

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



ITEM
10.2
(ID # 9834)

MEETING DATE:

Tuesday, June 18, 2019

FROM : HOUSING AUTHORITY:

SUBJECT: HOUSING AUTHORITY: Adoption of Resolution No. 2019-004 Approving Funding Allocation Up to \$1,500,000 Derived from Low and Moderate Income Housing Asset Funds to the Coachella Valley Housing Coalition and Support for Application for Low-Income Housing Tax Credits to the California Tax Credit Allocation Committee for Villa Hermosa Phase III Multifamily Housing Project, in the City of Indio, District 4, [\$1,500,000] Low and Moderate Income Housing Asset funds 100%.

RECOMMENDED MOTION: That the Board of Commissioners:

1. Adopt Resolution No. 2019-004, Approving Funding Allocation Up to the Amount of \$1,500,000 derived from Low and Moderate Income Housing Asset (LMIHA) funds to the Coachella Valley Housing Coalition and Support for Application for Low-Income Housing Tax Credits to The California Tax Credit Allocation Committee for the Villa Hermosa Phase III Multifamily Housing Project.

ACTION: Policy

Robert Field, Assistant County Executive Officer/ECD 6/3/2019

MINUTES OF THE BOARD OF COMMISSIONERS

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

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: June 18, 2019
xc: Housing Authority

Kecia Harper
Clerk of the Board
By:
Deputy
10.2

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

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 1,500,000	\$ 0	\$ 1,500,000	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: Low and Moderate Income Housing Housing Asset Funds (100%)			Budget Adjustment: No	
			For Fiscal Year: 2019/20	

C.E.O. RECOMMENDATION: [CEO use]

BACKGROUND:

Summary

The Coachella Valley Housing Coalition, a California non-profit public benefit corporation (CVHC) has applied to the Housing Authority of the County of Riverside (HACR) for funding in the amount of \$1,500,000 to pay a portion of the costs to develop Villa Hermosa III, a multifamily farmworker housing project (Proposed Project). The Proposed Project will be developed on 6.12 acres of land on the corner of Van Buren Street and Dr. Carreon Boulevard, in the City of Indio, identified as Assessor's Parcel Number 612-170-030 (Property). The Proposed Project consists of the development and construction of a 100 unit affordable multifamily apartment complex for farmworker families, comprised of 36 one-bedroom units, 32 two-bedroom units, 24 three-bedroom units and 8 four-bedroom units. Forty-nine percent of the units will be restricted to individuals whose incomes do not exceed 50% of the area median income for the County of Riverside. Coachella Valley Housing Coalition will be submitting an application on June 24, 2019, to the California Tax Credit Allocation Committee (TCAC) seeking an allocation of tax credits to finance a majority of the costs to develop and construct the Proposed Project.

The Proposed Project is Phase III of a recently completed project consisting of a total of 153 units built in the first two phases and are adjacent to the Proposed Project (Phase III). At a later date CVHC will form a limited partnership to be part of the final ownership entity for the Proposed Project. For tax credit purposes Phase I, Phase II and the Proposed Project will be owned by separate limited partnerships, but will share CVHC as the same general partner. Phase I, Phase II and the Proposed Project will enter into a joint use agreement to allow tenants to enjoy all site common areas and amenities, including a 3,172 square foot community center with internet access, soccer fields, four tot-lots and a swimming pool. All units will be equipped with a stove, refrigerator and washer and dryer.

The Proposed Project has a funding gap of \$1,500,000 and CVHC has submitted an application to the HACR requesting assistance in the form of Low and Moderate Income Housing Asset (LMIHA) funds. In addition to the LMIHA funds, CVHC has applied to the County of Riverside for \$1,000,000 in HOME Investment Partnerships Program (HOME) funds. Other sources identified by CVHC for the Proposed Project include \$22,717,755 in a construction loan from Wells Fargo Bank, a USDA 514 loan in the amount of \$3,000,000, a grant from the FHLBank San Francisco Affordable Housing Program in the amount of \$990,000, a donation of land from the Indio Housing Development Corporation valued at \$440,476, and a Developer Impact Fee

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Waiver in the amount of \$3,210,450. The total cost of development is approximately \$32,858,681.

The need to expand farmworker housing in the County of Riverside is a high priority for HACR. In order to complete the TCAC application for an allocation of tax credits, CVHC must provide a resolution from the local jurisdiction providing support for the Proposed Project.

