

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



ITEM: 3.17
(ID # 17650)

MEETING DATE:

Tuesday, January 11, 2022

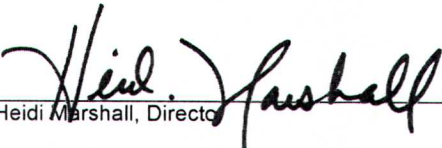
FROM : HOUSING AND WORKFORCE SOLUTIONS:

SUBJECT: HOUSING AND WORKFORCE SOLUTIONS (HWS): Adoption of Resolution No. 2022-010, 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 or its Affiliate for the Vine Creek Apartments Housing Project, in the City of Temecula, District 3. [\$2,800,000 - 100% Permanent Local Housing Allocation (PLHA) Funds]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Adopt Resolution No. 2022-010, 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. 2022-010.

ACTION:Policy


Heidi Marshall, Director 12/22/2021

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Jeffries, 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 11, 2022
xc: HWS

Kecia R. Harper
Clerk of the Board

By: 
Deputy

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

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$2,800,000	\$ 0	\$2,800,000	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: Permanent Local Housing Allocation (PLHA) Funds (100%)			Budget Adjustment:	No
			For Fiscal Year:	2021/22

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, and 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 individual households whose incomes do not exceed 50% of the area median income for the County of Riverside.

On January 26, 2021, the Board of Supervisors adopted Resolution No. 2021-022 (reference Board item #3.17) to support the Developer's application for Low-Income Housing Tax Credits to the California Tax Credit Allocation Committee (TCAC) for the Proposed Project and approval of up to \$2,800,000 in PLHA funds. After two rounds of tax credit applications in 2021, the Developer was unsuccessful in obtaining a tax credit award. In order to improve the Proposed Project's chances of an award of tax credits with a higher tie breaker score, the City of Temecula increased its public agency contribution by \$4,000,000. Developer will be submitting first round applications in 2022 to the 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 applied to the County requesting assistance in the form of PLHA funds. Other financing sources for the Proposed Project are anticipated to include \$16,662,178 in bond and tax credit proceeds, \$2,800,000 from Boston Capital Financing, \$6,710,000 from the City of Temecula, and \$376,951 in fee waivers from Western Riverside Council of Governments (WRCOG). The total cost of development,

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

during the permanent financing period, is approximately \$29,349,129.

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.

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. 2022-010 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, 2022.

The attached proposed Resolution 2022-010 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 2022-010, 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 (CEQA);
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. 2022-010. County Counsel has reviewed and approved the attached Resolution No. 2022-010 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.

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

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. 2022-010



Brianra Lontajo, Principal Management Analyst

1/3/2022



Gregory V. Priamos, Director County Counsel

12/29/2021

BOARD OF SUPERVISORS

COUNTY OF RIVERSIDE

RESOLUTION 2022-010

**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); and

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; and

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, and 922-053-047 (“Property”); and

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 six units will be restricted to individuals households whose incomes do not exceed 50% of the area median income for the County of Riverside; and

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; and

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

FORM APPROVED COUNTY COUNSEL
BY: AMRIT P. DHILLON
DATE: 10/28/2021

RESOLUTION NUMBER 2022-010
Vine Creek Apartments

JAN 11 2022 3:17

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

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; and

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; and

11 **WHEREAS**, the 2022 competitive application submission deadlines to be considered for
12 allocation of tax credits through TCAC are anticipated in March and July; and

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

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;

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

1 construction of the Project, including, but not limited to compliance with the
2 California Environmental Quality Act;

- 3 i. Other Financing: The PLHA loan is expressly conditioned upon the Developer's
4 ability to secure sufficient equity capital or firm and binding commitments for
5 financing necessary to undertake the development and construction of the Project.
6 All financing contemplated or projected with respect to the Project shall be, or
7 have been, approved in form and substance by the Board of Supervisors. Other
8 financing sources for the Proposed Project are anticipated to include \$16,662,178
9 in bond and tax credit proceeds, \$2,800,000 of Boston Capital Financing,
10 \$6,710,000 from City of Temecula, and \$376,951 Western Riverside Council of
11 Governments ("WRCOG") fee waivers. The total cost of development, during the
12 permanent financing period, is approximately \$29,349,129;
- 13 j. Monitoring Fee: Payment of annual compliance monitoring fee to the County in
14 the amount of \$6,000. Monitoring fee to be adjusted annually, not to exceed an
15 increase in the Consumer Price Index (CPI); and
- 16 k. Successful negotiation of loan agreements evidencing the loan of the PLHA funds
17 in the amounts approved herein, approved as to form by County Counsel,
18 approved by the Board of Supervisors and executed by all required parties.

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

24 ///

25 ///

26 ///

27

28

2 **RESOLUTION 2022-010**

3 **APPROVING FUNDING ALLOCATION AND SUPPORT FOR APPLICATION FOR**
4 **LOW-INCOME HOUSING TAX CREDITS TO THE CALIFORNIA TAX CREDIT**
5 **ALLOCATION COMMITTEE FOR THE VINE CREEK APARTMENTS HOUSING**
6 **PROJECT**

7 ADOPTED by Riverside County Board of Supervisors on January 11, 2022.

8 ROLL CALL:

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

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

14 KECIA R. HARPER, Clerk of said Board

15 By: 
16 Deputy

17
18
19
20 01.11.2022 3.17
21
22
23
24
25