

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

560



FROM: Economic Development Agency **SUBMITTAL DATE:** June 18, 2003

SUBJECT: Resolution No. 2003-309 – 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 Banning Apartments (La Roca) in the City of Banning

RECOMMENDED MOTION: That the Board of Supervisors adopt the attached Resolution No 2003-309 supporting the application of Palm Desert Development Company for Low-Income Tax Credits for the Banning Apartments (La Roca) in the City of Banning.

BACKGROUND:

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

FORM APPROVED
COUNTY COUNSEL

JUN 20 2003

Cont'd

Bradley J. Hudson
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: 2003/2004

C.E.O. RECOMMENDATIONS:

APPROVE

County Executive Officer Signature: *Rhonda King*

Department Recommendation: Consent Policy
Per Executive Office: Consent Policy

Prev. Agn. Ref.

Dist.
5th

AGENDA NO.

3.14

BACKGROUND (Cont'd):

The application must be submitted prior to July 24, 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 will be conducted upon receipt of a tax credit allocation from the State, which is expected sometime in October 2003.

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's application for tax credits for the Banning Apartments Project. The Resolution will also direct staff to recommend to the Board of Supervisors the loan of \$750,000 in HOME funds for use on this project upon satisfaction of environmental review requirements and all necessary and legal steps for the release of funds from U.S. Department of Housing and Urban Development.

PROJECT DESCRIPTION:

The proposed housing development is located on a vacant site located at 935 East Williams Street in the City of Banning. The project, known as Banning Apartments (La Roca), is designed to serve low-income families. The project has a mix of 16 two-bedroom, 36 three-bedroom, and 8 four-bedroom units, as well as a three-bedroom on-site manager's 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 feature a community room with a kitchen, restrooms, offices, and laundry room, and will also have a swimming pool and tot lot.

The estimated total development cost for the project is \$9,730,866. Funding will include a \$250,000 loan from the City of Banning Redevelopment Agency, \$497,545 in developer's deferred equity, and a \$1,269,207 Farmers and Merchants Bank loan. The \$6,964,114 balance will come from the tax credit equity financing. The 25% HOME matching funds requirement will be satisfied through the City of Banning 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.

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.

- 1 2) The Board of Supervisors agrees to provide financing of up to \$750,000 in HOME funds
2 to PDDC, subject to applicable legal requirements, environmental clearance, approval of
3 release of funds from the U.S. Department of Housing and Urban Development and
4 negotiation of a HOME agreement satisfactory to the Board.
- 5 3) Upon receipt of an allocation of tax credits from TCAC, the Board of Supervisors will
6 direct staff to formally request the allocation of up to \$750,000 in HOME funds and the
7 preparation of the appropriate agreements for HOME funding for the Banning
8 Apartments.
- 9 4) This Resolution Number 2003-309 terminates on December 31, 2003, and shall
10 thereafter have no force or effect, unless a HOME agreement has theretofore been
11 approved and executed by the Board of Supervisors and the PDDC, with respect to the
12 site.

13 **COUNTY OF RIVESIDE**

14 BY:

15 _____
John Tavaglione

16 Chairman of the Board of Supervisors

17 **ATTEST**

18 BY:

19 _____
Nancy Romero

20 Clerk of the Board

21
22 **COUNTY COUNSEL**

23
24 BY:

25 _____


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RESOLUTION NUMBER 2003-309

BANNING APARTMENTS(LA ROCA) – PALM DESERT DEVELOPMENT COMPANY