

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

739



FROM: Economic Development Agency

SUBMITTAL DATE:
February 18, 2016

SUBJECT: Adoption of Resolution No. 2016-063 Funding Allocation and Support for Low-Income Housing Tax Credit Application for Seasons at Beaumont Apartments in the City of Beaumont, District 5, [\$1,000,000], Neighborhood Stabilization Program 3 Funds

RECOMMENDED MOTION: That the Board of Supervisors adopt Resolution No. 2016-063 allocating funding up to the amount of \$1,000,000 in Neighborhood Stabilization Program 3 (NSP3) Funds to LINC-Beaumont APTS LP, and supporting the application from LINC-Beaumont APTS LP for Low-Income Housing Tax Credit funds for the Seasons at Beaumont Apartments project located in the City of Beaumont.

BACKGROUND: (Commences on Page 2)
Summary

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

SOURCE OF FUNDS: Neighborhood Stabilization Program 3 Funds
Budget Adjustment: No
For Fiscal Year: 2015/16-2016/17

C.E.O. RECOMMENDATION:

APPROVE

BY:
Rohini Dasika

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Jeffries, seconded by Supervisor Washington and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Washington, Benoit and Ashley
Nays: None
Absent: None
Date: March 1, 2016
xc: EDA

Kecia Harper-Ihem
Clerk of the Board
By:
Deputy

Prev. Agn. Ref.: District: 5 Agenda Number:

3-11

FISCAL PROCEDURES APPROVED
PAUL ANGULO, CPA, AUDITOR-CONTROLLER
BY:
Susana Garcia-Bocanegra

FORM APPROVED COUNTY COUNSEL
BY:
GREGORY P. PRIAMOS
DATE: 2/3/16

- A-30
- Positions Added
- 4/5 Vote
- Change Order

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

Economic Development Agency

FORM 11: Adoption of Resolution No. 2016-063 Funding Allocation and Support for Low-Income Housing Tax Credit Application for Seasons at Beaumont Apartments in the City of Beaumont, District 5, [\$1,000,000], Neighborhood Stabilization Program 3 Funds

DATE: February 18, 2016

PAGE: 2 of 3

BACKGROUND:

Summary

LINC Community Development Corporation, a California nonprofit public benefit corporation and an affordable housing developer, has formed a limited liability partnership known as LINC-Beaumont APTS LP (Partnership), for the purpose of applying for tax credits to the California Tax Credit Application Committee (TCAC) for the development of the proposed project discussed herein. The Seasons at Beaumont Apartments (Proposed Project) will be located on 1.3 acres of vacant land located on the west side of Illinois Avenue at the intersection of East 7th Street, Beaumont, California 92223 with Assessor's Parcel Numbers 418-020-027, 418-020-032, 418-020-033, and 418-020-034. The Proposed Project is a 38-unit multi-family apartment complex, comprised of 21 one-bedroom units, 5 two-bedroom units, and 12 three-bedroom units. The Project will be rented to and occupied by qualified low-income households with a preference for veteran households. The low-income housing tax credits will be used by the Partnership to finance a majority of the costs to develop and construct the Proposed Project.

The Proposed Project has a funding gap of \$1,000,000 and the Partnership has submitted an application to the County requesting financial assistance in the form of Neighborhood Stabilization Program 3 (NSP3) funds to fill such gap. A total of 18 units will be reserved as NSP3-assisted units restricted to households whose incomes do not exceed 50% of the Riverside County Area Median Income. Staff has reviewed the application and supports the Proposed Project and the request for NSP3 funds.

The need to expand the affordable housing stock for low income households is a high priority in the County of Riverside's Consolidated Plan. In order to complete the TCAC application for an allocation of tax credits, the Partnership must provide a resolution from the local jurisdiction providing support for the Proposed Project. The attached proposed Resolution No. 2016-063 provides Board support for the Proposed Project and recommends an allocation of \$1,000,000 in NSP3 funds (NSP3 Loan) for the development and construction of the Proposed Project. The NSP3 Loan will be subject to restrictions on the use of the NSP3 funds set forth under Section 1497 of the Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act). Staff recommends that the allocation of funding only be valid until December 1, 2016.

