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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
Executive Director

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|-----------------------|-------------------------------|--------------|-------------------------|---------|
| FINANCIAL DATA | 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

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|---|---|--------------------------|
| 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:
Jennifer L. Sargent

County Executive Office Signature

MINUTES OF THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY

On motion of Supervisor Ashley, seconded by Supervisor Buster 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: August 16, 2011
xc: RDA, Auditor

Kecia Harper-Ihem
Clerk of the Board
By:
Deputy

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

FISCAL PROCEDURES APPROVED
PAUL ANGULO, CPA, AUDITOR-CONTROLLER
BY:
ANITA C. WILLIS
DATE: 8/3/11

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

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 64th 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

**RDA RESOLUTION 2011-037
FUNDING COMMITMENT
AND SUPPORT FOR FUNDING APPLICATIONS FOR
PASEO DE LOS HEROES III
IN THE COMMUNITY OF MECCA**

WHEREAS, the Redevelopment Agency for the County of Riverside ("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.);

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");

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

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

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

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

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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ROLL CALL:

10 ///

Ayes: Buster, Tavaglione, Stone, Benoit, and Ashley

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Nays: None

12 ///

Absent: None

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The foregoing is certified to be a true copy of a resolution duly
adopted by said Board of Supervisors on the date therein set forth.

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KECIA HARPER-IHEM, Clerk of said Board

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By: _____

Deputy

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FORM APPROVED COUNTY COUNSEL

BY: *[Signature]*

DATE

ANITA C. WILLIS