

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



ITEM: 3.14
(ID # 21248)

MEETING DATE:

FROM : HOUSING AND WORKFORCE SOLUTIONS:


Tuesday, March 28, 2023

SUBJECT: HOUSING AND WORKFORCE SOLUTIONS (HWS): Adoption of Resolution No. 2023-068, Approving Funding Allocation and Support for Application for Low-Income Housing Tax Credits to the California Tax Credit Allocation Committee for the Oak View Ranch Senior Apartments (formerly known as Murrieta Apartments Phase II) Multifamily Housing Project, Located in the City of Murrieta; Approval of up to \$6,000,000 from American Rescue Plan Act (ARPA) Funds to National Community Renaissance of California, or its Affiliate, for the Development of Oak View Ranch Senior Apartments Multifamily Housing Project to National Community Renaissance of California, or its Affiliate, for the Development of Oak View Ranch Senior Apartments Multifamily Housing Project, in the City of Murrieta; District 3. [\$6,000,000 - 100% American Rescue Plan Act (ARPA) Funds]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Adopt Resolution No. 2023-068, Approving Funding Allocation and Support for Application for Low-Income Housing Tax Credits to the California Tax Credit Allocation Committee for the Oak View Ranch Senior Apartments (formerly known as Murrieta Apartments Phase II) Multifamily Housing Project, Located in the City of Murrieta; and
2. Approve up to \$6,000,000 from American Rescue Plan Act (ARPA) Funds to National Community Renaissance of California, a California nonprofit public benefit corporation, or its affiliate, for the Oak View Ranch Senior Apartments Multifamily Housing Project, subject to the conditions set forth in Resolution No. 2023-068.

ACTION:Policy


Heidi Marshall, Director 2/17/2023

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Perez, 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 Gutierrez
Nays: None
Absent: None
Date: March 28, 2023
xc: HWS

Kimberly A. Rector
Clerk of the Board

By: 
Deputy

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0	\$ 6,000,000	\$ 6,000,000	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: American Rescue Plan Act (ARPA) Funds (100%)			Budget Adjustment:	No
			For Fiscal Year:	2023/2024

CEO Recommendation: Approve

BACKGROUND:

Summary

National Community Renaissance of California, also known as National CORE, a California nonprofit public benefit corporation and an affordable housing developer (Developer), has applied to the County of Riverside (County) for total funding allocation of up to \$6,000,000 in American Rescue Plan Act (ARPA) funds to pay a portion of the costs to develop and construct a multi-family affordable rental housing project referred to as Oak View Ranch Senior Apartments (formerly known as Murrieta Apartments Phase II) (Proposed Project). The Proposed Project will consist of 81 affordable rental units (80 rentable units + 1 manager unit) constructed on 1.47-acres of the 6.22-acre site of vacant land owned by the City of Murrieta which is located at 24960 Adams Avenue, in the City of Murrieta, also identified as Assessor's Parcel Number 906-080-018 (Property). The Property will consist of one building comprised of 72 one-bedroom units, 8 two-bedroom units, and 1 three-bedroom unit. The Proposed Project is Phase II of a two-phase development consisting of a total 200-unit multi-family housing development. The Oak View Ranch Family Apartments (formerly known as Murrieta Apartments Phase I) consists of 119-units and the Oak View Ranch Senior Apartments (formerly known as Murrieta Apartments Phase II) as stated herein consists of the balance of 81-units.

