

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



**ITEM: 3.17
(ID # 14308)**

MEETING DATE:
Tuesday, February 09, 2021

FROM : HOUSING, HOMELESSNESS PREVENTION AND WORKFORCE SOLUTIONS:

SUBJECT: HOUSING, HOMELESSNESS PREVENTION AND WORKFORCE SOLUTIONS (HHPWS): Adoption of Resolution No. 2021-029, Approving Funding Allocation and Support for Application for Low-Income Housing Tax Credits to the California Tax Credit Allocation Committee for the Coachella Valley Apartments Multifamily Housing Project, Located in the City of Coachella, for an Amount of \$1,500,000 Derived from HOME Investment Partnerships Program Funds; District 4. [\$1,500,000 - HOME Investment Partnerships Act Program funds 100%]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Adopt Resolution No. 2021-029, Approving Funding Allocation and Support for Application for Low-Income Housing Tax Credits to the California Tax Credit Allocation Committee for the Coachella Valley Apartments Multifamily Housing Project, Located in the City of Coachella.


ACTION:Policy


Heidi Marshall, Director 2/26/2021

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Jeffries, seconded by Supervisor Hewitt 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: February 9, 2021
xc: HHPWS

Kecia R. Harper
Clerk of the Board
By: 
Deputy

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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: Home Investment Partnerships Act Program Funds (100%)			Budget Adjustment: No	
			For Fiscal Year: 20/21	

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 \$1,500,000 to pay a portion of the costs to redevelop and construct the Coachella Valley Apartments, an affordable existing multifamily low-income housing project (Proposed Project). The Proposed Project currently consists of fifty affordable rental units on approximately 5.76 acres of land located at 84-900 Bagdad Avenue, in the City of Coachella, County of Riverside, State of California, identified as Assessor Parcel Number 768-210-025 and 768-210-026 (Property). The Proposed Project will increase the total number of units in the development to 110 through two phases. In the first phase of the proposed project, the Developer will replace the 20 existing units with 56 units (Phase I). In the second phase of the proposed project, the Developer will replace the remaining 30 units with 54 units (Phase II). The project will be comprised of 29 one-bedroom units, 43 two-bedroom units and 38 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 March 8, 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 \$1,500,000 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 construction loan from Wells Fargo Bank in the amount of \$22,635,348, Joe Serna Funds from The California Department of Housing and Community Development in the amount of \$5,000,000, a CFD loan from the City of Coachella in amount of \$3,233,000 and an extension of an existing USDA 514 loan in the amount of \$24,826 and USDA rental subsidies in the amount \$70,067. The total cost of development, during the permanent financing period, is approximately \$31,125,663.

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

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CDLAC/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. 2021-029, provides Board support for the Proposed Project and recommends an allocation of up to \$1,500,000 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, 2022.

The attached proposed Resolution No. 2021-029, allocates \$1,500,000 in HOME funds to the Proposed Project, subject to Developer's satisfaction of the conditions specifically set forth in the attached Resolution No. 2021-029, 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 and approved as to form by County Counsel.

Staff recommends that the Board approve Resolution No. 2021-029. County Counsel has reviewed and approved as to form the attached Resolution No. 2021-029.

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. 2021-029

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Gregory V. Priamos, Director County Counsel 1/28/2021

BOARD OF SUPERVISORS

COUNTY OF RIVERSIDE

RESOLUTION NO. 2021-029

**APPROVING FUNDING ALLOCATION AND SUPPORT FOR APPLICATION FOR
LOW-INCOME HOUSING TAX CREDITS TO THE CALIFORNIA TAX CREDIT
ALLOCATION COMMITTEE FOR THE COACHELLA VALLEY APARTMENTS
MULTIFAMILY HOUSING PROJECT, LOCATED IN THE CITY OF COACHELLA**

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 Act ("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 2019-2024 Five Year Consolidated Plan;

WHEREAS, Community Housing Opportunities Corporation, a California nonprofit public benefit corporation and an affordable housing developer ("Developer"), and its affiliates propose to redevelop an existing multi-family affordable rental housing project for low-income family households consisting of fifty (50) affordable rental units on approximately 5.76 acres of land located at 84-900 Bagdad Avenue, in the City of Coachella, County of Riverside, State of California, identified as Assessor Parcel Number 768-210-025-3 and 768-210-026-4 ("Property") and increase the total number of units in the development to one hundred and ten (110). The redevelopment will occur in two phases. In the first phase of the proposed project, the Developer will replace the 20 existing units with 56 units (Phase I). In the second phase of the proposed project, the Developer will replace the remaining 30 units with 54 units (Phase II).