The attached proposed Resolution 2016-063 allocates \$1,000,000 in NSP3 funds for the Proposed Project, subject to the Partnership's satisfaction of the conditions specifically set forth in the attached Resolution 2016-063, which include, but are not limited to the following:

1. Secure any and all land use entitlements, permits and approvals which may be required for development and construction of the Proposed Project, including compliance with the California Environmental Quality Act and the National Environmental Policy Act;
2. Obtain sufficient equity capital or firm and binding commitments for construction and permanent financing necessary to undertake the development and completion of the Proposed Project;
3. Approval of release of funds from the U.S. Department of Housing and Urban Development under 24 CFR Part 58; and
4. Successful negotiation of a NSP3 Agreement approved by the Board and executed by all required parties.

(Continued)

SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
Economic Development Agency

FORM 11: Adoption of Resolution No. 2016-063 Funding Allocation and Support for Low-Income Housing Tax Credit Application for Seasons at Beaumont Apartments in the City of Beaumont, District 5, [\$1,000,000], Neighborhood Stabilization Program 3 Funds

DATE: February 18, 2016

PAGE: 3 of 3

BACKGROUND:

Summary (Continued)

The estimated total cost for the Proposed Project is \$14,324,905. In addition to the NSP3 Loan, other sources of funds will include \$3,812,676 from the California Housing and Community Development's Veterans Housing and Homelessness Prevention (VHHP) Program, \$314,108 in deferred developer's fee, \$100 in General Partner's equity, and the balance of \$9,198,021 will come from tax credit equity financing.

Staff recommends that the Board approve Resolution No. 2016-063. County Counsel has reviewed and approved as to form the attached Resolution No. 2016-063.

Impact of Residents and Businesses

Approving this item will have a positive impact on the citizens and businesses in the County of Riverside. The Proposed Project is expected to generate construction, permanent maintenance and property management jobs, and provide affordable housing for residents of the County of Riverside.

SUPPLEMENTAL:

Additional Fiscal Information

No impact upon the County's General Fund; the County's contribution to the Proposed Project will be fully funded with Neighborhood Stabilization Program 3 funds from the U.S. Department of Housing and Urban Development.

Attachment:

- A. Resolution No. 2016-063

2 **RESOLUTION 2016-063**
3 **FUNDING ALLOCATION**
4 **AND SUPPORT FOR APPLICATION FOR**
5 **LOW-INCOME HOUSING TAX CREDITS FOR**
6 **SEASONS AT BEAUMONT APARTMENTS**

7 **WHEREAS**, the County of Riverside, a political subdivision of the State of California
8 (“County”), is the recipient of funds derived from the Neighborhood Stabilization Program 3
9 (NSP3) Program, which was enacted under Section 1497 of the Wall Street Reform and
10 Consumer Protection Act of 2010 (Dodd-Frank Act);

11 **WHEREAS**, the County has identified the expansion of affordable rental housing stock
12 for low-income households as a high housing priority through the County’s Five Year
13 Consolidated Plan and its One-Year Action Plan for the Use of Federal Funds;

14 **WHEREAS**, LINC Community Development Corporation, a California nonprofit public
15 benefit corporation and an affordable housing developer (“Developer”), proposes to develop and
16 construct a multi-family affordable rental housing project consisting of thirty-seven (37)
17 affordable rental units and one (1) residential manager’s unit (“Project”) on real property located
18 on approximately 1.3 acres of vacant land located on the west side Illinois Avenue at the
19 intersection of East 7th Street, Beaumont, California 92223 with Assessor’s Parcel Numbers
20 418-020-027, 418-020-032, 418-020-033, and 418-020-034 (“Property”);

21 **WHEREAS**, the Project will be rented to and occupied by individuals and families whose
22 incomes do not exceed 80% of the Riverside County Area Median Income. A total of 18 units
23 will be reserved as NSP3-assisted units restricted to households whose incomes do not exceed
24 50% of the Riverside County Area Median Income;

