

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



**ITEM: 3.23
(ID # 16885)**

MEETING DATE:
Tuesday, August 17, 2021

FROM : HOUSING, HOMELESSNESS PREVENTION AND WORKFORCE SOLUTIONS:

SUBJECT: HOUSING, HOMELESSNESS PREVENTION AND WORKFORCE SOLUTIONS (HHPWS): Adoption of Resolution No. 2021-118, A Resolution of the Board of Supervisors of the County of Riverside Approving HOME Investment Partnership Act Funding Allocation, Support for Application for Low-Income Housing Tax Credits to the California Tax Credit Allocation Committee, and Support for Application for Award of Private Activity Bonds to the California Debt Limit Allocation Committee for the Monamas Terrace Apartments Multifamily Housing Project, Located in the City of Murrieta, for an Amount of \$2,500,000 Derived from HOME Investment Partnerships Program Funds; District 3. [\$2,500,000 - HOME Investment Partnerships Act Program funds 100%]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Adopt Resolution No. 2021-118, A Resolution of the Board of Supervisors of the County of Riverside Approving HOME Investment Partnership Act Funding Allocation, Support for Application for Low-Income Housing Tax Credits to the California Tax Credit Allocation Committee, and Support for Application for Award of Private Activity Bonds to the California Debt Limit Allocation Committee for the Monamas Terrace Apartments Multifamily Housing Project, Located in the City of Murrieta.


ACTION:Policy


Heidi Marshall, Director 8/26/2021

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Hewitt, seconded by Supervisor Jeffries 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: August 17, 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	\$2,500,000	\$ 0	\$2,500,000	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: Home Investment Partnerships Act Program Funds (100%)			Budget Adjustment:	No
			For Fiscal Year:	21/22

C.E.O. RECOMMENDATION: Approve.

BACKGROUND:

Summary

Pacific Housing, Inc., a California non-profit public benefit corporation (Developer) has applied to the County of Riverside (County) for funding in the amount of \$2,500,000 to pay a portion of the costs to construct the Monamas Terrace Apartments, an affordable multifamily low-income housing project (Proposed Project). The Proposed Project will consist of one-hundred and forty (140) affordable rental units on approximately 4.52 acres of land located at 40920 Los Alamos Road, in the City of Murrieta, County of Riverside, State of California, identified as Assessor Parcel Number 949-200-025 and 949-200-006 (Property). The project will be comprised of 50 one-bedroom units, 40 two-bedroom units, 25 three-bedroom units, 24 four-bedroom units and 1 three-bed room manager's unit. Eleven of the units will be designated as HOME units and restricted to individuals whose incomes do not exceed 50% of the area median income for the County of Riverside. Developer will be submitting applications in September 2021, to the California Tax Credit Allocation Committee (TCAC) and California Debt Limit Allocation Committee (CDLAC) seeking an allocation of tax credits and a bond allocation to finance a majority of the costs to develop and construct the Proposed Project. TCAC allocates low-income housing tax credits to eligible affordable housing projects to raise project equity through the sale of tax benefits to investors. CDLAC awards from its annual volume cap private activity bonds to eligible issuers of bonds to be used for affordable housing projects. The Developer intends to submit an application to CDLAC for an award of private activity bonds, and the proceeds from the sale of bonds will be used to finance Project costs. A limited partnership will be formed with Developer as general partner to develop and construct the Proposed Project.

The Proposed Project has a funding gap of \$2,500,000 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 Citi Bank in the amount of \$45,300,000, Investor Tax Credit Equity in the amount of \$4,446,491, Deferred Developer Fee in the amount of \$5,980,588, and a net operating income during construction in the amount of \$512,117. The total cost of development, during the permanent financing period, is approximately \$58,739,196.

The expansion of affordable rental housing stock for low-income households is a high housing

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priority through the County's Five-Year Consolidated Plan. In order to complete the CDLAC and TCAC applications 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. 2021-118, provides Board support for the Proposed Project and recommends an allocation of up to \$2,500,000 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 August 31, 2022.

The attached proposed Resolution No. 2021-118 allocates \$2,500,000 in HOME funds to the Proposed Project, subject to Developer's satisfaction of the conditions specifically set forth in the attached Resolution No. 2021-118, 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 approved by the Board of Supervisors and approved as to form by County Counsel.

Staff recommends that the Board approve Resolution No. 2021-118. County Counsel has reviewed and approved as to form the attached Resolution No. 2021-118.

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. 2021-118

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
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Steven Atkeson 8/5/2021


Gregory V. Priamos, Director County Counsel 8/5/2021

RESOLUTION NO. 2021-118

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE APPROVING HOME INVESTMENT PARTNERSHIP ACT FUNDING ALLOCATION, SUPPORT FOR APPLICATION FOR LOW-INCOME HOUSING TAX CREDITS TO THE CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE, AND SUPPORT FOR APPLICATION FOR AWARD OF PRIVATE ACTIVITY BONDS TO THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE FOR THE MONAMAS TERRACE APARTMENTS MULTIFAMILY HOUSING PROJECT, LOCATED IN THE CITY OF MURRIETA

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; and

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; and

WHEREAS, Pacific Housing, Inc., a California nonprofit public benefit corporation and an affordable housing developer ("Developer"), and its affiliates propose to develop a multi-family affordable rental housing project for low-income family households consisting of up to one hundred and forty (140) affordable rental units on approximately 4.52 acres of land located at 40920 Los Alamos Road, in the City of Murrieta, County of Riverside, State of California, identified as Assessor Parcel Number 949-200-025 and 949-200-006. ("Property"); and

WHEREAS, eleven (11) of the units will be restricted to households whose incomes do not exceed 50% of the Riverside County Area Median Income; and

