

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



**ITEM: 3.17  
(ID # 14163)**

**MEETING DATE:**

Tuesday, January 26, 2021

**FROM:** HOUSING, HOMELESSNESS PREVENTION AND WORKFORCE SOLUTIONS:

**SUBJECT:** HOUSING, HOMELESSNESS PREVENTION AND WORKFORCE SOLUTIONS (HHPWS): Adoption of Resolution No. 2021-022, Approving Funding Allocation and Support for Application for Low-Income Housing Tax Credits to the California Tax Credit Allocation Committee for the Vine Creek Apartments Housing Project, and Approval of Up to \$2,800,000 from Permanent Local Housing Allocation (PLHA) Funds to Pacific West Communities for the Vine Creek Apartments Housing Project, in the City of Temecula, District 3. [\$2,800,000 - Permanent Local Housing Allocation (PLHA) funds 100%]

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Adopt Resolution No. 2021-022, Approving Funding Allocation and Support for Application for Low-Income Housing Tax Credits to the California Tax Credit Allocation Committee for the Vine Creek Apartments Housing Project; and
2. Approve up to \$2,800,000 from Permanent Local Housing Allocation (PLHA) funds to Pacific West Communities for the Vine Creek Apartments Housing Project, in the City of Temecula, subject to the conditions set forth in Resolution No. 2021-022.

**ACTION:** Policy

  
Heidi Marshall, Director 1/7/2021

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**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Hewitt, seconded by Supervisor Spiegel 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: January 26, 2021  
xc: HHPWS

Kecia R. Harper  
Clerk of the Board

By:   
Deputy

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

<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$2,800,000	\$ 0	\$2,800,000	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS:</b> Permanent Local Housing Allocation (PLHA) Funds (100%)			<b>Budget Adjustment:</b>	No
			<b>For Fiscal Year:</b>	2020/21

**C.E.O. RECOMMENDATION:** Approve

**BACKGROUND:**

**Summary**

Pacific West Communities, an Idaho corporation, (Developer) has applied to the County of Riverside (County) for Permanent Local Housing Allocation (PLHA) funding in the amount of \$2,800,000 to pay a portion of the costs to develop and construct the Vine Creek Apartments, an affordable multifamily low-income housing project (Proposed Project). The Proposed Project, Vine Creek Apartments, will be developed on 2.27 acres located at the northwest corner of Main Street and Pujol Street, in the City of Temecula, County of Riverside, State of California, identified as Assessor's Parcel Numbers 922-053-021, 922-053-048, 922-053-047 (Property). The Proposed Project will consist of 59 affordable units and one residential manager's unit comprised of 7 one-bedroom units, 32 two-bedroom units, and 21 three-bedroom units. Under the County's PLHA program, a total of 22 units will be restricted to households whose incomes do not exceed 80% of the area median income and 6 units will be restricted to individuals households whose incomes do not exceed 50% of the area median income for the County of Riverside. Developer will be submitting first round applications in 2021 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 has a funding gap of \$2,800,000 and Developer has submitted an application to the County requesting assistance in the form of PLHA funds. Other financing sources for the Proposed Project are anticipated to include \$18,768,930 in bond and tax credit proceeds, \$2,600,000 from Boston Capital Financing, \$2,710,000 from the City of Temecula, and \$376,951 in fee waivers from Western Riverside Council of Governments (WRCOG). The total cost of development, during the permanent financing period, is approximately \$27,255,881.

The Building Homes and Jobs Act, included as part of Senate Bill (SB) 2 (Chapter 364, Statutes of 2017), established the PLHA program which was designed to provide a permanent source of funding to local governments in California to help cities and counties implement plans to increase the affordable housing stock. The City of Temecula was allocated \$273,393 by formula determination for 2019 by the California Department of Housing and Community Development. The County has an allocation of \$3,996,171. The City delegated its allocation to the County pursuant to an agreement dated June 26, 2020.

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,  
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In order to complete the TCAC application for an allocation of tax credits, Developer must provide a resolution from the local jurisdiction providing support for the Proposed Project.

