

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

488



FROM: Economic Development Agency

SUBMITTAL DATE:
July 13, 2009

SUBJECT: Adoption of Resolution No. 2009-224 Supporting the Summerhouse Apartments in Temecula

RECOMMENDED MOTION: That the Board of Supervisors adopt Resolution No. 2009-224 supporting the application of Bridge Housing Corporation and Orange County Rescue Mission for Low-Income Housing Tax Credits funds for the Summerhouse Apartments in the City of Temecula.

BACKGROUND: Bridge Housing Corporation ("Developer"), is applying to the California Tax Credit Application Committee ("TCAC") for a reservation of tax credits for the Summerhouse Apartments, an affordable multifamily apartment complex in the City of Temecula. The low-income housing tax credits will be used by the developer to finance the bulk of the project costs ("Project").

The Developer is proposing to use up to \$2,500,000 in Neighborhood Stabilization Program ("NSP") funds for the acquisition, development, and construction of the Project. 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 \$2,500,000 to assist with the acquisition, development, and construction of the Project.

Continued

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 2,500,000	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2009/2010

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No	
SOURCE OF FUNDS: Neighborhood Stabilization Program Funds	Positions To Be Deleted Per A-30 <input type="checkbox"/>
	Requires 4/5 Vote <input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

BY:
Serena Chow

County Executive Office Signature

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

Prev. Agn. Ref.: District: 3rd Agenda Number: **3.23**

BACKGROUND (continued):

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 application for tax credit funding for the Summerhouse Apartments Project. The Resolution will also recommend to the Board of Supervisors the loan of \$2,500,000 in NSP funds for construction of eligible activities on this project. NSP funds will be contingent upon the project receiving funding from the Redevelopment Agency for the City of Temecula ("RDA"), environmental clearance, and approval of release of funds from the U.S. Department of Housing and Urban Development under 24 CFR Part 58.

PROJECT DESCRIPTION:

The proposed housing development is located in the City of Temecula. The Project site is located at 44155 Margarita Road, in the City of Temecula, CA 92530, on approximately 6.8 acres between the corners of Dartola Road and Margarita Road with assessor parcel number 959-080-022. The Project site is a fully entitled, partially built, 110-unit multi-family development that was foreclosed by United Commercial Bank. Prior to foreclosure the previous owner completed all site work, including perimeter walls, streets, and landscaping. One eight-unit building is complete, one six-unit building is 75% complete and two small recreational buildings are 75% complete. The proposed Project will consist of 18 one-bedroom, 52 two-bedroom, and 40 three-bedroom rental units including two three-bedroom manager's unit.

The Developer will be partnering with Orange County Rescue Mission ("OCRM"), a non-profit corporation, to create two independent communities through a legal lot line adjustment. The Developer will develop and manage 90 units and target families earning 30%-60% of the area median income, while OCRM will develop and manage 20 units. OCRM will target homeless families and individuals earning 30% of the area median income who participate in the Rapid Re-Housing Program. The Rapid Re-Housing Program provides homeless families or individuals with housing and supportive services.

Other funding sources include a \$2,017,000 conventional loan; a loan of \$5,770,458 from the RDA; a deferred developer fee of \$300,000; and tax credit equity contribution of \$14,247,667. The total cost of development is estimated to be \$24,835,125.

County Counsel has reviewed and approved the attached resolution. Staff recommends that the Board approve the attached document.

**RESOLUTION 2009-224
SUPPORTING THE APPLICATION FOR
LOW-INCOME HOUSING TAX CREDITS FOR
SUMMERHOUSE APARTMENTS**

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

WHEREAS, the financial commitment deadline to be considered for the current funding availability through TCAC is August 17, 2009; 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 Bridge Housing Corporation ("Developer") has submitted an application for TCAC funding for the development of affordable rental units on a vacant site located at 44155 Margarita Road, in the City of Temecula, CA 92530, on approximately 6.8 acres between the corners of Dartola Road and Margarita Road with assessor parcel number 959-080-022; and

WHEREAS, the proposed development ("Project") will consist of one hundred eight (108) affordable rental units and two (2) additional manager's units, within the Project there are two (2) separate, adjacent developments that include; 90 affordable rental units by Bridge Housing Corporation, and 20 affordable rental units by Orange County Rescue Mission and;

WHEREAS, the Project currently has a financing gap of approximately \$2,500,000; and

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

WHEREAS, the Developer is experienced and has successfully developed several affordable apartment complexes.

1 **BE IT RESOLVED, DETERMINED, AND ORDERED** by the Board of Supervisors for the
2 County of Riverside, State of California, in regular session assembled on July 21, 2009, as
3 follows:

- 4 1) That the Board of Supervisors hereby finds and declares that the above recitals are true
5 and correct.
- 6 2) The Board of Supervisors supports the Developer's application for a reservation of tax
7 credits of a proposed one hundred ten unit apartment complex located in the City of
8 Temecula in Riverside County.
- 9 3) The Board of Supervisors further agrees that funding to this project is conditioned on the
10 County of Riverside's determination to proceed with, modify, or cancel the Project based
11 on the results of a subsequent environmental review.
- 12 4) The Board of Supervisors agrees to provide financing of up to \$2,500,000 in National
13 Stabilization Program ("NSP") funds to Developer for construction of eligible activities on
14 the Project, subject to the following: applicable legal requirements, environmental
15 clearance, approval of release of funds from the U.S. Department of Housing and Urban
16 Development under 24 CFR Part 58, Project receiving all applicable permits, and
17 negotiation of a NSP agreement satisfactory to the Board.
- 18 5) Additionally, the term of the NSP funds loan will be 55 years at zero (0%) percent.
- 19 6) The NSP loan is also conditioned upon a successful receipt of Redevelopment funds
20 from the Redevelopment Agency for the City of Temecula in the amount of at least
21 \$5,770,458 of which \$3,784,905 is allocated to the Bridge development, the balance to
22 the Orange County Rescue Mission development.
- 23 7) The Board of Supervisors commitment to provide funding is valid until July 21, 2010, and
24 shall thereafter have no force or effect, unless a NSP agreement has theretofore been
25 approved and executed by the Board of Supervisors and the Developer, with respect to
26 the Project.

27 //

28 //