

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

261



**FROM:** Economic Development Agency

**SUBMITTAL DATE:**  
February 21, 2008

**SUBJECT:** Adoption of Resolution No. 2008-135 supporting the applications for funding Rancho Dorado Apartments in the City of Moreno Valley

**RECOMMENDED MOTION:** That the Board of Supervisors adopt the attached Resolution No. 2008-135 supporting the applications of Palm Desert Development Company for Low-Income Housing Tax Credits and State of California of Department of Housing and Community Development (HCD) Multi Family Housing Program (MHP) funds for Rancho Dorado Apartments in the City of Moreno Valley.

**BACKGROUND:** The developer, Palm Desert Development Company, is applying to the California Tax Credit Application Committee (TCAC) for a reservation of tax credits and the California Department of Housing and Community Development (HCD) for Multi Family Housing Program (MHP) funding for Rancho Dorado Apartments, an affordable apartment complex in the City of Moreno Valley.

(Cont'd)

Departmental Concurrence

FORM APPROVED COUNTY COUNSEL  
BY: MICHELLE CLACK  
DATE: 2/21/08

*Robin Zimpfer*

RZ:DL:ER:TF:JG

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Robin Zimpfer  
Assistant County Executive Officer/EDA

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 650,000	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	NO
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2007/2008

**COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: NO**

<b>SOURCE OF FUNDS:</b> 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: *Jennifer L. Sargent*

**County Executive Office Signature**

Policy

Consent

Dep't Recomm.:  
Per Exec. Ofc.:

Prev. Agn. Ref.: 3.17-2/5/08

District: 5th

Agenda Number:

**3.17**

The MHP application must be submitted on or prior to March 27, 2008 to be considered for the current round of funding. The low-income housing tax credits and MHP funding will be used by the developer to finance the bulk of the project costs. At present, there is a financing gap of approximately \$650,000. In order to complete the MHP and tax credit application process, the developer must provide HCD and TCAC with a Resolution from the local jurisdiction providing support for the project. The developer has requested that the County contribute \$650,000 to fill the gap.

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 MHP and tax credit funding for Rancho Dorado Apartments Project. The Resolution will also recommend to the Board of Supervisors the loan of \$650,000 in HOME funds for construction eligible activities on this project. HOME funds will be contingent upon the project receiving MHP and Mental Health Services Act (MHSA) funding, and all applicable permits from the City of Moreno Valley.

#### PROJECT DESCRIPTION:

The proposed housing development is located on a vacant site located at the southeast corner of John F. Kennedy Road and Perris Boulevard in the City of Moreno Valley. The project, known as Rancho Dorado Apartments, is designed to serve low-income families. The project has a mix of 16 one-bedroom, 78 two-bedroom, 56 three-bedroom, and one additional three-bedroom unit to be used as an on-site manager's unit. A total of 15 units will be set-aside for permanent supportive housing units that will house homeless individuals that will be referred by the Riverside County Department of Mental Health. All units will include 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, media room, game room, gym, and laundry room. The recreation areas includes three tot-lots, a swimming pool and splash park, open space play areas, and picnic areas.

The estimated total development cost for the project is \$41,714,144. Fundings that are being sought by the applicant includes a \$1,410,000 loan from the California Housing Finance Agency MHSA funds, waived fee in the amount of \$1,932,800 from the City of Moreno Valley, a \$10,217,200 deferred loan from the Redevelopment Agency for the City of Moreno Valley, and a construction loan of \$3,526,448. Additionally, the developer would defer their developer fee up to \$947,373. The balance of \$23,030,323 will come from the tax credit equity financing (\$13,190,175) and MHP loan (\$9,840,148). Seventy four 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.

**RESOLUTION 2008-135  
SUPPORTING THE APPLICATION FOR MULTI FAMILY HOUSING  
PROGRAM FUNDS AND LOW-INCOME HOUSING TAX CREDITS FOR  
RANCHO DORADO APARTMENTS**

**WHEREAS**, the California Tax Credit Allocation Committee (TCAC) provides funding for affordable housing projects through its application process; and

**WHEREAS**, the California Department of Housing and Community Development (HCD) provides funding to assist the new construction, rehabilitation and preservation of permanent and transitional rental housing for lower income households through its competitive Multifamily Housing Program (MHP); and

**WHEREAS**, the application deadline to be considered for the current funding availability through MHP and TCAC is March 27, 2008; and

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

**WHEREAS**, the Palm Desert Development Company (Developer) intends to submit an application for TCAC and MHP funding for the development of affordable rental units on a vacant site located on the southeast corner of John F. Kennedy Road and Perris Boulevard, known as Assessor Parcel Number 486-070-007 (Project) in the City of Moreno Valley; and

**WHEREAS**, the Project currently has a financing gap of approximately \$650,000; and


**WHEREAS**, to complete the MHP and TCAC application process the Developer must provide a resolution from the local jurisdictions, including the County of Riverside, supporting the Project; and

**WHEREAS**, the proposed Project will consist of one hundred fifty (150) affordable rental units and one (1) additional manager's unit; and

**WHEREAS**, the Developer has successfully completed several affordable apartment

*RESOLUTION NUMBER 2008-135*

*RANCHO DORADO APARTMENTS - PALM DESERT DEVELOPMENT COMPANY*

FORM APPROVED COUNTY COUNSEL  
BY:  DATE

1 complexes in Riverside County.

2 **BE IT RESOLVED, DETERMINED, AND ORDERED** by the Board of Supervisors for the  
3 County of Riverside, State of California, in regular session assembled on March 11, 2008, as  
4 follows:

- 5 1) That the Board of Supervisors hereby finds and declares that the above recitals are true  
6 and correct.
- 7 2) The Board of Supervisors supports the Developer's application for a reservation of tax  
8 credits and MHP funding for Rancho Dorado, a one hundred fifty unit apartment complex  
9 proposed to be located in the City of Moreno Valley in Riverside County.
- 10 3) The Board of Supervisors agrees to provide financing of up to \$650,000 in HOME funds  
11 to Developer for construction eligible activities on the Project, subject to the following:  
12 applicable legal requirements, project receiving all applicable permits, City of Moreno  
13 Valley's approval, and negotiation of a HOME agreement satisfactory to the Board.
- 14 4) Additionally, the term of the HOME funds loan will be one percent (1.00%) interest over  
15 55 years.
- 16 5) The HOME funds loan is also conditioned upon a successful receipt of MHP funding,  
17 and Mental Health Services Act (MHSA) funds from the California Housing Finance  
18 Agency.
- 19 6) The Board of Supervisors commitment to provide funding is valid until May 26, 2009,  
20 and shall thereafter have no force or effect, unless a HOME agreement has theretofore  
21 been approved and executed by the Board of Supervisors and the Developer, with  
22 respect to the Project.

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RESOLUTION NUMBER 2008-135

RANCHO DORADO APARTMENTS – PALM DESERT DEVELOPMENT COMPANY