

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



ITEM
3.9
(ID # 10448)

MEETING DATE:

Tuesday, August 6, 2019

FROM : ECONOMIC DEVELOPMENT AGENCY (EDA):

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA): Adoption of Resolution No. 2019-172 Approving Funding Allocation Up to \$500,000 Derived from HOME Investment Partnerships Program Funds to Community Housing Opportunities Corporation and Support for Application for Low-Income Housing Tax Credits to the California Tax Credit Allocation Committee and for Application for Multifamily Housing Program Funds to the California Department of Housing and Community Development for the Monarch Apartments Multifamily Housing Project, in the City of Palm Springs, District 4, [\$500,000] HOME Investment Partnerships Act Program funds 100%.

RECOMMENDED MOTION: That the Board of Supervisors:

1. Adopt Resolution No. 2019-172, Approving Funding Allocation Up to \$500,000 derived from HOME Investment Partnerships Program Funds to Community Housing Opportunities Corporation and Support for Application for Low-Income Housing Tax Credits to the California Tax Credit Allocation Committee and for Application for Multifamily Housing Program Funds to the California Department of Housing and Community Development for the Monarch Apartments Multifamily Housing Project, in the City of Palm Springs.

ACTION: Policy

Robert Field, Assistant County Executive Officer/ECD

7/16/2019

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington and Perez
Nays: None
Absent: Hewitt
Date: August 6, 2019
xc: EDA

Kecia R. Harper
Clerk of the Board
By:
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 500,000	\$ 0	\$ 500,000	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: Home Investment Partnerships Act Program Funds (100%)			Budget Adjustment: No	
			For Fiscal Year: 2019/20	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

Community Housing Opportunities Corporation, a California non-profit public benefit corporation (Developer) has applied to the County of Riverside (County) for funding in the amount of \$500,000 to pay a portion of the costs to develop and construct the Monarch Apartments, an affordable multifamily low-income housing project (Proposed Project). The Proposed Project will be developed on 3.62 acres located at 3130 North Indian Canyon Drive, in the City of Palm Springs, County of Riverside, State of California, identified as Assessor's Parcel Number 501-031-028 (Property). The Proposed Project will consist of 59 affordable units and one residential manager's unit comprised of 28 one-bedroom units, 16 two-bedroom units, and 16 three-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. Developer will be submitting applications on August 16, 2019, to the California Tax Credit Allocation Committee (TCAC) and on August 20, 2019, to the California Department of Housing and Community Development (HCD) seeking an allocation of tax credits and Multifamily Housing Program funds, respectively, to finance a majority of the costs to develop and construct the Proposed Project.

The Proposed Project has a funding gap of \$500,000 and Developer has submitted an application to the County requesting assistance in the form of HOME Investment Partnerships Program (HOME) funds. Other financing sources for the Proposed Project include a \$21,428,247 construction loan, \$1,497,300 permanent loan, \$11,131,270 in tax credit equity, \$11,182,071 in Multifamily Housing Project funding from HCD, \$590,000 in a loan from a California Affordable Housing Program (AHP), donated land valued at \$840,000 from the City of Palm Springs, \$1,800,000 in Low and Moderate Income Housing Asset Funds from the City of Palm Springs Housing Successor, \$800,000 City fee waivers, \$400,000 in deferred developer fee, and \$1,200,00 in general partner equity contributions. The total cost of development, during the permanent financing period, is approximately \$29,940,641.

The expansion of affordable rental housing stock for low-income households is a high housing priority through the County's Five-Year Consolidated Plan. In order to complete the CDLAC/TCAC application for an allocation of tax credits and the HCD application for MHP funding, Developer must provide a resolution from the local jurisdiction providing support for the Proposed Project.

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
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The attached proposed Resolution No. 2019-172, provides Board support for the Proposed Project and recommends an allocation of up to \$500,000 in HOME funds to be used as a loan to Developer to pay a portion of the development and construction costs for the Proposed Project. Staff recommends that the allocation of the HOME funds be valid until December 31, 2020.

The attached proposed Resolution 2019-172, allocates \$500,000 in HOME funds to the Proposed Project, subject to Developer's satisfaction of the conditions specifically set forth in the attached Resolution 2019-172, 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 Supervisors.

Staff recommends that the Board approve Resolution No. 2019-172. County Counsel has reviewed and approved as to form, the attached Resolution No. 2019-172.