The attached proposed Resolution No. 2019-004 provides Board support for the Proposed Project and recommends an allocation of up to \$1,500,000 in LMIHA funds to be used as a loan to CVHC to pay a portion of the development and construction costs for the Proposed Project. Staff recommends that the allocation of the LMIHA funds be valid until December 31, 2020.

The attached proposed Resolution 2019-004 allocates \$1,500,000 in LMIHA funds to the Proposed Project, subject to CVHC's satisfaction of the conditions specifically set forth in the attached Resolution 2019-004, which include, but are not limited to the following:

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 of 1970 (CEQA) and the National Environmental Policy 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.

Staff recommends that the Board approve Resolution No. 2019-004. County Counsel has reviewed and approved as to form, the attached Resolution No. 2019-004.

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 Housing Authority's General Fund; the Housing Authority's contribution will be fully funded with LMIHA funds.


Attachments:

- Resolution No. 2019-004

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COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

H:\Housing\HOME\2019 HOME\Villa Hermosa III\MIHA Resolution


Rohini Dasika, Principal Management Analyst 6/10/2019


Gregory V. Priapros, Director County Counsel 6/6/2019

BOARD OF COMMISSIONERS

**HOUSING AUTHORITY OF
THE COUNTY OF RIVERSIDE**

RESOLUTION NO. 2019-004

APPROVING FUNDING ALLOCATION UP TO THE AMOUNT OF \$1,500,000 DERIVED FROM LOW AND MODERATE INCOME HOUSING ASSET FUNDS TO THE COACHELLA VALLEY HOUSING COALITION AND SUPPORT FOR APPLICATION FOR LOW-INCOME HOUSING TAX CREDITS TO THE CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE FOR THE VILLA HERMOSA PHASE III MULTIFAMILY HOUSING PROJECT

WHEREAS, the Housing Authority of The County of Riverside, a public entity, corporate and politic, in its capacity as housing successor to the former Redevelopment Agency for the County of Riverside ("Housing Authority"), is the recipient of funds derived from the Low and Moderate Income Housing Asset (LMIHA) fund described in California Health and Safety Code Section 34176;

WHEREAS, the Housing Authority has identified the expansion of affordable rental housing stock for low-income farmworker households as a high housing priority through the County of Riverside's Five Year Consolidated Plan;

WHEREAS, the Coachella Valley Housing Coalition, a California nonprofit public benefit corporation and an affordable housing developer ("Developer"), proposes to develop and construct a multi-family affordable rental housing project for farmworker households consisting of one-hundred (100) affordable rental units that includes one (1) residential manager's unit ("Project") on approximately 6.12 acres of vacant land located on the corner of Van Buren Street and Doctor Carreon Boulevard, in Indio, California, identified as Assessor Parcel Number 612-170-030 ("Property");

WHEREAS, forty nine percent (49%) of the units will be restricted to households whose incomes do not exceed 50% of the Riverside County Area Median Income;

WHEREAS, the Developer has submitted an application to the Housing Authority requesting financial assistance in the amount of \$1,500,000 derived from LMIHA funds ("HACR Allocation"). The HACR Allocation is needed to fill an existing Project financing gap in the amount of \$1,500,000;

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RESOLUTION NUMBER 2019-004
Villa Hermosa III Apartments

FORM APPROVED COUNTY COUNSEL
BY: *Jhalar Brown* 6/15/19
DATE
BY: JHALAR BROWN

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

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

7 **WHEREAS**, the application deadline to be considered for a 2019 allocation of tax credits
8 through TCAC is July 1, 2019;

9 **WHEREAS**, to complete the TCAC application process, the Developer must provide a
10 resolution from the local jurisdictions, including the Housing Authority, supporting the Project;

11 **WHEREAS**, the Developer has successfully completed several affordable housing
12 projects in the County of Riverside;

13 **WHEREAS**, the Housing Authority desires to approve an allocation of funding in the
14 approximate amount of \$1,500,000 derived from LMIHA funds, to be used to pay a portion of
15 the costs to develop and construct the Project on the Property, subject to the Developer's
16 satisfaction of certain conditions precedent for the benefit of the Housing Authority; and

