

**SUBMITTAL TO THE RIVERSIDE COMMUNITY
HOUSING CORP. BOARD OF DIRECTORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM: 14.1
(ID # 17847)

MEETING DATE:

Tuesday, December 14, 2021

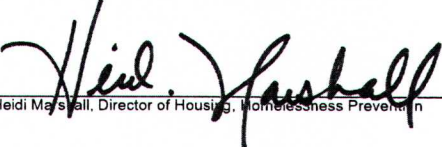
FROM : RIVERSIDE COMMUNITY HOUSING CORP.:

SUBJECT: RIVERSIDE COMMUNITY HOUSING CORP (RCHC): Adopt Resolution No. 2021-004, Superseding Resolution No. 2021-001, Authorizing the Chief Executive Officer (CEO) or Chief Operating Officer (COO) to take all necessary steps to secure construction financing and permanent financing for the Allegheny Apartments project; District 5. [\$0]

RECOMMENDED MOTION: That the Board of Directors:

1. Adopt Resolution No. 2021-004, Superseding Resolution No. 2021-001, Authorizing the Chief Executive Officer or the Chief Operating Officer to take all necessary steps to secure construction financing and permanent financing for the Allegheny Apartments project, on behalf of RCHC in its capacity as the Administrative General Partner of Linc-Beaumont 2 Apts, LP.

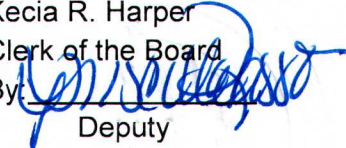
ACTION:Policy


Heidi Marshall, Director of Housing, Homelessness Prevention 11/24/2021

MINUTES OF THE BOARD OF DIRECTORS

On motion of Director Washington, seconded by Director 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: December 14, 2021
xc: RCHC

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	\$ 0	\$ 0	\$ 0	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: N/A			Budget Adjustment: No	
			For Fiscal Year: 21/22	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On August 24, 2021 (Agenda Item #14.1), the Board adopted Resolution No. 2021-001, delegating authority to the Chief Executive Officer (CEO) or the Chief Operating Officer (COO) of the Riverside Community Housing Corp. (RCHC) to borrow a tax exempt loan in an amount not to exceed \$15,000,000 and a taxable tail loan in an amount not to exceed \$8,500,000, from the California Municipal Finance Authority (the "Issuer"), and to enter into any and all documents required in connection with said loans to secure construction and permanent financing for the Allegheny Apartments project (Project). It was determined that it was in the Project's best interest to obtain a tax-exempt loan in the amount of \$14,500,000 and to increase the taxable loan from \$8,500,000 to \$9,000,000. On October 28, 2021, escrow closed on the financing for the Project with the understanding that RCHC, acting as the administrative general partner in the ownership structure of this Project, would submit an updated funding resolution acknowledging this change to the financing.

The Project is currently under construction and scheduled to be completed May 2023. The Project is located on the east side of Allegheny Avenue between 6th Street and 8th Street identified as Assessor's Parcel Number 419-150-050. The Project is approximately 1.48-acres that will consist of two, 3-story buildings, as well as 28 parking spaces, a community room, and 10,801 square feet of open space. The proposed Project will provide forty-eight (48) units, including one (1) unrestricted manager's unit and forty-seven (47) units affordable to very low-income households earning between 30% and 50% of the Area Median Income (AMI). Half of the forty-eight (48) units will be two-bedroom units (approximately 952 square feet), and the remaining half will be three-bedroom units (approximately 1159 square feet).

Staff recommends that the Board of Directors adopt the attached Resolution No. 2021-004, superseding Resolution No. 2021-001, authorizing the Chief Operating Officer or the Chief Executive Officer of RCHC to take all necessary steps to sign any and all documents to secure the funding described above for the Allegheny Apartments project, subject to RCHC's General Counsel's approval as to form.

Impact on Residents and Businesses

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COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

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.

Additional Fiscal Information

The Housing Authority of the County of Riverside will place forty-seven (47) Section 8 Project Based Vouchers (PBVs) on the Project, funded by the U.S. Department of Housing and Urban Development. RCHC will earn a developer fee for participating in the Partnership, and the fee earned on this Project will be used to fund additional affordable housing developments in Riverside County.