On October 19, 2021, the Board of Supervisors allocated \$50,000,000 in ARPA funds (Minute Order 3.5), further divided into five \$10,000,000 investments to each Supervisorial District for the purpose of addressing homelessness through the development of affordable housing and providing shelter. Of this first ARPA allocation, \$4,000,000 is the remaining amount for District 3 that will be allocated to fund the Oak View Ranch Senior Apartments. On October 4, 2022 (Minute Order 3.44), the Board approved the 2nd installment allocation of ARPA funding. Of this 2nd ARPA allocation, \$33,000,000 was equally distributed to each district. The remaining amount of \$2,000,000 needed for this Proposed Project will come from the 2nd installment allocation. The funding allocated by the Board was the State and Local Fiscal Recovery Funds (SLFRF) that the County was allocated as part of the American Rescue Plan Act (ARPA) of 2021 (Pub. L. 117-2). These ARPA funds are to focus on projects and/or programs that serve as a pathway to create affordable housing with necessary supporting infrastructure to assist low-income communities disproportionately affected by the COVID-19 pandemic. One of the eligible

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uses of ARPA funds include the increase in the supply of permanent supportive housing which is critical to addressing homelessness.

A total of 40 units will be restricted under ARPA of which 19 units will be restricted to households whose incomes do not exceed 60% AMI, 8 units will be restricted to households whose incomes do not exceed 40% AMI, and 13 units will be restricted to households whose incomes do not exceed 30% AMI.

The Proposed Project will be financed using low-income housing tax credits and owned by a limited partnership to be formed by the Developer at a later date upon award of tax credits. The Proposed Project has a funding gap of \$6,000,000 which Developer applied to the County requesting assistance in the form of ARPA funds. Other financing sources for the Proposed Project are anticipated to include \$19,627,773 in investor equity, \$2,254,000 from Bank of America Financing, \$2,688,000 (including a land loan) from the City of Murrieta, and \$780,000 in General Partnership Equity. The total cost of development during the permanent financing period is approximately \$31,349,773.

In order to complete the Tax Credit Allocation Committee (TCAC) application for an allocation of low-income housing tax credits, Developer must provide resolutions from the local jurisdiction providing support for the Proposed Project and proposed funding commitment.

The attached proposed Resolution No. 2023-068 provides Board support for the Proposed Project and recommends an allocation of up to \$6,000,000 in ARPA 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 ARPA funds be valid until July 1, 2024.

The attached proposed Resolution No. 2023-068, allocating up to \$6,000,000 in ARPA funds to the Proposed Project, is subject to Developer's satisfaction of the conditions specifically set forth in the attached Resolution No. 2023-068, which includes 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 an agreement requiring compliance with the ARPA Rules approved by the Board of Supervisors and approved as to form by County Counsel.

Staff recommends that the Board adopt Resolution No. 2023-068. County Counsel has reviewed and approved the attached Resolution No. 2023-068 as to form.

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Impact on Residents and Businesses

Approving this item will have a positive impact on the citizens and businesses in southwestern Riverside County. 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 American Rescue Plan Act (ARPA) funds.

Attachment:

Resolution No. 2023-068


Brianna Lontajo, Principal Management Analyst 3/22/2023


Ronak Patel, Deputy County Counsel 3/14/2023

BOARD OF SUPERVISORS

COUNTY OF RIVERSIDE

RESOLUTION NO. 2023-068

APPROVING FUNDING ALLOCATION AND SUPPORT FOR APPLICATION FOR LOW-INCOME HOUSING TAX CREDITS TO THE CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE FOR THE OAK VIEW RANCH SENIOR APARTMENTS (FORMERLY KNOWN AS MURRIETA APARTMENTS PHASE II) MULTIFAMILY HOUSING PROJECT, LOCATED IN THE CITY OF MURRIETA

WHEREAS, on March 11, 2021, the American Rescue Plan Act (Pub. L. 117-2) (Title VI of the Social Security Act Section 602 et seq.), hereinafter "ARPA", was signed into law providing federal funding relief for American workers, families, industries, and state and local governments; and

WHEREAS, on October 19, 2021, via Minute Order 3.5, the Board of Supervisors of the County of Riverside allocated \$50,000,000 in ARPA funds to increase shelter capacity, permanent supportive housing units, and affordable housing to help address homelessness; and

WHEREAS, on October 4, 2022 (Minute Order 3.44), the Board approved the second installment allocation of APRA funds to focus on projects and programs that serve as a pathway to create affordable housing with necessary supporting infrastructure to assist low-income communities disproportionately affected by the COVID-19 pandemic; and

