

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



ITEM: 3.15  
(ID # 19271)

**MEETING DATE:**  
Tuesday, July 12, 2022


**FROM :** HOUSING AND WORKFORCE SOLUTIONS:

**SUBJECT:** HOUSING AND WORKFORCE SOLUTIONS (HWS): Adoption of Resolution No. 2022-138, Approving Funding Allocation Up to \$1,000,000 from HOME Investment Partnerships Program Funds to Chelsea Investment Corporation and Support for Application for Low-Income Housing Tax Credits to the California Tax Credit Allocation Committee and to the California Debt Limit Allocation Committee for the Tripoli Affordable Housing Project Located in the City of Coachella; District 4. [\$1,000,000 – 100% HOME Investment Partnerships Program Funds]

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

1. Adopt Resolution No. 2022-138, Approving Funding Allocation of Up to \$1,000,000 in HOME Investment Partnerships Program Funds to Chelsea Investment Corporation and Support for Application for Low-Income Housing Tax Credits to the California Tax Credit Allocation Committee and to the California Debt Limit Allocation Committee for the Tripoli Affordable Housing Project Located in the City of Coachella.

**ACTION:Policy**


  
Heidi Marshall, Director 6/23/2022

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**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Spiegel, seconded by Supervisor Hewitt and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington and Hewitt  
Nays: None  
Absent: Perez  
Date: July 12, 2022  
xc: HWS

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>	\$1,000,000	\$ 0	\$ 1,000,000	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS:</b> 100% HOME Investment Partnerships Act Funds			<b>Budget Adjustment:</b>	No
			<b>For Fiscal Year:</b> 22/23	

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

**BACKGROUND:**

**Summary**

Chelsea Investment Corporation, a California corporation (Developer), has applied to the County of Riverside (County) for funding in the amount of \$1,000,000 to pay a portion of the costs to develop and construct the Tripoli Affordable Housing Project, an affordable multifamily low-income housing project (Proposed Project). The Proposed Project will consist of 27 one-bedroom units, 52 two-bedroom units, 29 three-bedroom units. The Proposed Project will be located on approximately 2.8 acres of land at 51392 Cesar Chavez St., in the City of Coachella, identified as Assessor Parcel Numbers 778-081-001 and 778-081-003 (Property). Eleven 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 submit an application in August 2022, to the California Tax Credit Allocation Committee (TCAC) and the California Debt Limit Allocation Committee (CDLAC) to finance a portion of the costs to develop and construct the Proposed Project.

The Proposed Project has a funding gap of \$1,000,000 and Developer has submitted an application to the County requesting assistance in the form of HOME Investment Partnerships Program (HOME) funds. Other Proposed Project financing sources include approximately \$27,687,560 from Federal Low Income Housing Tax Credits, \$2,576,830 from State Low Income Housing Tax Credits, \$13,568,850 in the form of a soft loan from the City of Coachella, \$8,523,524 in permanent financing from Citi Bank, \$4,045,000 from the California Department of Housing and Community Development Infill Infrastructure Grant Program, and Inland Regional Center Community Resource Development Plan funds in the amount of \$1,360,000. The total cost of development, during the permanent financing period is approximately \$61,000,000.

The expansion of affordable rental housing stock for low-income households is a high priority through the County's Five-Year Consolidated Plan. In order to complete the CDLAC/TCAC application for an allocation of tax credits, Developer must provide a resolution from the local jurisdiction providing support for the Proposed Project.

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

The attached proposed Resolution No. 2022-138 provides Board support for the Proposed Project and recommends an allocation of up to \$1,000,000 in HOME Investment Partnership 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 July 1, 2023.

The attached proposed Resolution 2022-138 allocates \$1,000,000 in HOME funds to the Proposed Project, subject to Developer's satisfaction of the conditions specifically set forth in the attached Resolution 2022-138, 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 to be approved by the Board of Supervisors and approved as to form by County Counsel.

Staff recommends that the Board approve Resolution No. 2022-138. County Counsel has reviewed and approved as to form the attached Resolution No. 2022-138.

**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 in the Coachella Valley.

**SUPPLEMENTAL:**

**Additional Fiscal Information**

No impact upon the County's General Fund; the County's contribution will be fully funded with HOME Investment Partnership Program funds.

