

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

013



**FROM:** Economic Development Agency      **SUBMITTAL DATE:** February 28, 2003

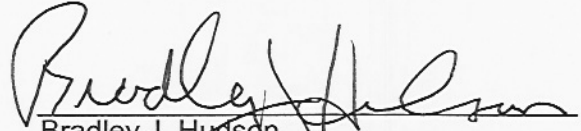
**SUBJECT:** Resolution No. 2003-119 – A Resolution of the Board of Supervisors of the County of Riverside supporting the application of Palm Desert Development Company for Low-Income Housing Tax Credits for the Cottonwood Place II Apartments in the City of Moreno Valley

**RECOMMENDED MOTION:** That the Board of Supervisors adopt the attached Resolution No 2003-119 supporting the application of Palm Desert Development Company for Low-Income Tax Credits for the Cottonwood Place II Apartments Project in the City of Moreno Valley.

**BACKGROUND:**

Palm Desert Development Company is applying to the California Tax Credit Allocation Committee (TCAC) for a reservation of tax credits for the Cottonwood Place II Apartments Project, an affordable apartment complex in the City of Moreno Valley.

(Cont'd)

  
Bradley J. Hudson,  
Assistant CEO/EDA

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**FINANCIAL DATA:**

CURRENT YEAR COST: \$750,000

NET COUNTY COST: \$0

BUDGET ADJUSTMENT: NO

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: HOME Investment Partnerships Act Grant Funds

ANNUAL COST \$0

IN CURRENT YEAR BUDGET: Yes  
FOR FY: 2002/2003

**C.E.O. RECOMMENDATIONS:**

**APPROVE**

County Executive Officer Signature: 

Department Recommendation:  Consent  Policy  
Per Executive Office:  Consent  Policy

Prev. Agn. Ref.  
3.9 – June 12, 2001

Dist.  
5th

AGENDA NO.

3.12

FORM APPROVED  
COUNTY COUNSEL

MAR 05 2003

BY: 

**BACKGROUND (Cont'd):**

The application must be submitted prior to March 26, 2003 to be considered for the current round of funding. The low-income housing tax credits will be used by the developer to finance the bulk of the project costs. At present, there is a financing gap of approximately \$750,000. 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 County contribute \$750,000 to fill the gap. The necessary environmental review has been conducted for the use of \$750,000 in HOME funds for this project. On June 22, 2001, the County received authorization for release of funds from the U.S. Department of Housing and Urban Development.

The need to expand the Affordable Housing Stock for Low Income and Special Needs Households is a high priority in Riverside County's Consolidated Plan. The attached Resolution will support the Palm Desert Development Company application for tax credits for the Cottonwood Place II Apartments Project and direct staff to recommend to the Board of Supervisors the loan of \$750,000 in HOME funds for use in this project.

**PROJECT DESCRIPTION:**

The proposed housing development is located on a portion of 19.4 acre site located at the southeast corner of Heacock Street and Cottonwood Avenue in the City of Moreno Valley. The project, known as Cottonwood Place II, is designed to serve large families. The project has a mix of 60 three-bedroom units and one three-bedroom on-site manager unit. All units will include two full bathrooms, and kitchens equipped with refrigerator, dishwasher, range/oven, garbage disposal, and central heating and cooling. The development will include a 1,800 square feet community room with a kitchen, restrooms, offices, laundry room, a swimming pool and tot lot.

The estimated total development cost for the project is approximately \$9,266,080. Funding will include a \$762,000 from City of Moreno Valley Redevelopment Agency, a \$197,994 developer's deferred equity, and a \$521,000 Farmers and Merchants Bank loan. The balance will come from the tax credit equity financing. The twenty-five percent HOME matching funds requirement will be satisfied through the City of Moreno Valley Redevelopment Funds contribution. Eleven HOME-assisted units will be set aside for the benefit of very-low income households for a period of at least 55 years.

County Counsel has approved the attached Resolution. Staff recommends that the Board adopt the Resolution.

**FISCAL IMPACT:**

The project will be funded with HOME Investment Partnerships Act grant funds, and there will be no impact on the County's General Fund.

2  
3 Resolution No. 2003-119  
4

5 **RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE**  
6 **SUPPORTING THE APPLICATION OF PALM DESERT DEVELOPMENT COMPANY FOR**  
7 **LOW-INCOME HOUSING TAX CREDITS FOR THE COTTONWOOD PLACE II**  
8 **APARTMENTS.**  
9

10 WHEREAS, the California Tax Credit Allocation Committee (TCAC) provides funding for  
11 affordable housing projects through its competitive application process;  
12

13 WHEREAS, applications to be considered for the current round of TCAC funding must be  
14 submitted by March 26, 2003;  
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16 WHEREAS, the proposed project did not receive Tax Credits during the 2002 application round;  
17

18 WHEREAS, the Palm Desert Development Company has modified the original Tax Credit  
19 Application and now proposes to submit an application to develop sixty (60) three-bedroom  
20 affordable rental units, and a manager's unit at the site;  
21

22 WHEREAS, Riverside County has identified the Expansion of Affordable Rental Housing Stock  
23 for Low Income and Special Needs Households as a high housing priority through its Five-Year  
24 Consolidated Plan and its One-Year Action Plan for the Use of Federal Funds;  
25

26 WHEREAS, Palm Desert Development Company has submitted an application for current  
27 TCAC funding for the Cottonwood Place II Affordable Apartment Complex in the City of Moreno  
28 Valley in Riverside County;  
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30 WHEREAS, the application has been recommended to be funded as a HOME-funded project by  
31 staff, and a Request for Release of Funds has been received from the U.S. Department of  
32 Housing and Urban Development;  
33

34 WHEREAS, the Palm Desert Development Company has successfully completed several  
35 affordable apartment complexes in Riverside County.  
36

37 NOW, THEREFORE, the Board of Supervisors resolves as follows:  
38

39 Section 1. The Board of Supervisors supports the Palm Desert Development Company  
40 application for a reservation of tax credits for the Cottonwood Place II Apartments Project, an  
41 affordable 60 units apartment complex proposed to be located in the City of Moreno Valley in  
42 Riverside County, California.  
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44 Section 2. Upon receipt of a Tax Credit funding commitment, the Board of Supervisors will  
45 direct staff to formally request the allocation of \$750,000 in HOME funds and the preparation of  
46 the appropriate agreements for HOME funding for the Cottonwood Place II Apartments.  
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48 Section 3. This Resolution terminates on March 18, 2004, and shall thereafter have no force  
49 or effect, unless a HOME Agreement has theretofore been approved and executed by the Board  
50 and Palm Desert Development Company, with respect to the site.

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COUNTY OF RIVERSIDE

By \_\_\_\_\_  
John F. Tavaglione, Chairman  
Board of Supervisors

ATTEST:

By \_\_\_\_\_  
Nancy Romero  
Clerk of the Board of Supervisors

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FORM APPROVED  
COUNTY COUNSEL

MAR 05 2003

BY \_\_\_\_\_