WHEREAS, National Community Renaissance of California, a California nonprofit public benefit corporation and an affordable housing developer ("Developer"), proposes to develop and construct a multi-family affordable rental housing project currently referred to as Oak View Ranch Family Apartments (formerly known as Murrieta Apartments Phase I), as well as a senior housing project, Oak View Ranch Senior Apartments (formerly known as Murrieta Apartments Phase II), for low-income family households. Oak View Ranch Senior Apartments is expected to be financed with 9% Low-Income Housing Tax Credits ("LIHTC"). The proposed project, Oak View Ranch Senior Apartments, will consist of a total of eighty one (81) affordable rental units and will be constructed on 1.47-acres of the 6.22-acre site of the entire project. The site is currently owned by the Murrieta Housing Authority and is located at 24960 Adams Avenue in the City of Murrieta, County of Riverside, State of California, identified as Assessor's

*RESOLUTION NUMBER 2023-068
Murrieta Apartments Phase II*

MAR 28 2023 3.14

FORM APPROVED COUNTY COUNSEL
BY: ADD DATE: 3/1/2023
A. J. Dr. 11.08

1 Parcel Number 906-080-018 ("Property"). Following subdivision of the Property, the City will
2 ground lease portions of the Property for each phase or subphase; and

3 **WHEREAS**, in connection with this award of ARPA funds, 19 of the total units will be
4 restricted to households whose incomes do not exceed 60% of the Riverside County Area
5 Median Income, and 8 of the total units will be restricted to households whose incomes do not
6 exceed 40% of the Riverside County Area Median Income, and 13 of the total units will be
7 restricted to households whose incomes do not exceed 30% of the Riverside County Area
8 Median Income; and

9 **WHEREAS**, Developer has submitted an application to the County requesting financial
10 assistance in the amount of \$6,000,000 in ARPA funds ("County Allocation") to develop Oak
11 View Ranch Senior Apartments. The County Allocation is needed to fill an existing financing
12 gap in the amount of \$6,000,000 for Oak View Ranch Senior Apartments; and

13 **WHEREAS**, the California Tax Credit Allocation Committee ("TCAC") facilitates the
14 investment of private capital into the development of affordable rental housing for low-income
15 households through the allocation of federal and state tax credits to affordable housing
16 developers; and

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

21 **WHEREAS**, Developer intends to submit an application to TCAC for an allocation of
22 low-income housing tax credits and the proceeds from the sale of such tax credits will be used to
23 finance project costs; and

24 **WHEREAS**, the application deadline to be considered for a 2023 allocation of tax credits
25 through TCAC is anticipated in April 2023; and

26 **WHEREAS**, to complete the TCAC application process, the Developer must provide a
27 resolution from the local jurisdictions, including the County, supporting the project; and

28 **WHEREAS**, the Developer has successfully completed several affordable housing

1 complexes in the County; and

2 **WHEREAS**, the County desires to approve an allocation of funding in the approximate
3 amount of \$6,000,000 in ARPA funds, to be used to pay a portion of the costs to develop and
4 construct the Oak View Ranch Senior Apartments of the proposed project on the Property,
5 subject to Developer's satisfaction of certain conditions precedent for the benefit of the County;

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

8 **NOW THEREFORE, BE IT RESOLVED, FOUND, DETERMINED AND**
9 **ORDERED** by the Board of Supervisors of the County of Riverside ("Board"), in regular
10 session assembled on March 28, 2023 in the meeting room of the Board of Supervisors located
11 on the 1st floor of the County Administrative Center, 4080 Lemon Street, Riverside, California,
12 as follows:

