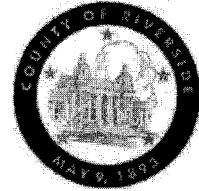


SUBMITTAL TO THE BOARD OF COMMISSIONERS
HOUSING AUTHORITY
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



ITEM
10.1
(ID # 3370)

MEETING DATE:

Tuesday, February 7, 2017

FROM : HOUSING AUTHORITY:

SUBJECT: HOUSING AUTHORITY: Adoption of Resolution No. 2017-002 Extending Funding Allocation and Support for Application for Low-Income Housing Tax Credits for Paseo III Housing Associates, L.P., in the Unincorporated Community of Mecca, District 4, [\$902,500], 94% 2011 Tax Allocation Housing Bonds, Series A-T (Taxable) and 6% 2011 Tax Allocation Housing Bonds, Series A (Tax Exempt)

RECOMMENDED MOTION: That the Board of Commissioners:

1. Adopt Resolution No. 2017-002 extending the funding allocation in the amount of \$850,000 derived from 2011 Taxable Tax Allocation Housing Bonds, Series A-T to Paseo III Housing Associates, L.P., and supporting an application to the California Tax Credit Allocation Committee for Low-Income Housing Tax Credit funds for the Paseo De Los Heroes III Multi-Family Housing Project, located in the unincorporated Community of Mecca;
2. Approve the extension of an allocation of up to \$52,500 derived from 2011 Tax Allocation Housing Bonds, Series A (Tax Exempt) to be used as follows, (i) \$42,500 to pay costs for direct Housing Authority staffing associated with the Paseo de Los Heroes III Multi-Family Housing Project, and (ii) \$10,000 to pay legal expenses of the Housing Authority related to the Paseo de Los Heroes III Multi-Family Housing Project; and
3. Authorize the Executive Director, or designee to take all necessary steps to implement Resolution No. 2017-002, including but not limited to, signing subsequent necessary and relevant documents, subject to approval by County Counsel.

ACTION: Policy

Robert Field, Assistant County Executive Officer/EDA 1/13/2017

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Commissioner Ashley, seconded by Commissioner Jeffries and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Washington and Ashley
Nays: None
Absent: Tavaglione
Date: February 7, 2017
xc: Housing Authority

Kecia Harper-Ihem
Clerk of the Board
By:
Deputy

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COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 902,500	\$ 0	\$ 902,500	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: 94% 2011 Taxable Tax Allocation Housing Bonds, Series A-T and 6% 2011 Tax Exempt Housing Bonds, Series A			Budget Adjustment:	No
			For Fiscal Year:	2016-17

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On February 1, 2012, pursuant to ABx1 26, all California Redevelopment Agencies were eliminated and the Housing Authority of the County of Riverside (HACR) assumed the housing functions of the former Redevelopment Agency for the County of Riverside (former RDA). On June 7, 2016, the Board of Commissioners adopted Resolution No. 2016-006, approving an allocation of funding in the amount of \$850,000 derived from 2011 Taxable Tax Allocation Housing Bonds, Series A-T, to Paseo III Housing Associates, L.P., a California limited partnership (Partnership). The aforementioned HACR allocation is necessary to fill a funding gap to pay a portion of the construction and development costs for the Paseo de Los Heroes III multi-family housing project (Proposed Project). The funding allocation set forth in Resolution No.2016-006 expired on December 31, 2016.

The Coachella Valley Housing Coalition, a California non-profit public benefit corporation and an affordable housing developer, formed the Partnership for the purposes of applying for tax credits to the California Tax Credit Allocation Committee (TCAC) for the development of the Proposed Project. The Partnership applied for a tax credit allocation on June 29, 2016 as set forth in Resolution No. 2016-006; however due to the competitiveness of the tax credit program, the Partnership was not successful in obtaining an allocation. The Partnership has requested an extension of the funding commitment from HACR set forth in Resolution No. 2016-006 to December 31, 2017 in order to allow the Partnership two additional opportunities to re-apply for a tax credit allocation. The award of tax credits is necessary to adequately finance the construction and development of the Proposed Project.

The Proposed Project will be located on 10 acres of vacant land located south of Lincoln on Avenue 64, in the unincorporated community of Mecca, identified as Assessor's Parcel Number 727-030-041. The Proposed Project will consist of an 81 unit multi-family apartment complex, comprised of 16-two bedroom units, 53-three bedroom units and 11-four bedroom units. The Proposed Project will be rented to and occupied by qualified low-income farmworker households. Forty-nine percent of the units will be restricted to households whose incomes do not exceed 80% of the Riverside County Area Median Income.

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COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

HACR Staff have reviewed the most recent TCAC application and continue to support the Proposed Project and the request to extend the funding allocation set forth in the proposed Resolution No. 2017-002 which is attached.

The need to expand farmworker housing in Riverside County 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 new resolution from the local jurisdiction providing continued support for the Proposed Project and an extension to the HACR funding allocation in the amount of \$850,000.

The attached Resolution No. 2017-002 provides (i) Board of Commissioner's continued support for the Proposed Project, and (ii) approves an extension to the \$850,000 funding allocation derived from taxable housing bond proceeds, as originally set forth in Resolution No. 2016-006. Staff recommends that the commitment to allocate such funds be valid until December 31, 2017 as set forth in Resolution No. 2017-002.