25 **WHEREAS**, Developer has formed a limited liability partnership known as LINC-
26 Beaumont APTS LP (“Partnership”), for the purpose of applying for Project funding including,
27 but not limited to tax credits;

28 **WHEREAS**, the Partnership has submitted an application to the County requesting
financial assistance in the amount of \$1,000,000 in NSP3 funds to fill an existing \$1,000,000

1 Project financing gap;

2 **WHEREAS**, the California Tax Credit Allocation Committee ("TCAC"), through its
3 application process, allocates low-income housing tax credits to eligible affordable housing
4 projects to raise project equity through the sale of tax benefits to investors;

5 **WHEREAS**, the Partnership intends to submit an application to TCAC for an allocation
6 of low-income housing tax credits and the proceeds from the sale of such tax credits will be
7 used to finance Project costs;

8 **WHEREAS**, the application deadline to be considered for a 2016 allocation of tax credits
9 through TCAC is March 2, 2016;

10 **WHEREAS**, to complete the TCAC application process, the Partnership must provide a
11 resolution from the local jurisdictions, including the County, supporting the Project; and

12 **WHEREAS**, the Developer has successfully completed several affordable housing
13 complexes in California;

14 **WHEREAS**, the County desires to commit approximately \$1,000,000 in NSP3 funds to
15 be used to pay for the development and construction of the Project on the Property, subject to
16 the Partnership's satisfaction of certain conditions precedent for the benefit of the County; and

17 **WHEREAS**, the County desires to support the Partnership's application to TCAC for an
18 allocation of low-income housing tax credits.

19 **BE IT RESOLVED, DETERMINED, AND ORDERED** by the Board of Supervisors for the
20 County of Riverside, State of California, in regular session assembled on March 1, 2016, as
21 follows:

- 22 1) That the Board of Supervisors hereby finds and declares that the above recitals are true
23 and correct and incorporated as though set forth herein.
- 24 2) The Board of Supervisors supports the Partnership's application to TCAC for an
25 allocation of low-income housing tax credits, the sale proceeds of which will be used to
26 finance the development and construction of a multi-family affordable rental housing
27 project consisting of thirty-seven (37) affordable rental units and one (1) residential
28 manager's unit, on real property located on approximately 1.3 acres of vacant land

1 located on the west side Illinois Avenue at the intersection of East 7th Street,
2 Beaumont, California 92223, with Assessor's Parcel Numbers 418-020-027, 418-020-
3 032, 418-020-033, and 418-020-034.

4 3) Subject to any restriction on the use of NSP3 funds set forth under Section 1497 of the
5 Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act), the Board
6 of Supervisors agrees to provide financial assistance to the Partnership in the maximum
7 amount of \$1,000,000 in NSP3 funds (NSP3 Loan) for construction of eligible activities
8 on the Project, subject to the satisfaction of the following conditions precedent:

- 9 a. Borrower: LINC-Beaumont APTS LP;
- 10 b. Project Name: Seasons at Beaumont Apartments;
- 11 c. NSP3 Loan Amount: Not to exceed One Million Dollars (\$1,000,000);
- 12 d. Interest: Three percent (3%) simple interest;
- 13 e. Affordability Period: 55 years from recordation of the Notice of Completion in the
14 official records of the County of Riverside;
- 15 f. NSP3 Loan Term: 55 years;
- 16 g. Repayment: Loan payments derived from the Project's residual receipts;
- 17 h. Entitlements and Governmental Approvals: Secure any and all required land use
18 entitlements, permits and approvals which may be required for construction of
19 the Project, including, but not limited to compliance with the California
20 Environmental Quality Act and the National Environmental Policy Act;
- 21 i. Other Financing: the NSP3 Loan is expressly conditioned upon the Partnership's
22 ability to secure sufficient equity capital or firm and binding commitments for
23 financing necessary to undertake the development and construction of the
24 Project. All financing contemplated or projected with respect to the Project shall
25 be, or have been, approved in form and substance by the Board of Supervisors.
26 Additional financing for the Project includes: \$3,812,676 from the California
27 Housing and Community Development's Veterans Housing and Homelessness
28 Prevention (VHHP) Program, \$314,108 in deferred developer's fee, \$100 in