- 13 1) The Board of Supervisors hereby finds and declares that the above recitals are true and
14 correct and incorporated as though set forth herein.
- 15 2) The Board of Supervisors supports the Developer's application to TCAC for an
16 allocation of low-income housing tax credits, the sale proceeds of which will be used to
17 finance the Oak View Ranch Senior Apartments of the proposed project to construct 81
18 affordable rental units, on real property located on a to-be-subdivided portion of
19 approximately 6.22 acres of land located at 24960 Adams Avenue, in the City of
20 Murrieta, County of Riverside, State of California, identified as Assessor's Parcel
21 Number 906-080-018.
- 22 3) Subject to any and all restrictions on the use of ARPA funds, the Board of Supervisors
23 agrees to provide financial assistance to the Developer in the maximum amount of
24 \$6,000,000 of ARPA funds, for construction of affordable housing and the conduct of
25 eligible activities on the Oak View Ranch Senior Apartments of the project, subject to
26 the satisfaction of the following conditions precedent:
 - 27 a. Borrower shall be: National Community Renaissance of California, a nonprofit
28 public benefit corporation and an affordable housing developer, or a limited

1 partnership controlled by National Community Renaissance of California for the
2 specific purpose of attracting investor equity and developing, constructing, and
3 owning the project where National Community Renaissance of California, or a
4 single purpose entity affiliate of National Community Renaissance of California,
5 is the general partner/managing member;

6 b. Project Name shall be: Oak View Ranch Senior Apartments;

7 c. ARPA Loan Amount: Not to exceed Six Million Dollars (\$6,000,000);

8 d. Interest shall be: Three percent (3%) simple interest;

9 e. Affordability Period shall be: 55 years from recordation of the Notice of
10 Completion in the official records of the County of Riverside, subject to an
11 affordability covenant agreement recorded in senior lien position to all deeds of
12 trust;

13 f. ARPA Loan Term: 55 years;

14 g. Repayment shall be from loan payments derived from the project's residual
15 receipts;

16 h. Entitlements and Governmental Approvals: Developer shall secure any and all
17 required land use entitlements, permits and approvals which may be required for
18 construction of the project, including, but not limited to compliance with the
19 California Environmental Quality Act and the National Environmental Policy
20 Act;

21 i. Other Financing: The ARPA loan is expressly conditioned upon the Developer's
22 ability to secure sufficient equity capital or firm and binding commitments for
23 financing necessary to undertake the development and construction of the project.
24 All financing contemplated or projected with respect to the project shall be, or
25 have been, approved in form and substance by the Board of Supervisors. Other
26 project permanent financing sources in addition to the ARPA funds are expected
27 to include \$19,627,773 in investor equity, \$2,254,000 of Bank of America
28 Financing, \$2,688,000 (including a land loan) from City of Murrieta, \$780,000 in

1 National Community Renaissance of California General Partnership Equity;
2 provided, however, that these numbers are estimates subject to ongoing
3 underwriting as well as an evolving cost environment. The total cost of
4 development, during the permanent financing period, is currently projected to be
5 approximately \$31,349,773;

6 j. Monitoring Fee: Payment of annual compliance monitoring fee to the County in
7 the amount of \$7,700. Monitoring fee to be adjusted annually, not to exceed an
8 increase in the Consumer Price Index ("CPI"); and

9 k. Successful negotiation of a loan agreement evidencing the loan of the ARPA
10 funds in the amounts approved herein, approved as to form by County Counsel
11 and approved by the Board of Supervisors and executed by all required parties.

12 4) The Board of Supervisors' commitment to provide the ARPA funds is subject to the
13 satisfaction of the conditions precedent set forth herein, is valid until December 31, 2023,
14 and shall thereafter have no force or effect, unless a ARPA loan agreement related to the
15 financing of the project (approved as to form by County Counsel) has been approved and
16 executed by the Board of Supervisors and the Developer.

17 // ROLL CALL:

18 // Ayes: Jeffries, Spiegel, Washington, Perez and Gutierrez

19 // Nays: None

20 // Absent: None

21 //

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

24 KIMBERLY A. RECTOR, Clerk of said Board

25 By:  _____

26 Deputy

27 03.28.2023 3.14