

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



ITEM: 3.32  
(ID # 20938)

**MEETING DATE:**  
Tuesday, January 24, 2023

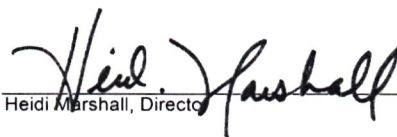
**FROM :** HOUSING AND WORKFORCE SOLUTIONS:

**SUBJECT:** HOUSING AND WORKFORCE SOLUTIONS (HWS): Adoption of Resolution No. 2023-038, Approving Funding Allocation and Support for Application for Low-Income Housing Tax Credits to the California Debt Limit Allocation Committee and California Tax Credit Allocation Committee for the Sandstone Valley Apartments Housing Project Located in the City of Murrieta, and Approval of Up to \$3,000,000 from Permanent Local Housing Allocation (PLHA) Funds to Sandstone Valley Apartments LP, a California limited partnership, for the Sandstone Valley Apartments Housing Project, in the City of Murrieta, District 3. [\$3,000,000 - 100% Permanent Local Housing Allocation (PLHA) funds]

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

1. Adopt Resolution No. 2023-038, Approving Funding Allocation and 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 Sandstone Valley Apartments Project Located in the City of Murrieta; and
2. Approve up to \$3,000,000 from Permanent Local Housing Allocation (PLHA) funds to Sandstone Valley Apartments LP, a California limited partnership, for the Sandstone Valley Apartments Housing Project, in the City of Murrieta, subject to the conditions set forth in Resolution No. 2023-038.

**ACTION:Policy**

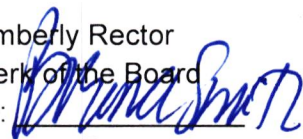
  
Heidi Marshall, Director 1/11/2023

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**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Perez, seconded by Supervisor Washington and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez, and Gutierrez  
Nays: None  
Absent: None  
Date: January 24, 2023  
xc: HWS

Kimberly Rector  
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>	\$3,000,000	\$ 0	\$3,000,000	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS:</b> Permanent Local Housing Allocation (PLHA) Funds (100%)			<b>Budget Adjustment:</b>	No
			<b>For Fiscal Year:</b>	22/23

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

**BACKGROUND:**

**Summary**

CRP Affordable Housing and Community Development LLC, a Delaware limited liability company registered to do business in the State of California (Developer), has applied to the County of Riverside (County) for Permanent Local Housing Allocation (PLHA) funding in the amount of \$3,000,000 to pay a portion of the costs to develop and construct the Sandstone Valley Apartments, an affordable multifamily low-income housing project (Proposed Project). The Proposed Project will be owned and operated by Sandstone Valley Apartments LP, a California limited partnership (Borrower), created by and between Community Revitalization and Development Corporation, a California non-profit corporation as Managing General Partner, and Sandstone Valley Apartments AGP LLC, a California limited liability company as Administrative General Partner, for the specific purpose of selling tax credits and developing, constructing, and owning the Proposed Project. The Proposed Project will be developed on 3.60 acres located at Hawthorn Street and Jefferson Avenue, in the City of Murrieta, County of Riverside, State of California, identified as Assessor's Parcel Numbers 909-020-020, 909-020-021, and 909-020-052 (Property). The Proposed Project will consist of 95 affordable units, and one (1) manager unit, comprised of four (4), three-story buildings including 18 one-bedrooms units, 48 two-bedroom units, and 30 three-bedroom units. Under the County's PLHA program, 36 units will be restricted to households whose incomes do not exceed 80% of the area median income, and 10 units will be restricted to households whose incomes do not exceed 50% of the area median income, for the County of Riverside.

The Proposed Project has a funding gap of \$3,000,000 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 \$34,370,617 in Citibank tax exempt bonds, \$9,255,745 in Citibank taxable bonds, \$4,075,594 in state tax credit equity, \$7,104,020 in tax credit equity, and \$8,251,367 in deferred costs. The total cost of development, during the permanent financing period, is approximately \$66,057,343.

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

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

funding to local governments in California to help cities and counties implement plans to increase the affordable housing stock.

In order to complete the California Debt Limit Allocation Committee (CDLAC) and California Tax Credit Allocation Committee (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. 2023-038 provides Board support for the Proposed Project and recommends an allocation of up to \$3,000,000 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 January 31, 2024.

The attached proposed Resolution No. 2023-038 allocates up to \$3,000,000 in PLHA funds to the Proposed Project, subject to Developer's satisfaction of the conditions specifically set forth in the attached Resolution No. 2023-038, 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. 2023-038. County Counsel has reviewed and approved the attached Resolution No. 2023-038 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.