Attachments:

- RCHC Resolution No. 2021-004


Brianna Lontajo, Principal Management Analyst

12/7/2021


Gregory L. Priamos, Director County Counsel

12/2/2021

3 RESOLUTION NO. 2021-004

5 **A RESOLUTION OF THE BOARD OF DIRECTORS OF RIVERSIDE COMMUNITY HOUSING CORP.**
6 **SUPERSEDING RESOLUTION NO. 2021-001 AUTHORIZING THE CHIEF EXECUTIVE OFFICER OR CHIEF**
7 **OPERATING OFFICER TO TAKE ALL NECESSARY ACTIONS TO EXECUTE LOAN AGREEMENTS,**
8 **HOUSING ASSISTANCE AGREEMENTS, AND ANY RELATED DOCUMENTS TO SECURE CONSTRUCTION**
9 **AND PERMANENT FINANCING FOR THE ALLEGHENY APARTMENTS AFFORDABLE HOUSING PROJECT**
10 **LOCATED IN THE CITY OF BEAUMONT**

12 **WHEREAS**, the Riverside Community Housing Corp. ("RCHC"), a California nonprofit public benefit
13 corporation, was created for the purpose of financing, acquiring, developing, rehabilitating, owning, managing, and
14 selling affordable housing for extremely low, low, and moderate income persons within the County of Riverside;

15 **WHEREAS**, on March 30, 2021, the Board of Directors of RCHC (the "Board") approved the formation of
16 a limited partnership with LINC Housing Corporation, a California nonprofit public benefit corporation, or its
17 affiliated limited liability companies, known as LINC-Beaumont 2 APTS, LP (the "Partnership"), for the purpose of
18 developing and operating 48 low-income residential units, an affordable housing project known as Allegheny
19 Apartments (the "Project"), on real property located in the City of Beaumont in Riverside County, California [APN
20 419-150-050] (the "Property");

21 **WHEREAS**, it is in the best interests of the RCHC to act as the Administrative General Partner of the
22 Partnership, together with LINC-Beaumont 2 APTS, LLC, a California limited liability company, as the Managing
23 General Partner;

24 **WHEREAS**, on August 24, 2021, the Board adopted Resolution No. 2021-001, delegating authority to the
25 Chief Executive Officer (CEO) or the Chief Operating Officer (COO) of RCHC to borrow a tax exempt loan in an
26 amount not to exceed \$15,000,000 and a taxable tail loan in an amount not to exceed \$8,500,000, from the California
27 Municipal Finance Authority (the "Issuer"), and to enter into any and all documents required in connection with said
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FORM APPROVED COUNTY COUNSEL
BY: LISA SANCHEZ DATE 12/10/2021

1 loans to secure construction and permanent financing for the Project;

2 **WHEREAS**, on October 28, 2021, escrow closed on the Project with an additional amount of \$155,340
3 needed under the taxable tail loan for which additional Board authority is required to secure construction financing;

4 **WHEREAS**, the Board, acting as the Administrative General Partner of the Partnership, deems it to be in
5 the best interest of the Partnership to borrow an amount not to exceed \$14,500,000 (the "Tax Exempt Loan") from
6 the California Municipal Finance Authority (the "Issuer"), purchased by PNC Bank, National Association, a national
7 banking association ("PNC"), and a taxable tail loan from PNC in an amount not to exceed \$9,000,000 (the "Taxable
8 Tail Loan"), which, upon the satisfaction of certain conversion conditions, will convert to a permanent loan from
9 PNC in an amount not to exceed \$5,500,000 (the "Permanent Loan"), and to enter into any and all documents required
10 in connection with said loans, including but not limited to regulatory agreements, loan agreements, promissory notes,
11 deeds of trust, assignment agreements, and any other agreements necessary to obtain the Tax Exempt Loan, the
12 Taxable Tail Loan, and the Permanent Loan;

13 **WHEREAS**, the Board deems it to be in the best interests of RCHC to pledge its partnership interests in the
14 Partnership, and enter into any and all documents, including but not limited to a security agreement and any other
15 types of agreements necessary to assist the Partnership in obtaining the Tax Exempt Loan, the Taxable Tail Loan,
16 and the Permanent Loan;

17 **WHEREAS**, the Board, acting as the Administrative General Partner of the Partnership, deems it to be in
18 the best interest of the Partnership to obtain a Multifamily Housing Program loan from the California Department of
19 Housing and Community Development ("HCD") in the amount of \$11,970,030 (the "HCD MHP Loan"), and to enter
20 into any and all documents required in connection with said loan, including, but not limited to, standard agreements,
21 promissory notes, deeds of trust, regulatory agreements, and any other documents necessary to consummate the HCD
22 MHP Loan;