The attached proposed Resolution No. 2021-022, provides Board support for the Proposed Project and recommends an allocation of up to \$2,800,000 in PLHA 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 PLHA funds be valid until December 31, 2021.

The attached proposed Resolution 2021-022, allocates up to \$2,800,000 in PLHA funds to the Proposed Project, subject to Developer's satisfaction of the conditions specifically set forth in the attached Resolution 2021-022, 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 (NEPA);
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 requiring compliance with the PLHA Program approved by the Board of Supervisors and approved as to form by County Counsel.

Staff recommends that the Board adopt Resolution No. 2021-022. County Counsel has reviewed and approved the attached Resolution No. 2021-022 as to form.

**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 Permanent Local Housing Allocation (PLHA) funds.

**Attachment:**

- Resolution No. 2021-022

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

*Marcus Maltese*

Marcus Maltese

1/19/2021

*Gregory V. Priapos*

Gregory V. Priapos, Director County Counsel

1/13/2021

**BOARD OF SUPERVISORS**

**COUNTY OF RIVERSIDE**

**RESOLUTION 2021-022  
APPROVING FUNDING ALLOCATION AND SUPPORT FOR APPLICATION FOR  
LOW-INCOME HOUSING TAX CREDITS TO THE CALIFORNIA TAX CREDIT  
ALLOCATION COMMITTEE FOR THE VINE CREEK APARTMENTS HOUSING  
PROJECT**

**WHEREAS**, the COUNTY OF RIVERSIDE, a political subdivision of the State of California (“County”), is the recipient of funds derived from the Permanent Local Housing Allocation (PLHA) Program which was enacted under the Building Homes and Jobs Act, included as part of California Senate Bill (SB) 2 (Chapter 364, Statutes of 2017);

**WHEREAS**, the PLHA Program was designed to provide a permanent source of funding to local governments in California to help cities and counties implement plans to increase the affordable housing stock;

**WHEREAS**, Pacific West Communities, an Idaho corporation and an affordable housing developer (“Developer”), proposes to develop and construct a multi-family affordable rental housing project, Vine Creek Apartments, for low-income family households consisting of fifty-nine (59) affordable rental units and one (1) residential manager’s unit (“Project”) on approximately 2.27 acres of vacant land located at the northwest corner of Main Street and Pujol Street, in the City of Temecula, County of Riverside, State of California, identified as Assessor’s Parcel Numbers 922-053-021, 922-053-048, 922-053-047 (“Property”);

**WHEREAS**, a total of 28 units will be restricted under PLHA of which 22 units will be restricted to households whose incomes do not exceed 80% of the area median income and 6 units will be restricted to individuals households whose incomes do not exceed 50% of the area median income for the County of Riverside;

**WHEREAS**, Developer submitted an application to County requesting financial assistance in the amount of \$2,800,000 in PLHA funds (“County Allocation”). The County Allocation is needed to fill an existing Project financing gap in the amount of \$2,800,000;

**WHEREAS**, the California Tax Credit Allocation Committee (“TCAC”) facilitates the investment of private capital into the development of affordable rental housing for low-income

*RESOLUTION NUMBER 2021-022  
Vine Creek Apartments*

FORM APPROVED COUNTY COUNSEL  
BY: AD AMRTP DHILLON  
DATE: 1/11/2021

1 households through the allocation of federal and state tax credits to affordable housing  
2 developers;

3 **WHEREAS**, corporations provide equity to build the projects in return for the tax credits  
4 in which TCAC verifies that the developers have met all the requirements of the program and  
5 ensures the continued affordability and habitability of the developments for the succeeding 55  
6 years;

7 **WHEREAS**, as limited partner of Temecula Pacific Associates, a California Limited  
8 Partnership, Developer intends to submit an application to TCAC and the apply for competitive  
9 low-income housing tax credits, the sales proceeds of which will be used to finance the  
10 development and construction of the Project;

11 **WHEREAS**, the 2021 competitive application submission deadlines to be considered for  
12 allocation of tax credits through TCAC are anticipated in March and July;

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

15 **WHEREAS**, the County desires to approve an allocation of funding in the approximate  
16 amount of \$2,800,000 PLHA funds, to be used to pay a portion of the costs to develop and  
17 construct the Project on the Property, subject to Developer's satisfaction of certain conditions  
18 precedent for the benefit of the County; and

19 **WHEREAS**, the County desires to support the Developer's application to TCAC for an  
20 allocation of low-income housing tax credits.