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 HOME Investment Partnerships Program funds.

Attachments:

- Resolution No. 2019-172

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


Renini Laine, Principal Management Analyst 7/27/2019


Gregory V. Priamos, Director County Counsel 7/23/2019

BOARD OF SUPERVISORS

COUNTY OF RIVERSIDE

**RESOLUTION NO. 2019-172
APPROVING FUNDING ALLOCATION UP TO \$500,000 DERIVED FROM HOME
INVESTMENT PARTNERSHIPS PROGRAM FUNDS TO COMMUNITY HOUSING
OPPORTUNITIES CORPORATION AND SUPPORT FOR APPLICATION FOR LOW-INCOME
HOUSING TAX CREDITS TO THE CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
AND FOR APPLICATION FOR MULTIFAMILY HOUSING PROGRAM FUNDS TO THE
CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR THE
MONARCH APARTMENTS MULTIFAMILY HOUSING PROJECT**

WHEREAS, the COUNTY OF RIVERSIDE, a political subdivision of the State of California ("County"), is the recipient of funds derived from the HOME Investment Partnerships ("HOME") Program, which was enacted under Title II of the Cranston Gonzalez National Affordable Housing Act of 1990;

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

WHEREAS, Community Housing Opportunities Corporation, 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 low-income family households consisting of fifty-nine (59) affordable rental units and one (1) residential manager's unit ("Project") on approximately 3.62 acres of vacant land located at 3130 North Indian Canyon Drive, in the City of Palm Springs, County of Riverside, State of California, identified as Assessor Parcel Number 501-031-028 ("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, Developer has submitted an application to County requesting financial assistance in the amount of \$500,000 in HOME funds ("County Allocation"). The County Allocation is needed to fill an existing Project financing gap in the amount of \$500,000;

WHEREAS, the California Debt Limit Allocation Committee ("CDLAC") was created to

RESOLUTION NUMBER 2019-172
The Monarch Apartments

RECEIVED COUNTY COUNSEL
BY: JAILA R. BROWN
DATE: 7/16/19

1 set and allocate California's annual debt ceiling, and administer the State's tax-exempt bond
2 program to issue the debt;

3 **WHEREAS**, the California Tax Credit Allocation Committee ("TCAC") allocates low-
4 income housing tax credits to eligible affordable housing projects that receive an award of bond
5 authority from CDLAC to raise project equity through the sale of tax benefits to investors;

6 **WHEREAS**, Developer intends to submit an application to CDLAC for bond authority
7 and the right to apply for non-competitive low-income housing tax credits, the sales proceeds of
8 which will be used to finance the development and construction of the Project;

9 **WHEREAS**, the application deadline to be considered for bond authority through CDLAC
10 for right to apply for allocation of tax credits through TCAC is August 16, 2019;

11 **WHEREAS**, Developer also intends to submit an application to the California
12 Department of Housing and Community Development ("HCD") for Multifamily Housing Project
13 ("MHP") funding assist new construction of the Project;

14 **WHEREAS**, the application deadline to be considered for a 2019 allocation of MHP
15 funds through HCD is August 20, 2019;

16 **WHEREAS**, to complete the application process, Developer must provide a resolution
17 from the local jurisdictions, including the County, supporting the Project;

18 **WHEREAS**, the County desires to approve an allocation of funding in the approximate
19 amount of \$500,000 HOME funds, to be used to pay a portion of the costs to develop and
20 construct the Project on the Property, subject to Developer's satisfaction of certain conditions
21 precedent for the benefit of the County; and

22 **WHEREAS**, the County desires to support the Developer's application to CDLAC/TCAC
23 and HCD for an allocation of low-income housing tax credits and MHP funding, respectively.

24 **NOW THEREFORE, BE IT RESOLVED, FOUND, DETERMINED AND ORDERED** by
25 the Board of Supervisors of the County of Riverside ("Board"), in regular session assembled on
26 August 6, 2019, in the meeting room of the Board of Supervisors located on the 1st floor of the
27 County Administrative Center, 4080 Lemon Street, Riverside, California, as follows:

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

1 and correct and incorporated as though set forth herein.