**Attachment:**

- Resolution No. 2022-138

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

  
Brianna Lontajo, Principal Management Analyst 7/6/2022

  
Cynthia M. Guarez, Chief Deputy County Counsel 6/29/2022

1 BOARD OF SUPERVISORS

COUNTY OF RIVERSIDE

2 RESOLUTION NO. 2022-138

3 APPROVING FUNDING ALLOCATION UP TO \$1,000,000 FROM HOME  
4 INVESTMENT PARTNERSHIPS PROGRAM FUNDS TO CHELSEA INVESTMENT  
5 CORPORATION AND SUPPORT FOR APPLICATION FOR LOW-INCOME  
6 HOUSING TAX CREDITS TO THE CALIFORNIA TAX CREDIT ALLOCATION  
7 COMMITTEE AND TO THE CALIFORNIA DEBT LIMIT ALLOCATION  
8 COMMITTEE FOR THE TRIPOLI AFFORDABLE HOUSING PROJECT LOCATED  
9 IN THE CITY OF COACHELLA

10 WHEREAS, the County is also the recipient of funds derived from the HOME  
11 Investment Partnerships Act ("HOME") Program, enacted under Title II of the Cranston  
12 Gonzalez National Affordable Housing Act of 1990; and

13 WHEREAS, the County has identified the expansion of affordable rental housing stock  
14 for low-income farmworker households as a high housing priority in the County's Five Year  
15 Consolidated Plan; and

16 WHEREAS, Chelsea Investment Corporation, a California corporation ("Developer"),  
17 proposes to develop and construct a multi-family affordable rental housing project for low and  
18 very low income households consisting of one hundred and eight (108) affordable rental units  
19 that includes 27 one bedroom units, 52 two bedroom units and 29 three bedroom units  
20 ("Project"). The Project will be located on approximately 2.8 acres of vacant land located at  
21 51392 Cesar Chavez St., in Coachella, California, identified as Assessor Parcel Numbers 778-  
22 081-001 and 778-081-003 ("Property"); and

23 WHEREAS, the Developer submitted an application to the County requesting financial  
24 assistance in the amount of \$1,000,000 in HOME funds ("County Allocation"). The County  
25 Allocation is needed to fill an existing Project financing gap in the amount of \$1,000,000; and

26 WHEREAS, Eleven (11) units will be subject to HOME program occupancy and use  
27 restrictions, and will be rented to individuals whose income does not exceed 50% of the area  
28 median income for the County; and

FORM APPROVED COUNTY COUNSEL  
BY: Amrit P. Dhillon  
DATE: 6/29/2022

RESOLUTION NUMBER 2022-138  
Tripoli Apartments

JUL 12 2022 3.15

1           **WHEREAS**, the Developer submitted a request to the Housing Authority of the County  
2 of Riverside (“HACR”) for an allocation of Eight (8) Project Based Housing Choice Vouchers  
3 for the Project; and

4           **WHEREAS**, the Developer was awarded an allocation of Eight (8) Project Based  
5 Housing Choice Vouchers for the Project from HACR; and

6           **WHEREAS**, the California Debt Limit Allocation Committee (“CDLAC”) was created  
7 to set and allocate California’s annual debt ceiling, and administer the State’s tax-exempt bond  
8 program to issue the debt; and

9           **WHEREAS**, the California Tax Credit Allocation Committee (“TCAC”) allocates low-  
10 income housing tax credits to eligible affordable housing projects to raise project equity through  
11 the sale of tax benefits to investors; and

12           **WHEREAS**, the Developer intends to submit an application to CDLAC for bond  
13 authority and the right to apply for competitive low-income housing tax credits, the sales  
14 proceeds of which will be used to finance the development and construction of the Project; and

15           **WHEREAS**, to complete the CDLAC/TCAC application process, the Developer must  
16 provide a resolution from the local jurisdictions, including the County, supporting the Project;  
17 and

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

20           **WHEREAS**, the County desires to approve an allocation of funding in the approximate  
21 amount of \$1,000,000 HOME funds, to be used to pay a portion of the costs to develop and  
22 construct the Project on the Property, subject to the Developer’s satisfaction of certain conditions  
23 precedent for the benefit of the County; and

24           **WHEREAS**, the County desires to support the Developer’s application to  
25 CDLAC/TCAC for an allocation of low-income housing tax credits.