21 **NOW THEREFORE, BE IT RESOLVED, FOUND, DETERMINED AND**  
22 **ORDERED** by the Board of Supervisors of the County of Riverside ("Board"), in regular  
23 session assembled on January 26, 2021, in the meeting room of the Board of Supervisors located  
24 on the 1st floor of the County Administrative Center, 4080 Lemon Street, Riverside, California,  
25 as follows:

- 26 1) That the Board of Supervisors hereby finds and declares that the above recitals are true  
27 and correct and incorporated as though set forth herein.
- 28 2) The Board of Supervisors supports the Developer's application to TCAC for an

1 allocation of low-income housing tax credits, the sale proceeds of which will be used to  
2 finance the development and construction of a multi-family affordable rental housing  
3 project, Vine Creek Apartments, consisting of 60 total units (59 affordable rental units  
4 and 1 residential manager's unit), on real property located on approximately 2.27 acres  
5 of vacant land located at the northwest corner of Main Street and Pujol Street, in the  
6 City of Temecula, County of Riverside, State of California, identified as Assessor's  
7 Parcel Numbers 922-053-021, 922-053-048, 922-053-047.

8 3) Subject to any restrictions on the use PLHA funds, the Board of Supervisors agree to  
9 provide financial assistance to the Developer the maximum amount of \$2,800,000 of  
10 PLHA funds, for construction of eligible activities on the Project, subject to the  
11 satisfaction of the following conditions precedent:

- 12 a. Borrower: Pacific West Communities, an Idaho corporation and an affordable  
13 housing developer, or as limited partner of Temecula Pacific Associates, a  
14 California Limited Partnership, a limited partnership created by Pacific West  
15 Communities for the specific purpose of selling tax credits and developing,  
16 constructing and owning the Project;
- 17 b. Project Name: Vine Creek Apartments;
- 18 c. PLHA Loan Amount: Not to exceed Two Million Eight Hundred Dollars  
19 (\$2,800,000);
- 20 d. Interest: One percent (1%) simple interest;
- 21 e. Affordability Period: 55 years from recordation of the Notice of Completion in  
22 the official records of the County of Riverside;
- 23 f. PLHA Loan Term: 55 years;
- 24 g. Repayment: Loan payments derived from the Project's residual receipts;
- 25 h. Entitlements and Governmental Approvals: Secure any and all required land use  
26 entitlements, permits and approvals which may be required for construction of the  
27 Project, including, but not limited to compliance with the California  
28 Environmental Quality Act;

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- i. Other Financing: the PLHA loan is expressly conditioned upon the Developer's ability to secure sufficient equity capital or firm and binding commitments for financing necessary to undertake the development and construction of the Project. All financing contemplated or projected with respect to the Project shall be, or have been, approved in form and substance by the Board of Supervisors. Other financing sources for the Proposed Project are anticipated to include \$18,768,930 in bond and tax credit proceeds, \$2,600,000 of Boston Capital Financing, \$2,710,000 from City of Temecula, and \$376,951 Western Riverside Council of Governments (WRCOG) fee waivers. The total cost of development, during the permanent financing period, is approximately \$27,255,881;
- j. Monitoring Fee: Payment of annual compliance monitoring fee to the County in the amount of \$6,000. Monitoring fee to be adjusted annually, not to exceed an increase in the Consumer Price Index (CPI); and
- k. Successful negotiation of loan agreements evidencing the loan of the PLHA funds in the amounts approved herein, approved as to form by County Counsel, approved by the Board of Supervisors and executed by all required parties.

4) The Board of Supervisors' commitment to provide the PLHA loan is subject to the satisfaction of the conditions precedent set forth herein, is valid until December 31, 2021, and shall thereafter have no force or effect, unless a PLHA loan agreement related to the financing of the Project (approved as to form by County Counsel) have been approved and executed by the Board of Supervisors and the Developer.

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ROLL CALL:

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

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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