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 \$1,500,000 in HOME funds ("County Allocation") to develop Phase I. The County Allocation is needed to fill an existing financing gap in the amount of \$1,500,000 for Phase I;

*RESOLUTION NUMBER 2021-029
Coachella Valley Apartments*

FORM APPROVED COUNTY COUNSEL
BY: AMR/P DHILLON
DATE: 1/29/2021

FEB 09 2021 3.17

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
5 of 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 2021 allocation of tax credits
8 through TCAC is March 8, 2021;

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

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

13 **WHEREAS**, the County desires to approve an allocation of funding in the approximate
14 amount of \$1,500,000 HOME funds, to be used to pay a portion of the costs to develop and
15 construct Phase I of the proposed project on the Property, subject to Developer’s satisfaction of
16 certain conditions precedent for the benefit of the County; and

17 **WHEREAS**, the County desires to support the Developer’s application to the California
18 Debt Limit Allocation Committee (“CDLAC”)/TCAC and HCD for an allocation of low-income
19 housing tax credits, respectively.

20 **NOW THEREFORE, BE IT RESOLVED, FOUND, DETERMINED AND**
21 **ORDERED** by the Board of Supervisors of the County of Riverside (“Board”), in regular
22 session assembled on February 9, 2021, in the meeting room of the Board of Supervisors located
23 on the 1st floor of the County Administrative Center, 4080 Lemon Street, Riverside, California,
24 as follows:

- 25 1) That the Board of Supervisors hereby finds and declares that the above recitals are true
26 and correct and incorporated as though set forth herein.
- 27 2) The Board of Supervisors supports the Developer’s application to CDLAC/TCAC for an
28 allocation of low-income housing tax credits, the sale proceeds of which will be used to

1 finance Phase I of the proposed project to construct 55 affordable rental units, plus 1
2 residential manager's unit, on real property located on approximately 5.76 acres of land
3 located at 84-900 Bagdad Avenue, in the City of Coachella, County of Riverside, State
4 of California, identified as Assessor Parcel Number 768-210-025-3 and 768-210-026-4
5 Subject to any restrictions on the use HOME funds, the Board of Supervisors agrees to
6 provide financial assistance to the Developer the maximum amount of \$1,500,000 of
7 HOME funds, for construction of eligible activities on the Project, subject to the
8 satisfaction of the following conditions precedent:

- 9 a. Borrower: Community Housing Opportunities Corporation, a California nonprofit
10 public benefit corporation and an affordable housing developer, or a limited
11 partnership controlled by Community Housing Opportunities Corporation for the
12 specific purpose of selling tax credits and developing, constructing and owning
13 the Project where Community Housing Opportunities Corporation, or a single
14 purpose entity affiliate of Community Housing Opportunities Corporation, is the
15 general partner/managing member;
- 16 b. Project Name: Coachella Valley I Apartments;
- 17 c. HOME Loan Amount: Not to exceed One Million Five Hundred Thousand
18 Dollars (\$1,500,000);
- 19 d. Interest: Three percent (3%) simple interest;
- 20 e. Affordability Period: 55 years from recordation of the Notice of Completion in
21 the official records of the County of Riverside;
- 22 f. HOME Loan Term: 55 years;
- 23 g. Repayment: Loan payments derived from the Project's residual receipts;
- 24 h. Entitlements and Governmental Approvals: Secure any and all required land use
25 entitlements, permits and approvals which may be required for construction of the
26 Project, including, but not limited to compliance with the California
27 Environmental Quality Act and the National Environmental Policy Act;

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- i. Other Financing: the HOME 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 Project financing sources include a construction loan from Wells Fargo Bank in the amount of \$22,635,348, Joe Serna Funds from The California Department of Housing and Community Development in the amount of \$5,000,000, a Community Facilities District ("CFD") Fee loan from the City of Coachella in amount of \$3,233,000 an extension of an existing USDA 515 loan in the amount of \$24,826, annual USDA rental subsidies in the amount \$70,067, and a new USDA Section 538 guaranteed loan in an amount to be determined;
- j. Monitoring Fee: Payment of annual compliance monitoring fee to the HACR in the amount of \$5,600. 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 HOME 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.

3) The Board of Supervisors' commitment to provide the HOME 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 HOME loan agreement related to the financing of the Project (approved as to form by County Counsel) has been executed by the Board of Supervisors and the Developer.

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2 **RESOLUTION 2021-029**

3 **A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF**
4 **RIVERSIDE APPROVING FUNDING ALLOCATION AND SUPPORT FOR**
5 **APPLICATION FOR LOW-INCOME HOUSING TAX CREDITS TO THE CALIFORNIA**
6 **TAX CREDIT ALLOCATION COMMITTEE FOR THE COACHELLA VALLEY**
7 **APARTMENTS MULTIFAMILY HOUSING PROJECT, LOCATED IN THE CITY OF**
8 **COACHELLA.**

9 ADOPTED by Riverside County Board of Supervisors on February 9, 2021.

10 ROLL CALL:

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

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

16 KECIA R. HARPER, Clerk of said Board

17 By: 
18 Deputy

