:**  
March 31, 2011

**SUBJECT:** Adoption of Funding RDA Resolution No. 2011-012, for Los Vinedos at Mecca

**RECOMMENDED MOTION:** That the Board of Directors adopt the attached RDA Resolution No. 2011-012, authorizing funding up to amount of \$3,500,000 to Desert Alliance for Community Empowerment for Los Vinedos in the unincorporated community of Mecca.

**BACKGROUND:** Desert Alliance for Community Empowerment (Developer) has applied to the Redevelopment Agency for the County of Riverside (RDA) for funding assistance in the development of Los Vinedos, a manufactured housing complex for farmworkers.

(Continued)

*Robert Field*

Robert Field  
Executive Director

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 3,500,000	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2010/11

**COMPANION ITEM ON BOARD OF SUPERVISORS AGENDA:** No

**SOURCE OF FUNDS:** Redevelopment Low-and Moderate-Income Housing Funds

Positions To Be Deleted Per A-30	<input type="checkbox"/>
Requires 4/5 Vote	<input type="checkbox"/>

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

APPROVE

BY:

County Executive Office Signature

*Jennifer L. Sargent*  
Jennifer L. Sargent

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

Prev. Agn. Ref.: N/A

District: 4

Agenda Number

4.5

FISCAL PROCEDURES APPROVED  
 PAUL ANGULO, CPA, AUDITOR-CONTROLLER  
 BY: *Samuel Wong* 4/12/11  
 DATE: 4/12/11

FORM APPROVED BY COUNTY COUNSEL  
 BY: *Nita C. Willis* 4/11/11  
 DATE: 4/11/11

**BACKGROUND (Continued):**

The proposed development will consist of a 41-unit manufactured housing complex for farmworkers in the unincorporated community of Mecca. The proposed project is located on a portion of a 25 acre lot situated to the southeast corner of Hammond Road and 68<sup>th</sup> Avenue, Assessor's Parcel Number 729-050-002. There is currently a gap financing in the amount of \$3,500,000 for which the Developer has requested assistance to fill in.

The attached Resolution recommends to the Board of Directors to make a loan commitment of \$3,500,000 in RDA Low-and Moderate-Income Housing Set-Aside Funds for the development and construction of the project. The Resolution obligates \$3,500,000 in Low-and Moderate-Income Housing Set-Aside funds for this project upon satisfaction of the following:

1. Secure any and all land use entitlements, permits, and approvals which may be required for construction of the project;
2. Obtain sufficient equity capital or firm and binding commitments for construction and permanent financing necessary to undertake the development and completion of the project; and
3. Successful negotiation of an RDA loan agreement satisfactory to the Board of Directors.

The estimated total development cost for the project is \$9,212,406. Funding will include a \$3,000,000 loan from the United States Department of Agriculture Farm Labor Housing Program Section 514/516; a \$1,000,000 loan from the Rural Community Assistance Corporation; a \$840,000 deferred loan from the Federal Home Loan Affordable Housing Program; a loan of \$872,406 from Housing and Community Development Joe Serna Jr. Farmworker Housing Grant Program.

Agency Counsel has reviewed and approved to form the attached RDA Resolution No. 2011-012, and staff recommends that the Board of Directors approve RDA Resolution No. 2011-012.

**FINANCIAL DATA:**

All the costs related to the development of the project will be fully funded with Redevelopment Housing Set Aside Funds. RDA has budgeted this expense in the FY 2010/11 budget.

Attachments:  
RDA Resolution No. 2011-012

**RDA RESOLUTION 2011-012  
FUNDING COMMITMENTS FOR  
LOS VINEDOS  
IN THE COMMUNITY OF MECCA**

**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**, the County adopted Ordinance No. 638, on December 23, 1986, a redevelopment plan for an area within the County known as Desert Communities Project Area ("Project Area"); 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**, Desert Alliance for Community Empowerment ("Developer") is proposing to build an affordable housing development which will consist of a forty one (41) unit manufactured housing complex ("Project") on real property located on a portion of a 25 acre lot situated to the southeast corner of Hammond Road and 68<sup>th</sup> Avenue, in the unincorporated community of Mecca, Assessor Parcel Number 729-050-002 (Property); and

**WHEREAS**, the Property is located outside the Project Area; and

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

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

**WHEREAS**, the Agency endeavors to preserve, protect, improve and increase the

1 affordable housing stock and eliminate blight; and

2 **WHEREAS**, the Project will alleviate blighting conditions on the Project Site as set forth  
3 in Section 33031 of the California Health and Safety Code; and

4 **WHEREAS**, the total development cost of the Project is approximately \$9,212,406;

5 **WHEREAS**, the Project currently has a financing gap of approximately \$3,500,000  
6 (Financing Gap); and

7 **WHEREAS**, DEVELOPER has obtained a financing commitment from the Rural  
8 Community Assistance Corporation (RCAC) in the amount of \$1,000,000;

9 **WHEREAS**, DEVELOPER has submitted an application to the Agency for funding  
10 assistance in the amount of \$3,500,000; and

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

13 **BE IT RESOLVED, DETERMINED, AND ORDERED** by the Board of Directors for the  
14 Redevelopment Agency for the County of Riverside, in regular session assembled on April 26,  
15 2011, as follows:

- 16 1) That the Board of Directors hereby finds and declares that the above recitals are true  
17 and correct.
- 18 2) Subject to any restriction on the use of the Agency funds contained in the California  
19 Community Redevelopment Law, the Board of Directors agrees to provide financing of  
20 up to \$3,500,000 in Redevelopment Low- and Moderate-Income Housing Set-Aside  
21 Funds ("RDA Loan") to Developer for construction of eligible activities on the Project,  
22 subject to the following:
- 23 a. Secure any and all land use entitlements, permits and approvals which may be  
24 required for construction of the Project;
- 25 b. Obtain sufficient equity capital or firm and binding commitments for construction  
26 and permanent financing necessary to undertake the development and  
27 completion of the Project;
- 28 c. Successful negotiation of an RDA loan agreement satisfactory to the Board of  
Directors.
- 3) Additionally, the RDA Loan will be for fifty five (55) years at zero percent (0%) interest.

1 4) The Board of Directors commitment to provide funding is valid until January 30, 2012,  
2 and shall thereafter have no force or effect, unless an RDA loan agreement has  
3 theretofore been approved and executed by the Board of Directors and the Developer,  
4 with respect to the Project.

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FORM APPROVED COUNTY COUNSEL  
BY:  DATE