Except for an extension of the expiration date set forth in Resolution No. 2016-006, all other recitals, terms and conditions contained therein shall remain in full force and effect, including, but not limited to the following conditions Partnership is required to satisfy prior to obtaining such HACR funding:

1. Securing any and all land use entitlements, permits and approvals which may be required for development and construction of the Proposed Project, including, but not limited to compliance with the California Environmental Quality Act;
2. Obtaining sufficient equity capital or firm and binding commitments for construction and permanent financing necessary to undertake the development and completion of the Proposed Project; and
3. Successful negotiation of a Loan Agreement approved by the Board of Commissioners.

The estimated total cost to develop and construct the Proposed Project is \$31,111,134. In addition to the loan from HACR in the amount of \$850,000 derived from taxable housing bond proceeds, other sources of proposed funds will include \$25,511,053 in tax credit equity, \$1,342,200 from a United States Department of Agriculture (USDA) 538 loan, \$3,000,000 from a USDA 514 loan, \$1,000 in General Partnership Equity, \$365,296 in limited partnership equity and a \$41,585 deferred developer fee. In addition to the proposed financial assistance to be provided to the Partnership discussed above, HACR staff is also requesting Board approval of an additional allocation of up to \$52,500 derived from 2011 tax exempt housing bond proceeds

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COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

to pay direct staffing expenses and legal fees associated with HACR staff administration of the Proposed Project.

Staff recommends that the Board adopt Resolution No.2017-002. County Counsel has reviewed and approved as to form the attached Resolution No.2017-002.

Impact on 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 will be fully funded with 2011 Taxable Tax Allocation Housing Bonds, Series A-T and 2011 Tax Exempt Housing Bonds, Series A proceeds.

Attachments:

Resolution No. 2017—002

Site Map

RF: JV: HM: JA: JG: SA MT 3370



Gregory V. Priarios, Director County Counsel 1/19/2017

RESOLUTION NO. 2017-002
EXTENDING THE FUNDING ALLOCATION AND SUPPORT FOR
APPLICATION FOR LOW-INCOME HOUSING TAX CREDITS TO THE CALIFORNIA TAX
CREDIT ALLOCATION COMMITTEE FOR
THE PASEO DE LOS HEROES III MULTIFAMILY HOUSING PROJECT

WHEREAS, the Board of Commissioners of the Housing Authority of the County of Riverside ("Board of Commissioners") adopted Resolution No. 2016-006 ("Resolution") at their regular session assembled on June 7, 2016 approving (i) a funding commitment of up to \$850,000 derived from 2011 Taxable Tax Allocation Housing Bond, Series A-T proceeds, and (ii) support for an application for low-income housing tax credits to the California Tax Credit Allocation Committee ("TCAC") for the Paseo De Los Heroes III Multifamily Housing Project;

WHEREAS, by the terms of the Resolution, that funding commitment was valid until December 31, 2016 unless an agreement had been approved and executed by the Board of Commissioners and Paseo III Housing Associates, L.P., a California limited partnership ("Partnership") with respect to the Paseo De Los Heroes III Project, an affordable housing project ("Project");

WHEREAS, on June 29, 2016 the Partnership submitted an application to TCAC, however do to the competitiveness of the tax credits, the Partnership was not successful in obtaining an allocation;

WHEREAS, an award of tax credits is necessary to adequately finance the development and construction of the Project; and

WHEREAS, the Partnership has requested an extension of the funding allocation through December 31, 2017 to preserve the taxable bond proceeds for the Project and allow Partnership the opportunity to re-submit an application to TCAC for an allocation of tax credits.

RESOLUTION NUMBER 2017-002

Paseo De Los Heroes III

FORM APPROVED COUNTY COUNSEL

BY: *Sahala R. Brown* 1-23-17
SAHALA R. BROWN 8 DATE

1 NOW THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED by the Board
2 of Commissioners for the Housing Authority of the County of Riverside, State of California, in
3 regular session assembled on February 7, 2017, as follows:

- 4
- 5 1) That the Board of Commissioners hereby finds and declares that the above recitals are
- 6 true and correct and incorporated as though set forth herein.
- 7 2) The Board of Commissioners commitment to allocate funding up to the amount of
- 8 \$850,000, subject to any restriction on the use of taxable bond proceeds derived from
- 9 2011 Taxable Tax Allocation Housing Bonds, Series A-T proceeds, is valid until
- 10 December 31, 2017, and shall thereafter have no force or effect, unless an agreement
- 11 has theretofore been approved and executed by the Board of Commissioners and the
- 12 Partnership, with respect to the Project.
- 13 3) That all other recitals, terms and conditions as set forth in Resolution No. 2016-006 shall
- 14 remain in full force and effect.
- 15

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ROLL CALL:

Ayes: Jeffries, Tavaglione, Washington and Ashley
 Nays: None
 Absent: None

The foregoing is certified to be a true copy of a resolution duly adopted by said Board of Supervisors on the date therein set forth.

KECIA HARPER-IHEM, Clerk of said Board
 By *Kecia Harper-Ihem*
 Deputy

RESOLUTION NUMBER 2017-002

Paseo De Los Heroes III

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