**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:**

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

- Resolution No. 2023-038

  
Brianna Lontajo, Principal Management Analyst 1/19/2023

  
Kristine Bell-Valdez, Supervising Deputy County Counsel 1/13/2023

**BOARD OF SUPERVISORS**

**COUNTY OF RIVERSIDE**

**RESOLUTION NO. 2023-038**

**APPROVING FUNDING ALLOCATION AND SUPPORT FOR APPLICATION FOR  
LOW-INCOME HOUSING TAX CREDITS TO THE CALIFORNIA DEBT LIMIT  
ALLOCATION COMMITTEE AND SUPPORT FOR APPLICATION FOR AWARD OF  
PRIVATE ACTIVITY BONDS TO THE CALIFORNIA TAX CREDIT ALLOCATION  
COMMITTEE FOR THE SANDSTONE VALLEY APARTMENTS 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 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**, the State of California (the “State”), Department of Housing and Community Development (“HCD”) issued a Notice of Funding Availability (“NOFA”), dated February 26, 2020, to provide approximately \$195,000,000 under the PLHA Program through its Entitlement and Non-entitlement Local Government Formula Component from the Fund for assistance to local governments pursuant to California Health and Safety Code (“HSC”) Section 50470 et seq. and SB 2 (Chapter 364, Statutes of 2017) (the “PLHA Statutes”); and

**WHEREAS**, to implement the PLHA Program, HCD adopted and issued the HCD 2019 PLHA Final Guidelines (“Guidelines” or “PLHA Guidelines”); and

**WHEREAS**, the County is an eligible local government for the program to administer one or more eligible activities, including on behalf of other local governments that have delegated County to submit an application and administer their PLHA formula allocations; and

**WHEREAS**, HSC Section 50470 authorizes the HCD to allocate moneys collected and deposited in the Fund for the PLHA Program, with 90 percent of PLHA funds to local governments, and to adopt Guidelines to implement the PLHA Program; and

**WHEREAS**, pursuant to the PLHA Program, the County and HCD entered into that

*RESOLUTION NUMBER 2023-038  
Sandstone Valley Apartments*

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FORM APPROVED COUNTY COUNSEL  
BY AMBIT D HILLON  
DATE 1/19/2023

1 certain Standard Agreement dated June 17th, 2021, including Exhibits A through E (collectively,  
2 the “PLHA Standard Agreement for County’s Allocation”), which allocates PLHA funding to  
3 the County for use in the County in the estimated funding amount of \$23,977,026 for Allocation  
4 Years 2019-2023; and

5 **WHEREAS**, the PLHA Statutes, Guidelines, NOFA, PLHA Standard Agreement for  
6 County’s Allocation and all applicable rules and regulations imposed by HCD on PLHA funding  
7 recipients, shall collectively be referred to herein as the “PLHA Program”; and

8 **WHEREAS**, CRP Affordable Housing and Community Development LLC, a Delaware  
9 limited liability company registered to do business in the State of California (“Developer”), or its  
10 affiliate, proposes to develop and construct a multi-family affordable rental housing project,  
11 Sandstone Valley Apartments, for low-income family households consisting of ninety-five (95)  
12 affordable rental units, and one (1) manager unit (“Project”) on approximately 3.60 acres of  
13 vacant land located on Hawthorn Street and Jefferson Avenue, in the City of Murrieta, County of  
14 Riverside, State of California, identified as Assessor’s Parcel Numbers 909-020-020, 909-020-  
15 021 and 909-020-052 (“Property”); and

16 **WHEREAS**, a total of thirty six (36) units will be restricted under PLHA to households  
17 whose incomes do not exceed 80% of the area median income, and ten (10) units will be  
18 restricted under PLHA to households whose incomes do not exceed 50% of the area median  
19 income, for the County of Riverside; and

20 **WHEREAS**, Developer submitted an application to County requesting financial  
21 assistance in the amount of \$3,000,000 in PLHA funds (“County Allocation”). The County  
22 Allocation is needed to fill an existing Project financing gap in the amount of \$3,000,000; and

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

26 **WHEREAS**, the California Tax Credit Allocation Committee (“TCAC”) facilitates the  
27 investment of private capital into the development of affordable rental housing for low-income  
28 households through the allocation of federal and state tax credits to affordable housing

1 developers; and

2       **WHEREAS**, TCAC allocates low-income housing tax credits to eligible affordable  
3 housing projects that receive an award of bond authority from CDLAC to raise project equity  
4 through the sale of tax benefits to investors; and

5       **WHEREAS**, Sandstone Valley Apartments, LP, a California limited partnership created  
6 by and between Community Revitalization and Development Corporation, a California non-  
7 profit corporation as Managing General Partner, and Sandstone Valley Apartments AGP LLC, a  
8 California limited liability company as Administrative General Partner, for the specific purpose  
9 of selling tax credits and developing, constructing, and owning the Project, intends to submit an  
10 application to CDLAC for bond authority and the right to apply for non-competitive low-income  
11 housing tax credits, the sales proceeds of which will be used to finance the development and  
12 construction of the Project; and