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

19 **NOW THEREFORE, BE IT RESOLVED, FOUND, DETERMINED AND ORDERED** by the
20 Board of Commissioners of the Housing Authority of the County of Riverside ("Board"), in
21 regular session assembled on June 18, 2019, in the meeting room of the Board of
22 Commissioners located on the 1st floor of the County Administrative Center, 4080 Lemon
23 Street, Riverside, California, as follows:

- 24 1) That the Board of Commissioners hereby finds and declares that the above recitals are
25 true and correct and incorporated as though set forth herein.
- 26 2) The Board of Commissioners supports the Developer's application to TCAC for an
27 allocation of low-income housing tax credits, the sale proceeds of which will be used to
28 finance the development and construction of a multi-family affordable rental housing

1 project consisting of 99 affordable rental units and 1 residential manager's unit for a
2 total of 100 units, on real property located on approximately 6.12 acres of vacant land
3 located on the corner of Van Buren Street and Dr. Carreon Boulevard, in Indio,
4 California, identified as Assessor's Parcel Number 612-170-030.

5 3) Subject to any restrictions on the use LMIHA funds, the Board of Commissioners agrees
6 to provide financial assistance to the Developer in the maximum amount of \$1,500,000
7 derived from LMIHA funds, for construction of eligible activities on the Project, subject to
8 the satisfaction of the following conditions precedent:

- 9 a. Borrower: Borrower shall be the Coachella Valley Housing Coalition, a California
10 corporation, or a limited partnership created by the Coachella Valley Housing
11 Coalition for the specific purpose of selling tax credits and developing,
12 constructing and owning the Project where Coachella Valley Housing Coalition is
13 the general partner/managing member;
- 14 b. Project Name: Villa Hermosa Apartments III;
- 15 c. LMIHA Fund Loan Amount: Not to exceed One Million Five Hundred Thousand
16 Dollars (\$1,500,000);
- 17 d. Interest: Three percent (3%) simple interest;
- 18 e. Affordability Period: 55 years from recordation of the Notice of Completion in the
19 official records of the County of Riverside;
- 20 f. LMIHA Fund Loan Term: 55 years;
- 21 g. Repayment: Loan payments derived from the Project's residual receipts;
- 22 h. Entitlements and Governmental Approvals: Secure any and all required land use
23 entitlements, permits and approvals which may be required for construction of
24 the Project, including, but not limited to compliance with the California
25 Environmental Quality Act and the National Environmental Policy Act;
- 26 i. Other Financing: The LMIHA fund loan is expressly conditioned upon the
27 Developer's ability to secure sufficient equity capital or firm and binding
28 commitments for financing necessary to undertake the development and

1 construction of the Project. All financing contemplated or projected with respect
2 to the Project shall be, or have been, approved in form and substance by the
3 Board of Commissioners. In addition to the LMIHA funds, the Developer has
4 applied to the County of Riverside for \$1,000,000 in HOME Investment
5 Partnership Act ("HOME") Program funds. Other Project financing sources
6 include a construction loan in the amount of \$22,717,755, \$3,000,000 from a
7 United States Department of Agriculture (USDA) loan, \$990,000 in a loan from
8 the FHLBank San Francisco Affordable Housing Program (AHP) loan, donated
9 land from the City of Indio valued at \$440,476, and a \$3,210,450 Developer
10 Impact Fee Waiver;

11 j. Monitoring Fee: Payment of annual compliance monitoring fee to the Housing
12 Authority in the amount of \$6,800. Monitoring fee to be adjusted annually, not to
13 exceed an increase in the Consumer Price Index (CPI); and

14 k. Successful negotiation of loan agreements evidencing the loan of the LMIHA
15 funds in the amounts approved herein, approved as to form by County Counsel,
16 approved by the Board of Commissioners and executed by all required parties.

17 4) The Board of Commissioners' commitment to provide the LMIHA fund loan approved
18 herein is subject to the satisfaction of the conditions precedent set forth herein, is valid
19 until December 31, 2020, and shall thereafter have no force or effect, unless a LMIHA
20 fund loan agreement related to the financing of the Project (approved as to form by
21 County Counsel) has been approved and executed by the Board of Commissioners and
22 the Developer.

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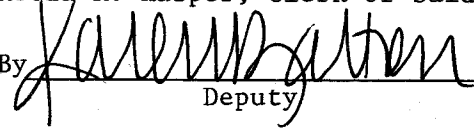
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ROLL CALL:

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
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 R. Harper, Clerk of said Board

By 
Deputy