

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

393



FROM: Economic Development Agency

SUBMITTAL DATE:

June 28, 2004

SUBJECT: Resolution No. 2004-354 – 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 San Jacinto Villas in the City of San Jacinto

RECOMMENDED MOTION: That the Board of Supervisors adopt the attached Resolution No, 2004-354 supporting the application of Palm Desert Development Company for Low-Income Housing Tax Credits for San Jacinto Villas in the City of San Jacinto.

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

(Cont'd)

Departmental Concurrence

Bradley J. Hudson

Bradley J. Hudson, Assistant CEO/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$1,600,000.00	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2003/04

SOURCE OF FUNDS: HOME Investment Partnerships Act Funds

Positions To Be Deleted Per A-30

Requires 4/5 Vote

C.E.O. RECOMMENDATION: **APPROVE**

FORM APPROVED
COUNTY COUNSEL

JUL 07 2004

County Executive Office Signature

Bronda King

BY *Lee A. Vinocar*

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

Prev. Agn. Ref.:

District: 3rd

Agenda Number:

3.21

BACKGROUND (Cont'd):

The application must be submitted on or prior to July 22, 2004 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 \$1,600,000. 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 \$1,600,000 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 2004.

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 San Jacinto Villas Apartments Project. The Resolution will also direct staff to recommend to the Board of Supervisors the loan of \$1,600,000 in HOME funds for permanent financing use on this project upon satisfaction of environmental review requirements, all necessary and legal steps for the release of funds from U.S. Department of Housing and Urban Development (HUD), all applicable permits, and City of San Jacinto's approval. This loan is also conditioned upon successful future appropriation and sufficient funding of 2005-2006 HOME funds from HUD.

PROJECT DESCRIPTION:

The proposed housing development is located on a vacant site located at Commonwealth Avenue and Hewitt Street in the City of San Jacinto. The project, known as San Jacinto Villas, 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, computer center, and laundry room, and will also have a swimming pool and tot lot.

The estimated total development cost for the project is \$12,802,889. Funding will include a \$45,699 in developer's deferred equity and a \$1,755,568 bank loan. The balance of \$9,401,622 will come from the tax credit equity financing. Sixty HOME-assisted units will be set aside for the benefit of low and very-low income households for a period of at least 55 years.

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 COUNTY OF RIVERSIDE
2 BOARD OF SUPERVISORS

3
4 RESOLUTION 2004-354

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6 RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE
7 SUPPORTING THE APPLICATION OF PALM DESERT DEVELOPMENT COMPANY FOR
8 LOW-INCOME HOUSING TAX CREDITS FOR SAN JACINTO VILLAS
9

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

12 II. WHEREAS, applications to be considered for the current round of TCAC funding must
13 be submitted by July 22, 2004;

14 III. WHEREAS, the County of Riverside has identified the Expansion of Affordable Rental
15 Housing Stock for Low-Income and Special Needs Households as a high housing priority
16 through the County of Riverside's Five Year Consolidated Plan and its One-Year Action
17 Plan for the Use of Federal Funds;

18 IV. WHEREAS, Palm Desert Development Company (PDDC) intends to submit an
19 application for the current TCAC funding round for the development of affordable rental
20 units on a vacant site located on the northwest corner of Commonwealth Avenue and
21 Hewitt Street ("the Site") in the City of San Jacinto;

22 V. WHEREAS, PDDC proposes to develop sixty (60) affordable rental units and a
23 manager's unit at the Site; and

24 VI. WHEREAS, PDDC has successfully completed several affordable apartment complexes
25 in Riverside County.

26 NOW, THEREFORE, the Board of Supervisors resolves as follows:

- 27 1) The Board of Supervisors supports the PDDC application for a reservation of tax credits
28 for San Jacinto Villas, a sixty-one unit apartment complex proposed to be located in the