13       **WHEREAS**, the application deadline to be considered for bond authority through  
14 CDLAC for right to apply for allocation of tax credits through TCAC is February 7, 2023; and

15       **WHEREAS**, corporations provide equity to build the projects in return for the tax credits  
16 in which TCAC verifies that the developers have met all the requirements of the program and  
17 ensures the continued affordability and habitability of the developments for the succeeding 55  
18 years; and

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

21       **WHEREAS**, the County desires to approve an allocation of funding in the approximate  
22 amount of \$3,000,000 PLHA funds, to be used to pay a portion of the costs to develop and  
23 construct the Project on the Property, subject to Developer's satisfaction of certain conditions  
24 precedent for the benefit of the County;

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

27       **NOW THEREFORE, BE IT RESOLVED, FOUND, DETERMINED AND**  
28 **ORDERED** by the Board of Supervisors of the County of Riverside ("Board"), in regular

1 session assembled on January 24, 2023 at 9:30 a.m., in the meeting room of the Board of  
2 Supervisors located on the 1st floor of the County Administrative Center, 4080 Lemon Street,  
3 Riverside, California, as follows:

- 4 1) That the Board hereby finds and declares that the above recitals are true and correct and  
5 incorporated as though set forth herein.
- 6 2) The Board supports Sandstone Valley Apartments LP's application to TCAC for an  
7 allocation of low-income housing tax credits, the sale proceeds of which will be used to  
8 finance the development and construction of a multi-family affordable rental housing  
9 project, Sandstone Valley Apartments, consisting of 96 total units, on real property  
10 located on approximately 3.60 acres of vacant land located on Hawthorn Street and  
11 Jefferson Avenue, in the City of Murrieta, County of Riverside, State of California,  
12 identified as Assessor's Parcel Numbers 909-020-020, 909-020-021 and 909-020-052.
- 13 3) Subject to any restrictions on the use PLHA funds, the Board agrees to provide financial  
14 assistance to the Developer in the maximum amount of \$3,000,000 of PLHA funds, for  
15 construction of eligible activities on the Project, subject to the satisfaction of the  
16 following conditions precedent:
  - 17 a. Borrower shall be Sandstone Valley Apartments, LP, a California limited  
18 partnership created by and between Community Revitalization and Development  
19 Corporation, a California non-profit corporation as Managing General Partner,  
20 and Sandstone Valley Apartments AGP LLC, a California limited liability  
21 company as Administrative General Partner, for the specific purpose of selling tax  
22 credits and developing, constructing, and owning the Project;
  - 23 b. Project Name shall be Sandstone Valley Apartments.
  - 24 c. PLHA Loan Amount shall not to exceed Three Million Dollars (\$3,000,000);  
25 Interest shall be three percent (3%) simple interest;
  - 26 d. Affordability Period shall be 55 years from recordation of the Notice of  
27 Completion in the official records of the County of Riverside, subject to an  
28 affordability covenant agreement recorded in senior lien position to all deeds of



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- trust;
- e. PLHA Loan Term shall be 55 years;
- f. Repayment shall be from loan payments derived from the Project's residual receipts;
- g. Entitlements and Governmental Approvals: Developer shall secure any and all required land use entitlements, permits and approvals which may be required for construction of the Project, including, but not limited to compliance with the California Environmental Quality Act;
- h. Other Financing: The PLHA 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. Other financing sources for the Proposed Project are anticipated to include \$34,370,617 in Citibank tax exempt bonds, \$9,255,745 in Citibank taxable bonds, \$4,075,594 in State tax credit equity, \$7,104,020 in tax credit equity, and \$8,251,367 in deferred costs. The total cost of development, during the permanent financing period, is approximately \$66,057,343;
- i. Monitoring Fee: Payment of annual compliance monitoring fee to the County in the amount of \$9,600. Monitoring fee shall increase annually by an amount equal to the increase of the Consumer Price Index for the San Bernardino-Riverside-Ontario, CA area ("CPI"), but in no event to exceed 5% annually. In the event of a decrease in CPI, the Monitoring Fee currently in effect shall remain the same and shall not decrease; and
- j. Successful negotiation of loan agreements evidencing the loan of the PLHA funds in the amounts approved herein, approved as to form by County Counsel, approved by the Board and executed by all required parties.

1 4) The Board's commitment to provide the PLHA loan is subject to the satisfaction of the  
2 conditions precedent set forth herein, is valid until January 31, 2024, and shall thereafter  
3 have no force or effect, unless a PLHA loan agreement related to the financing of the  
4 Project (approved as to form by County Counsel) has been approved and executed by the  
5 Board and the Developer.

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9 ROLL CALL:

10 Ayes: Jeffries, Spiegel, Washington, Perez and Gutierrez  
11 Nays: None  
12 Absent: None

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

15 KIMBERLY A. RECTOR, Clerk of said Board

16 By:   
17 Deputy

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