26           **NOW THEREFORE, BE IT RESOLVED, FOUND, DETERMINED AND ORDERED**  
27 by the Board of Supervisors of the County of Riverside (“Board”), in regular session assembled  
28 on July 12, 2022, in the meeting room of the Board of Supervisors located on the 1st floor of the

1 County Administrative Center, 4080 Lemon Street, Riverside, California, as follows:

- 2 1) That the Board of Supervisors hereby finds and declares that the above recitals are true  
3 and correct and incorporated as though set forth herein.
- 4 2) The Board of Supervisors supports the Developer's application to CDLAC/TCAC for an  
5 allocation of low-income housing tax credits, the sale proceeds of which will be used to  
6 finance the development and construction of a multi-family affordable rental housing  
7 project consisting of one hundred and eight (108) affordable rental units that includes 27  
8 one bedroom units, 52 two bedroom units and 29 three bedroom units ("Project"). The  
9 Project will be located on approximately 2.8 acres of vacant land located at 51392 Cesar  
10 Chavez St., in the City of Coachella, California, identified as Assessor Parcel Numbers  
11 778-081-001 and 778-081-003.
- 12 3) Subject to any restrictions on the use HOME funds, the Board of Supervisors agrees to  
13 provide financial assistance to the Developer the maximum amount of \$1,000,000 of  
14 HOME funds, for construction of eligible activities on the Project, subject to the  
15 satisfaction of the following conditions precedent:
  - 16 a. Borrower: Chelsea Investment Corporation, a California corporation, or a limited  
17 partnership created by Chelsea Investment Corporation for the specific purpose of  
18 selling tax credits and developing, constructing and owning the Project whereby  
19 Chelsea Investment Corporation is the general partner/managing member;
  - 20 b. Project Name: Tripoli Affordable Housing Project;
  - 21 c. HOME Loan Amount: Not to exceed One Million Dollars (\$1,000,000);
  - 22 d. Interest: Three percent (3%) simple interest;
  - 23 e. Affordability Period: 55 years from recordation of the Notice of Completion in  
24 the official records of the County of Riverside subject to a Covenant Agreement;
  - 25 f. HOME Loan Term: 55 years;
  - 26 g. Repayment: Loan payments derived from the Project's residual receipts;
  - 27 h. Entitlements and Governmental Approvals: Secure any and all required land use  
28 entitlements, permits and approvals which may be required for construction of the

1 Project, including, but not limited to compliance with the California  
2 Environmental Quality Act and the National Environmental Policy Act;

3 i. Other Financing: the HOME 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. In  
8 addition to the HOME funds, Chelsea Investment Corporation was awarded an  
9 allocation of Eight (8) Project Based Housing Choice Vouchers for the Project.  
10 Other Project financing sources include \$27,687,560 from Federal Low Income  
11 Housing Tax Credits, \$2,576,830 from State Low Income Housing Tax Credits,  
12 \$13,568,850 in the form of a soft loan from the City of Coachella, \$8,523,524 in  
13 the form of permanent financing from Citibank, \$4,045,000 from the California  
14 Department of Housing and Community Development Infill Infrastructure Grant  
15 Program; and Inland Regional Center Community Resource Development Plan  
16 funds in the amount of \$1,360,000;

17 j. Monitoring Fee: Payment of annual compliance monitoring fee to the County in  
18 the amount of \$10,800. Monitoring fee to be adjusted annually, not to exceed an  
19 increase in the Consumer Price Index ("CPI"); and

20 k. Successful negotiation of loan agreements evidencing the loan of the HOME  
21 funds in the amounts approved herein, approved as to form by County Counsel,  
22 approved by the Board of Supervisors and executed by all required parties.

23 4) The Board of Supervisors' commitment to provide the HOME loan is subject to the  
24 satisfaction of the conditions precedent set forth herein, is valid until July 1, 2023, and  
25 shall thereafter have no force or effect, unless a HOME loan agreement related to the  
26 financing of the Project (approved as to form by County Counsel) have been approved  
27 and executed by the Board of Supervisors and the Developer.

28 //



2 **RESOLUTION NO. 2022-138**

3  
4 **APPROVING FUNDING ALLOCATION UP TO \$1,000,000 FROM HOME**  
5 **INVESTMENT PARTNERSHIPS PROGRAM FUNDS TO CHELSEA INVESTMENT**  
6 **CORPORATION AND SUPPORT FOR APPLICATION FOR LOW-INCOME**  
7 **HOUSING TAX CREDITS TO THE CALIFORNIA TAX CREDIT ALLOCATION**  
8 **COMMITTEE AND TO THE CALIFORNIA DEBT LIMIT ALLOCATION**  
9 **COMMITTEE FOR THE TRIPOLI AFFORDABLE HOUSING PROJECT LOCATED**  
10 **IN THE CITY OF COACHELLA**

11 ADOPTED by Riverside County Board of Supervisors on July 12, 2022.

12 ROLL CALL:

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

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

18 KECIA R. HARPER, Clerk of said Board

19 By:   
20 Deputy

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23 07.12.22 3.15  
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