

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

408



FROM: Economic Development Agency

SUBMITTAL DATE:  
August 19, 2010

SUBJECT: Termination Agreement for the Use of HOME Funds for Vineyards at Meniffee Apartments in the City of Meniffee

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached Termination Agreement with Meniffee Vineyards Limited Partnership;
2. Authorize the Chairman of the Board to sign the attached Termination Agreement; and
3. Authorize the Assistant County Executive Officer/EDA, or designee, to take all necessary steps to implement the termination agreement including, but not limited to, signing subsequent essential and relevant documents subject to approval by County Counsel.

BACKGROUND: (Commences on Page 2)

*Robert Field*

Robert Field  
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	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 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: *Alex Gann*  
Aila Gann

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Stone, seconded by Supervisor Tavaglione and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Tavaglione, Stone, Benoit and Ashley  
Nays: None  
Absent: None  
Date: October 19, 2010  
xc: EDA

Kecia Harper-Ihem  
Clerk of the Board

By: *Kecia Harper-Ihem*  
Deputy

3.21

Prev. Agn. Ref.: 4.3-6/29/2010; 3.17-7/15/2008;  
3.17-7/1/2008; 3.13-6/17/08

District: 3

Agenda Number:

ATTACHMENTS FILED WITH  
THE CLERK OF THE BOARD

FORM APPROVED COUNTY COUNSEL

BY: *Janita C. Willis*

DATE: *8-20-10*

Departmental Concurrence

Policy ☒

Consent ☐

Dep't Recomm.: ☐

Policy ☒

Consent ☐

Per Exec. Ofc.: ☐

**BACKGROUND:**

On March 16, 2010, the Board of Supervisors (Board) approved a Loan Agreement for the use of HOME Investment Partnerships Act Grant Funds ("HOME Funds") with Meniffee Vineyards Limited Partnership, a California Limited Partnership ("Owner"), in the amount up to \$1,100,000 ("the HOME Loan Agreement") for the development and construction of a 81-unit rental housing complex for seniors in the City of Meniffee ("Project").

Subsequent to that, the Owner applied for Redevelopment Low-and Moderate-Income Housing Funds ("RDA Funds") to the Redevelopment Agency for the County of Riverside ("Agency") and on June 29, 2010 the Agency Board of Directors adopted RDA Resolution 2010-040, Supporting the Application for Low-Income Housing Tax Credits for the Project. The Agency Board of Directors also agreed to finance up to \$3,600,000 in RDA Funds for the development of the Project, subject to the Project meeting all applicable legal requirements, receiving all applicable permits, and negotiation of Agency loan agreement satisfactory to the Board of Directors. The Owner wishes to terminate the HOME Loan Agreement and use the RDA Funds for the Project instead.

Pursuant to Section 38 of the HOME Loan Agreement, in the event that Owner and the County mutually agree to terminate the HOME Loan Agreement, the agreement may be terminated in accordance with 24 CFR 85.44. Upon execution of the termination agreement, the Owner and COUNTY shall be released and discharged from their obligations under the HOME Loan Agreement. No HOME Funds were disbursed.

County Counsel has reviewed and approved as to form the attached Termination Agreement. Staff recommends that the Board approve the attached Termination Agreement.

This termination agreement (the "Agreement") is made and entered into on this 5<sup>th</sup> day of October, 2010, (the "Effective Date") by and between the County of Riverside ("COUNTY") and Menifee Vineyards Limited Partnership, a California limited partnership ("OWNER").

**WHEREAS**, on March 16, 2010, COUNTY and OWNER entered into a Loan Agreement for the use of Home Investment Partnerships (“HOME”) Program Funds (the “HOME Loan Agreement”); and

**WHEREAS**, under the terms and conditions of the HOME Loan Agreement, COUNTY agreed to lend HOME Funds to OWNER in the amount up to \$1,100,000 for the development and construction of a 81-unit rental housing complex for seniors in the City of Menifee (the “Project”); and

**WHEREAS**, pursuant to Section 38, Termination, of the HOME Loan Agreement, the OWNER and COUNTY mutually agree to terminate the HOME Loan Agreement; and

**WHEREAS**, no funds were disbursed to OWNER; and

**WHEREAS**, OWNER is waiving its right to notice and cure set forth in Section 31 and Section 32 of the HOME Loan Agreement; and

**NOW, THEREFORE**, in consideration of the preceding promises and the mutual covenants and agreements hereinafter contained, the parties hereto do hereby agree as follows:

SECTION 1: The HOME Loan Agreement between COUNTY and OWNER is terminated as of the Effective Date of this Agreement.

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**(SIGNATURES CONTINUE ON NEXT PAGE)**

1 IN WITNESS WHEREOF, the COUNTY and the OWNER have executed this Agreement as  
2 of the date first above written.

3  
4 COUNTY OF RIVERSIDE

OWNER

5 By: Marion Ashley Meniffee Vineyards Limited Partnership,  
6 MARION ASHLEY a California limited partnership,  
7 Chairman, Board of Supervisors By: Palm Desert Development Company,  
8 a California Corporation  
9 Its Administrative General Partner

10 By: Danavon L. Horn  
11 Danavon L. Horn, President

12 APPROVED AS TO FORM:

13 PAMELA J. WALLS  
14 County Counsel

15 By: [Signature]  
16 Deputy

17 ATTEST:

18 KECIA HARPER-IHEM  
19 Clerk of the Board

20 By: [Signature]  
21 Deputy