

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

464



**FROM:** Economic Development Agency

**SUBMITTAL DATE:**  
July 13, 2009

**SUBJECT:** Adoption of Resolution No. 2009-223 Supporting the Pottery Court Apartments in Lake Elsinore

**RECOMMENDED MOTION:** That the Board of Supervisors adopt Resolution No. 2009-223 supporting the application of Bridge Housing Corporation for Low-Income Housing Tax Credits funds for the Pottery Court Apartments in the City of Lake Elsinore.

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

Continued

FORM APPROVED COUNTY COUNSEL  
BY: MICHELLE CLACK  
DATE: 7/26/09  
Departmental Concurrence

Robert Field  
Assistant County Executive Officer/EDA

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 440,000	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

<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: Serena Chow  
Serena Chow

County Executive Office Signature

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

Prev. Agn. Ref.: 3.27-6/30/09

District: 1<sup>st</sup>

Agenda Number:

**3 30**

**BACKGROUND:** (continued)

The Developer is proposing to use up to \$440,000 in HOME 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 \$440,000 to assist with the acquisition, development, and construction of the Project.

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 Bridge Housing Corporation's application for tax credit funding for Pottery Court Apartments Project. The Resolution will also recommend to the Board of Supervisors the loan of \$440,000 in HOME funds for construction of eligible activities on this project. HOME funds will be contingent upon the project receiving funding from the Redevelopment Agency for the City of Lake Elsinore ("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 Lake Elsinore. The project site is situated to the east of Langstaff Street, south of West Pottery Street, west of North Spring Street, and north of Sumner Avenue. The RDA will be acquiring the project site and demolishing the residential structures located on the project site. Prior to demolishing the residential structures the RDA will relocate the families that occupy the structures in accordance with State and Federal law. The RDA will sell the land to Bridge Housing Corporation upon demolition and clearance of the structures.

The proposed Project will consist of 20 one-bedroom, 48 two-bedroom, and 45 three-bedroom rental units including two three-bedroom manager's units. The development will serve families with incomes which are no more than 50% of the Riverside County Area Median Income. A minimum of 11 HOME-assisted units will be set aside. 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, laundry facility, swimming pool, and BBQ picnic areas. The community room will provide indoor communal and education space. The community center includes a computer room, game room, eating area, kitchen and restrooms.

Other funding sources include a \$1,975,000 conventional loan; a loan of \$4,058,577 from the RDA; tax credit equity contribution of \$20,000,000; a \$1,000,000 grant from the HUD HOPE program; and general partner equity \$300,000. The total cost of development is estimated to be \$27,773,577.

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

**RESOLUTION 2009-223  
SUPPORTING THE APPLICATION FOR  
LOW-INCOME HOUSING TAX CREDITS FOR  
POTTERY COURT APARTMENTS**

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

**WHEREAS**, the financing 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 the corner of Sumner and Riley Street, in the City of Lake Elsinore in Riverside County; and

**WHEREAS**, the proposed development ("Project") will consist of one hundred eleven (111) affordable rental units and two (2) additional manager's unit; and

**WHEREAS**, the Project currently has a financing gap of approximately \$440,000; 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 has successfully developed several affordable apartment complexes.

**BE IT RESOLVED, DETERMINED, AND ORDERED** by the Board of Supervisors for the County of Riverside, State of California, in regular session assembled on July 28, 2009, as follows:

- 1) That the Board of Supervisors hereby finds and declares that the above recitals are true

FORM APPROVED COUNTY COUNSEL  
DATE 7/28/09  
BY: Michelle Clack  
MICHELLE CLACK

1 and correct.

- 2 2) The Board of Supervisors supports the Developer's application for a reservation of tax  
3 credits of a proposed one hundred thirteen unit apartment complex located in the City of  
4 Lake Elsinore in Riverside County.
- 5 3) The Board of Supervisors further agrees that funding to this project is conditioned on the  
6 County of Riverside's determination to proceed with, modify, or cancel the Project based  
7 on the results of a subsequent environmental review.
- 8 4) The Board of Supervisors agrees to provide financing of up to \$440,000 in HOME  
9 Investment Partnerships Act Grant Funds ("HOME") to Developer for construction of  
10 eligible activities on the Project, subject to the following: applicable legal requirements,  
11 environmental clearance, approval of release of funds from the U.S. Department of  
12 Housing and Urban Development under 24 CFR Part 58, Project receiving all applicable  
13 permits, and negotiation of a HOME agreement satisfactory to the Board.
- 14 5) Additionally, the term of the HOME funds loan will be one percent (1.00%) interest over  
15 55 years.
- 16 6) The HOME loan is also conditioned upon a successful receipt of Redevelopment funds  
17 from the Redevelopment Agency for the City of Lake Elsinore in the amount of at least  
18 \$4,058,777.
- 19 7) The Board of Supervisors commitment to provide funding is valid until July 28, 2010, and  
20 shall thereafter have no force or effect, unless a HOME agreement has theretofore been  
21 approved and executed by the Board of Supervisors and the Developer, with respect to  
22 the Project.

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