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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:**  
August 4, 2011

**SUBJECT:** Adoption of RDA Resolution No. 2011-037 Funding Commitment and Support for Funding Applications for Paseo De Los Heroes III in the Community of Mecca

**RECOMMENDED MOTION:** That the Board of Directors adopt the attached RDA Resolution No. 2011-037, authorizing funding up to an amount of \$1,500,000 to Coachella Valley Housing Coalition and support for funding applications for Paseo De Los Heroes III in the community of Mecca

**BACKGROUND:** Coachella Valley Housing Coalition (Developer) has applied to the Redevelopment Agency for the County of Riverside (Agency) for funding assistance in the development of Paseo De Los Heroes III, an apartment complex for farmworkers.

(Continued)

*Robert Field*  
Robert Field  
Executive Director

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 1,500,000	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2011/12

**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

FISCAL PROCEDURES APPROVED  
PAUL ANGULO, CPA, AUDITOR-CONTROLLER  
BY: *Samuel Wong*  
DATE: *8/11/11*  
FISCAL PROCEDURES APPROVED  
ANITA C. WILLIS  
DATE: *8/11/11*  
FORM APPROVED COUNTY COUNSEL  
BY: *Anita C. Willis*  
DATE: *8/11/11*

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

11 AUG - 9 940:21  
RIVERSIDE COUNTY  
REDEVELOPMENT AGENCY

Prev. Agn. Ref.: N/A | District: 4 | Agenda Number: 4.5

**BACKGROUND:** (Continued)

The proposed project will consist of an 80 unit apartment complex, with one additional manager's unit, in the unincorporated community of Mecca. The proposed project will serve households with incomes no more than 50% of the Riverside County area median income. The proposed project is located on a 10 acre portion of a 18.32 acre lot situated on the northeast corner of Lincoln Street and 64<sup>th</sup> Avenue, Assessor's Parcel Number 727-030-041 (Site). There is currently a financing gap in the amount of \$1,500,000 for which the Developer has requested assistance to fill in.

The attached resolution recommends to the board to make a loan commitment of \$1,500,000 in RDA Low-and Moderate-Income Housing Set-Aside Funds (Agency Loan) for the development and construction of the proposed project. The Agency Loan shall be subject to any restriction on the use of the Agency funds contained in the California Health and Safety Code. The resolution obligates \$1,500,000 in RDA Low-and Moderate-Income Housing Set-Aside Funds for this proposed 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 proposed project, including compliance with the California Environmental Quality Act;
2. Obtain sufficient equity capital or firm and binding commitments for construction and permanent financing necessary to undertake the development and completion of the proposed project; and
3. Successful negotiation of an Agency agreement satisfactory to the board.

The Developer intends to submit applications to various funding sources. In order to complete the loan applications, the Developer must provide a resolution from the local jurisdictions, including the Agency, providing support for the proposed project.

The estimated total development cost for the proposed project is \$21,772,861. Proposed funding will include a \$3,000,000 loan from United States Department of Agriculture Section 521; an \$800,000 loan from Federal Home Loan Bank; a tax credit equity contribution in the amount of \$16,122,861; and a deferred developer fee in the amount of \$350,000.

Agency counsel has reviewed and approved to form the attached RDA Resolution No. 2011-037, and staff recommends that the board approve RDA Resolution No. 2011-037.

**Financial Data:**

All the costs related to the Agency Loan will be fully funded with Redevelopment Housing Set Aside Funds.

**Attachments:**

RDA Resolution No. 2011-037

2  
3 **RDA RESOLUTION 2011-037**  
4 **FUNDING COMMITMENT**  
5 **AND SUPPORT FOR FUNDING APPLICATIONS FOR**  
6 **PASEO DE LOS HEROES III**  
7 **IN THE COMMUNITY OF MECCA**

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

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

17 **WHEREAS**, the Agency adopted Ordinance No. 638, on December 23, 1986, a  
18 redevelopment plan for an area with the County known as Desert Communities Project Area  
19 ("Project Area");

20 **WHEREAS**, Coachella Valley Housing Coalition ("Developer") is proposing to build an  
21 affordable housing development which will consist of eighty (80) affordable rental apartment  
22 units and one (1) additional manager's unit ("Project") on real property located on a 10 acre  
23 portion of a 18.32 acre lot situated on the northeast corner of Lincoln Street and 64<sup>th</sup> Avenue, in  
24 the unincorporated community of Mecca, Assessor Parcel Number 727-030-041 ("Project Site");

25 **WHEREAS**, the Project Site is located within the Project Area;

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

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

**WHEREAS**, Developer has submitted an application to the Agency for funding

1 assistance in the amount of \$1,500,000;

2 **WHEREAS**, the Developer intends to submit applications to various funding sources for  
3 the development of the Project on the Project Site;

4 **WHEREAS**, to complete the application process to the various funding sources, the  
5 Developer must provide a resolution from the local jurisdictions, including the Agency,  
6 supporting the Project; and

7 **WHEREAS**, Developer has successfully completed several affordable apartment  
8 complexes in Riverside County.

9 **BE IT RESOLVED, DETERMINED, AND ORDERED** by the Board of Directors for the  
10 Redevelopment Agency for the County of Riverside, in regular session assembled on August  
11 16, 2011, as follows:

- 12 1) That the Board of Directors hereby finds and declares that the above recitals are true  
13 and correct.
- 14 2) Subject to any restriction on the use of the Agency funds contained in the California  
15 Community Redevelopment Law, the Board of Directors agrees to provide financing of  
16 up to \$1,500,000 in Redevelopment Low- and Moderate-Income Housing Set-Aside  
17 Funds ("RDA Loan") to Developer for construction of eligible activities on the Project  
18 Site, subject to the following:
  - 19 a. Secure any and all land use entitlements, permits, and approvals which may be  
20 required for construction of Project, including compliance with the California  
21 Environmental Quality Act;
  - 22 b. Obtain sufficient equity capital or firm and binding commitments for construction  
23 and permanent financing necessary to undertake the development and  
24 completion of the Project; and
  - 25 c. Successful negotiation of an RDA Loan agreement satisfactory to the Board of  
26 Directors.
- 27 3) The term of the RDA Loan will be for fifty-five (55) years.
- 28 4) The Board of Directors supports the Developer's applications to various funding sources

1 for the development of an eighty one unit apartment complex to be located in the  
2 unincorporated community of Mecca in Riverside County, on Assessor Parcel Number  
3 727-030-041.

4 5) The Board of Directors commitment to provide funding is valid until September 15, 2012,  
5 and shall thereafter have no force or effect, unless an RDA Loan agreement has  
6 theretofore been approved and executed by the Board of Directors and the Developer,  
7 with respect to the Project.

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FORM APPROVED COUNTY COUNSEL  
BY: *Anita C. Willis* 8-2-11  
ANITA C. WILLIS DATE