- 2 2) The Board of Supervisors supports the Developer's application to CDLAC/TCAC for an
3 allocation of low-income housing tax credits, the sale proceeds of which will be used to
4 finance the development and construction of a multi-family affordable rental housing
5 project consisting of 59 affordable rental units and 1 residential manager's unit, on real
6 property located on approximately 3.62 acres of vacant land located at 3130 North
7 Indian Canyon Drive, in the City of Palm Springs, County of Riverside, State of
8 California, identified as Assessor Parcel Number 501-031-028.
- 9 3) The Board of Supervisors supports the Developer's application to the California
10 Department of Housing and Community Development for an allocation of Multifamily
11 Housing Project funding to finance the development and construction of a multi-family
12 affordable rental housing project consisting of 59 affordable rental units and 1
13 residential manager's unit, on real property located on approximately 3.62 acres of
14 vacant land located at 3130 North Indian Canyon Drive, in the City of Palm Springs,
15 County of Riverside, State of California, identified as Assessor Parcel Number 501-031-
16 028.
- 17 4) Subject to any restrictions on the use HOME funds, the Board of Supervisors agrees to
18 provide financial assistance to the Developer in the maximum amount of \$500,000
19 derived from HOME funds, to pay for the construction of eligible activities on the Project,
20 subject to the satisfaction of the following conditions precedent:
- 21 a. Borrower: Community Housing Opportunities Corporation, a California nonprofit
22 public benefit corporation and an affordable housing developer, or a limited
23 partnership or limited liability company created by Community Housing
24 Opportunities Corporation for the specific purpose of selling tax credits and
25 developing, constructing and owning the Project where Community Housing
26 Opportunities Corporation is the general partner/managing member;
 - 27 b. Project Name: The Monarch Apartments;
 - 28 c. HOME Loan Amount: Not to exceed Five Hundred Thousand Dollars (\$500,000);

- 1 d. Interest: Three percent (3%) simple interest;
- 2 e. Affordability Period: 55 years from recordation of the Notice of Completion in the
- 3 official records of the County of Riverside;
- 4 f. HOME Loan Term: 55 years;
- 5 g. Repayment: Loan payments derived from the Project's residual receipts;
- 6 h. Entitlements and Governmental Approvals: Secure any and all required land use
- 7 entitlements, permits and approvals which may be required for construction of
- 8 the Project, including, but not limited to compliance with the California
- 9 Environmental Quality Act and the National Environmental Policy Act;
- 10 i. Other Financing: the HOME loan is expressly conditioned upon Developer's
- 11 ability to secure sufficient equity capital or firm and binding commitments for
- 12 financing necessary to undertake the development and construction of the
- 13 Project. All financing contemplated or projected with respect to the Project shall
- 14 be, or have been, approved in form and substance by the Board of Supervisors.
- 15 Other financing sources for the Proposed Project include a \$21,428,247
- 16 construction loan, \$1,497,300 permanent loan, \$11,131,270 in tax credit equity,
- 17 \$11,182,071 in Multifamily Housing Project funding from HCD, \$590,000 in a
- 18 loan from a California Affordable Housing Program (AHP), donated land valued
- 19 at \$840,000 from the City of Palm Springs, \$1,800,000 in Low and Moderate
- 20 Income Housing Asset Funds from the City of Palm Springs Housing Successor,
- 21 \$800,000 City fee waivers, \$400,000 in deferred developer fee, and \$1,200,00 in
- 22 general partner equity contributions;
- 23 j. Monitoring Fee: Payment of annual compliance monitoring fee to the Housing
- 24 Authority of the County of Riverside in the amount of \$5,900. Monitoring fee to be
- 25 adjusted annually, not to exceed an increase in the Consumer Price Index (CPI);
- 26 and
- 27
- 28

1 k. Successful negotiation of loan agreements evidencing the loan of the HOME
2 funds in the amounts approved herein, approved as to form by County Counsel,
3 approved by the Board of Supervisors and executed by all required parties.

- 4 5) The Board of Supervisors' commitment to provide the HOME loan is subject to the
5 satisfaction of the conditions precedent set forth herein, is valid until December 31,
6 2020, and shall thereafter have no force or effect, unless a HOME loan agreement
7 related to the financing of the Project (approved as to form by County Counsel) has been
8 approved and executed by the Board of Supervisors and Developer, or an affiliate.

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13 ROLL CALL:

14 Ayes: Jeffries, Spiegel, Washington and Perez
15 Nays: None
16 Absent: Hewitt

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

19 Kecia R. Harper, Clerk of said Board

20 By 

21 Deputy