23 **WHEREAS**, the Board, acting as the Administrative General Partner of the Partnership, deems it to be in
24 the best interest of the Partnership to obtain Section 8 Project-based vouchers ("PBVs") for the Project from the
25 Housing Authority of the County of Riverside (the "Housing Authority"), and for the Partnership to enter into any
26 and all documents, including, but not limited to, an Agreement to Enter into a Housing Assistance Payment Contract,
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1 and/or a Housing Assistance Payments Contract necessary to obtain the PBVs for the Project and consummate the
2 actions described herein;

3 **NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED** by the Board of
4 Directors of the Riverside Community Housing Corp., in regular session assembled on or about December 14,
5 2021, in the meeting room of the Board located on the 1st floor of the County Administrative Center, 4080 Lemon
6 Street, Riverside, California, and based upon the evidence and testimony presented on the matter, both written and
7 oral, including the Administrative Record as it relates to the financing of the Allegheny Apartments Affordable
8 Housing Project, as follows:

- 9 1. That the Board of Directors hereby finds and declares that the above Recitals are true, correct, and
10 incorporated herein;
- 11 2. That Resolution No. 2021-001 adopted by the Board on August 24, 2021 is hereby superseded by this
12 Resolution No. 2021-004 effective immediately upon adoption by this Board;
- 13 3. That the Partnership shall borrow the Tax Exempt Loan, the Taxable Tail Loan, the Permanent Loan,
14 and the HCD MHP Loan, and shall enter into any and all documents required in connection with said
15 loans, including, but not limited to, regulatory agreements, loan agreements, promissory notes, deeds
16 of trust, assignment agreements, standard agreements, and any other documents necessary to obtain the
17 Tax Exempt Loan, the Taxable Tail Loan, the Permanent Loan, and the HCD MHP Loan;
- 18 4. That RCHC shall pledge its partnership interests in the Partnership, and shall enter into any and all
19 documents, including, but not limited to, a security agreement and any other types of agreements
20 necessary to assist the Partnership in obtaining the Tax Exempt Loan, the Taxable Tail Loan, and the
21 Permanent Loan;
- 22 5. That the Partnership shall obtain from the PBVs from the Housing Authority and shall enter into any
23 and all documents, including, but not limited to, an Agreement to Enter into a Housing Assistance
24 Payment Contract, and/or a Housing Assistance Payments Contract necessary to obtain the PBVs for
25 the Project;
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- 1 6. That all actions taken in connection with the Project by the CEO or the COO of RCHC, or their
2 designee(s), acting in its sole capacity and in its capacity as the Administrative General Partner of the
3 Partnership, prior to the date of this Resolution are hereby ratified and approved; and
4 7. That the CEO or the COO of RCHC, or their designee(s), acting alone, in RCHC's sole capacity, and
5 in its capacity as the Administrative General Partner of the Partnership, is authorized to enter into any
6 and all necessary documents, including, but not limited to, the regulatory agreements, loan agreements,
7 promissory notes, deeds of trust, assignment agreements, standard agreements, security agreements, an
8 Agreement to Enter into a Housing Assistance Payment Contract, and/or a Housing Assistance
9 Payments Contract, and any other agreements, and shall take any and all further actions necessary to
10 consummate the actions described herein.

11
12 ROLL CALL:

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

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

19 Kecia R. Harper, Clerk of said Board

20 By  _____

21 Deputy
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CERTIFICATION

I, Michael Walsh, Secretary of Riverside Community Housing Corp. (RCHC), a California nonprofit public benefit corporation, do hereby certify and declare that the foregoing is a full, true and correct copy of the resolution duly passed and adopted by the Board of Directors of RCHC (Board), by written consent of the Board, or at a meeting of the Board, duly and regularly called, noticed and held on _____, 2021; that said resolution is now in full force and effect; that there is no provision in the Restated Articles of Incorporation or Bylaws of RCHC limiting the powers of its Board to pass the foregoing resolution and that such resolution is in conformity with the provisions of such Restated Articles of Incorporation and Bylaws of RCHC.

IN TESTIMONY WHEREOF, I have hereunto set my hand as of _____, 2021.

_____, Secretary of Riverside Community
Housing Corp., a California nonprofit public benefit corporation