WHEREAS, Developer has submitted an application to County requesting financial assistance in the amount of \$2,500,000 in HOME funds ("County Allocation") to develop Monamas Terrace Apartments ("Project"). The County Allocation is needed to fill an existing financing gap in the amount of \$2,500,000 for the Project; and

WHEREAS, the California Tax Credit Allocation Committee ("TCAC") allocates low-income housing tax credits to eligible affordable housing projects to raise project equity through

FORM APPROVED COUNTY COUNSEL
BY: AMR/P. DHULLON
DATE: 8/4/2024

1 the sale of tax benefits to investors; and

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

5 **WHEREAS**, the California Debt Limit Allocation Committee (“CDLAC”) awards from
6 its annual volume cap, private activity bonds to eligible issuers of bonds to be used for affordable
7 housing projects; and

8 **WHEREAS**, the Developer intends to submit an application to CDLAC for an award of
9 private activity bonds, and the proceeds from the sale of bonds will be used to finance Project
10 costs; and

11 **WHEREAS**, to complete the TCAC and CDLAC application process, the Developer
12 must provide a resolution from the local jurisdictions, including the County, supporting the
13 Project; and

14 **WHEREAS**, the Developer has successfully completed several affordable housing
15 complexes in the County; and

16 **WHEREAS**, the County desires to approve an allocation of funding in the approximate
17 amount of \$2,500,000 HOME funds, to be used to pay a portion of the costs to develop and
18 construct Project on the Property, subject to Developer’s satisfaction of certain conditions
19 precedent for the benefit of the County;

20 **WHEREAS**, the County desires to support the Developer’s application to California
21 CDLAC for an award of private activity bonds from the annual volume cap and TCAC for an
22 allocation of low-income housing tax credits, respectively.

23 **NOW THEREFORE, BE IT RESOLVED, FOUND, DETERMINED AND**
24 **ORDERED** by the Board of Supervisors of the County of Riverside (“Board”), in regular
25 session assembled on August 17, 2021, in the meeting room of the Board of Supervisors located
26 on the 1st floor of the County Administrative Center, 4080 Lemon Street, Riverside, California,
27 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 applications to CDLAC/TCAC for
3 an award of private activity bonds and an allocation of low-income housing tax credits,
4 the sale proceeds of both of which will be used to finance proposed Project to construct
5 up to 140 affordable rental units, plus one (1) residential manager's unit, on real
6 property located on approximately 4.52 acres of land located at 40920 Los Alamos
7 Road, in the City of Murrieta, County of Riverside, State of California, identified as
8 Assessor Parcel Number 949-200-006 and 949-200-025. Subject to any restrictions on
9 the use HOME funds, the Board of Supervisors agrees to provide financial assistance to
10 the Developer the maximum amount of \$2,500,000 of HOME funds, for construction of
11 eligible activities on the Project, subject to the satisfaction of the following conditions
12 precedent:

- 13 a. Borrower: a to-be-formed limited partnership in which Pacific Housing, Inc. a
14 California nonprofit public benefit corporation or a single purpose entity affiliate
15 of Pacific Housing, Inc., is a general partner, formed for developing, constructing
16 and owning the Project;
- 17 b. Project Name: Monamas Terrace Apartments;
- 18 c. HOME Loan Amount: Not to exceed Two Million Five Hundred Thousand
19 Dollars (\$2,500,000);
- 20 d. Interest: Three percent (3%) 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. HOME 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 and the National Environmental Policy Act;

- 1 i. Other Financing: the HOME loan is expressly conditioned upon the Developer's
2 ability to secure sufficient equity capital or firm and binding commitments for
3 financing necessary to undertake the development and construction of the Project.
4 All financing contemplated or projected with respect to the Project shall be, or
5 have been, approved in form and substance by the Board of Supervisors. Other
6 Project financing sources may include a construction loan from Citibank in the
7 amount of \$45,300,000, Investor Tax Credit Equity in the amount of \$4,446,491,
8 and a Deferred Developer Fee in the amount of \$5,980,588;
- 9 j. Monitoring Fee: Payment of annual compliance monitoring fee to the County of
10 Riverside Department of Housing, Homelessness Prevention and Workforce
11 Solutions ("HHPWS") in the amount of \$14,000. Monitoring fee to be adjusted
12 annually, not to exceed an increase in the Consumer Price Index ("CPI"); and
- 13 k. Successful negotiation of loan agreements evidencing the loan of the HOME
14 funds in the amounts approved herein, approved as to form by County Counsel,
15 approved by the Board of Supervisors and executed by all required parties.

16 3) The Board of Supervisors' commitment to provide the HOME loan is subject to the
17 satisfaction of the conditions precedent set forth herein, is valid until August 31, 2022,
18 and shall thereafter have no force or effect, unless a HOME loan agreement related to the
19 financing of the Project (approved as to form by County Counsel) has been executed by
20 the Board of Supervisors and the Developer.

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2 **RESOLUTION 2021-118**

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4 **A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF**
5 **RIVERSIDE APPROVING HOME INVESTMENT PARTNERSHIP ACT FUNDING**
6 **ALLOCATION, SUPPORT FOR APPLICATION FOR LOW-INCOME HOUSING TAX**
7 **CREDITS TO THE CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE, AND**
8 **SUPPORT FOR APPLICATION FOR AWARD OF PRIVATE ACTIVITY BONDS TO**
9 **THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE FOR THE MONAMAS**
10 **TERRACE APARTMENTS MULTIFAMILY HOUSING PROJECT, LOCATED IN THE**
11 **CITY OF MURRIETA**

12 ADOPTED by Riverside County Board of Supervisors on August 17, 2021.

13 ROLL CALL:

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

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

20 KECIA R. HARPER, Clerk of said Board

21 By: 
22 Deputy