

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



**ITEM: 3.18  
(ID # 21541)**

**MEETING DATE:**

**FROM :** HOUSING AND WORKFORCE SOLUTIONS:


Tuesday, April 18, 2023

**SUBJECT:** HOUSING AND WORKFORCE SOLUTIONS (HWS): Adoption of Resolution No. 2023-111, Approving Housing and Homeless Incentive Program Funding Allocation of up to \$6,000,000 and Support for Application for Low-Income Housing Tax Credits to the California Tax Credit Allocation Committee for the Beaumont 3 Apartments Multifamily Housing Project, Located in the City of Beaumont; Approval of up to \$6,000,000 from Housing and Homelessness Incentive Program (HHIP) Funds to National Community Renaissance of California, or its Affiliate, for the Development of Beaumont 3 Apartments Multifamily Housing Project, in the City of Beaumont; District 5. [\$6,000,000 - 100% Housing and Homelessness Incentive Program (HHIP) Funds]

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

1. Adopt Resolution No. 2023-111, Approving Housing and Homeless Incentive Program Funding Allocation of up to \$6,000,000 and Support for Application for Low-Income Housing Tax Credits to the California Tax Credit Allocation Committee for the Beaumont 3 Apartments Multifamily Housing Project, Located in the City of Beaumont; Approval of up to \$6,000,000 from Housing and Homelessness Incentive Program (HHIP) Funds to National Community Renaissance of California, or its Affiliate, for the Development of Beaumont 3 Apartments Multifamily Housing Project, in the City of Beaumont; and
2. Approve up to \$6,000,000 from Housing and Homelessness Incentive Program (HHIP) Funds to National Community Renaissance of California, a California nonprofit public benefit corporation, or its affiliate, for the Beaumont 3 Apartments Multifamily Housing Project, subject to the conditions set forth in Resolution No. 2023-111.

**ACTION:Policy**

  
Heidi Marshall, Director 4/10/2023

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**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Washington, 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: April 18, 2023  
xc: HWS

Kimberly A. Rector  
Clerk of the Board

By:   
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,  
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<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>	\$ 0	\$ 6,000,000	\$ 6,000,000	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS: 100% Housing and Homelessness Incentive Program (HHIP) Funds</b>			<b>Budget Adjustment: No</b>	
			<b>For Fiscal Year: 23/24</b>	

**C.E.O. 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 Housing and Homelessness Incentive Program (HHIP) funds to pay a portion of the costs to develop and construct a multi-family affordable rental housing project referred to as Beaumont 3 Apartments (Proposed Project). The Proposed Project will consist of 48 affordable rental units (47 rentable units + 1 manager unit) constructed on 1.26-acres of land located at 1343 E. 8<sup>th</sup> Street, in the City of Beaumont, also identified as Assessor’s Parcel Number 419-222-011 (Property). The Proposed Project will consist of 47 one-bedroom units and 1 two-bedroom manager’s unit. Proposed Project will provide Permanent Supportive Housing to individuals and/or elderly experiencing homelessness. Onsite wrap around supportive services will be provided by Riverside University Health System Behavioral Health. A total of 23 units will be restricted under HHIP to households whose incomes do not exceed 50% of the Area Median Income (AMI).

On January 10, 2023, the Board of Supervisors accepted \$32,600,000 in HHIP funds (Minute Order 3.15), awarded through the Inland Empire Health Plan (IEHP). HHIP is a voluntary incentive program launched by the California Department of Health Care Services (DHCS) that will allow health plans to earn incentive funds for making progress towards addressing homelessness and housing insecurity and social determinants of health. Capital project investments for permanent supportive housing is among the eligible uses allowing for the development of permanent supportive housing. HHIP funding will be available through March 31, 2024.

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 HHIP funds. Other financing sources for the Proposed Project are anticipated to include \$21,741,527 in investor equity, \$1,827,833 from Citibank, and



**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,  
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\$100 in General Partnership contributions. The total cost of development during the permanent financing period is approximately \$29,569,460.

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. 2023-111 provides Board support for the Proposed Project and recommends an allocation of up to \$6,000,000 in HHIP 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 HHIP funds be valid until March 31, 2024.

The attached proposed Resolution No. 2023-111 allocating up to \$6,000,000 in HHIP funds to the Proposed Project, subject to Developer's satisfaction of the conditions specifically set forth in the attached Resolution No. 2023-111 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 HHIP program guidelines approved by the Board of Supervisors and approved as to form by County Counsel.

Staff recommends that the Board adopt Resolution No. 2023-111. County Counsel has reviewed and approved the attached Resolution No. 2023-111 as to form.

**Impact on Residents and Businesses**

Approving this item will have a positive impact on the citizens and businesses in Riverside County. The Proposed Project is expected to generate construction, permanent maintenance and property management jobs, and provide permanent supportive 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 Housing and Homelessness Incentive Program (HHIP) funds.

SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,  
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**Attachment:**

Resolution No. 2023-111



Brianna Lontajo, Principal Management Analyst 4/12/2023



Kristine Bell-Valdez, Supervising Deputy County Counsel 4/11/2023

**BOARD OF SUPERVISORS**

**COUNTY OF RIVERSIDE**

**RESOLUTION NO. 2023-111**

**APPROVING HOUSING AND HOMELESSNESS INCENTIVE PROGRAM FUNDING ALLOCATION OF UP TO \$6,000,000 AND SUPPORT FOR APPLICATION FOR LOW-INCOME HOUSING TAX CREDITS TO THE CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE FOR THE BEAUMONT 3 APARTMENTS MULTIFAMILY HOUSING PROJECT, LOCATED IN THE CITY OF BEAUMONT**

**WHEREAS**, the COUNTY OF RIVERSIDE, a political subdivision of the State of California (“County”), is the recipient of funds derived from the Inland Empire Health Plan’s (“IEHP”) participation in the Housing and Homelessness Incentive Program (“HHIP”), which was implemented by the California Department of Health Care Services (“DHCS”) in accordance with the Medi-Cal Home and Community-Based Services (“HCBS”) Spending Plan; and

**WHEREAS**, the County has been designated to provide coordination and administration of the Continuum of Care Program within Riverside County. IEHP has partnered with the County to provide significant investments in providing supportive services, homeless system enhancement, and additional housing development and assistance for homeless persons in Riverside County; and


**WHEREAS**, the County has identified the expansion of affordable rental housing stock for low-income households as a high housing priority through the County’s 2019-2024 Five Year Consolidated Plan; and

**WHEREAS**, National Community Renaissance of California, a California nonprofit public benefit corporation and an affordable housing developer (“Developer”), and its affiliates, propose to develop a multi-family affordable rental housing project for low-income family households consisting of up to forty-eight (48) affordable rental units on approximately 1.26 acres of land located at 1343 E. 8<sup>th</sup> Street, in the City of Beaumont, County of Riverside, State of California, identified as Assessor’s Parcel Number 419-222-011 (“Property”); and

**WHEREAS**, twenty-three (23) of the units will be restricted to households whose incomes do not exceed 50% of the Riverside County Area Median Income; and

**WHEREAS**, Developer has submitted an application to County requesting financial

*RESOLUTION NUMBER 2023-111  
Beaumont 3 Apartments*

FORM APPROVED COUNTY COUNSEL  
BY:  AMRIT P. DHILLON  
DATE: 4/10/2023

APR 18 2023 3.18



1 assistance in the amount of \$6,000,000 in HHIP funds (“County Allocation”) to develop  
2 Beaumont 3 Apartments (“Project”). The County Allocation is needed to fill an existing  
3 financing gap in the amount of \$6,000,000 for the Project; and

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

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

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

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

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

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

21 **WHEREAS**, the County desires to approve an allocation of funding in the approximate  
22 amount of \$6,000,000 HHIP funds, to be used to pay a portion of the costs to develop and  
23 construct 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 California  
26 CDLAC for an award of private activity bonds from the annual volume cap and TCAC for an  
27 allocation of low-income housing tax credits, respectively.

28 **NOW THEREFORE, BE IT RESOLVED, FOUND, DETERMINED AND**

1 **ORDERED** by the Board of Supervisors of the County of Riverside ("Board"), in regular  
2 session assembled on April 18, 2023, in the meeting room of the Board of Supervisors located on  
3 the 1st floor of the County Administrative Center, 4080 Lemon Street, Riverside, California, as  
4 follows:

- 5 1) That the Board of Supervisors hereby finds and declares that the above recitals are true  
6 and correct and incorporated as though set forth herein.
- 7 2) The Board of Supervisors supports the Developer's application to TCAC for an award of  
8 low-income housing tax credits, the sale proceeds of both of which will be used to  
9 finance proposed Project to construct up to 48 affordable rental units, plus one (1)  
10 residential manager's unit, on real property located on approximately 1.26 acres of land  
11 located at 1343 E. 8<sup>th</sup> Street, in the City of Beaumont, County of Riverside, State of  
12 California, identified as Assessor's Parcel Number 419-222-011. Subject to any  
13 restrictions on the use HHIP funds, the Board of Supervisors agrees to provide financial  
14 assistance to the Developer the maximum amount of \$6,000,000 of HHIP funds, for  
15 construction of eligible activities on the Project, subject to the satisfaction of the  
16 following conditions precedent:
  - 17 a. Borrower: a to-be-formed limited partnership in which National Community  
18 Renaissance, a California nonprofit public benefit corporation or a single purpose  
19 entity affiliate of National Community Renaissance, is a general partner, formed  
20 for developing, constructing and owning the Project;
  - 21 b. Project Name: Beaumont 3 Apartments;
  - 22 c. HHIP Loan Amount: Not to exceed Six Million Dollars (\$6,000,000);
  - 23 d. Interest: Three percent (3%) simple interest;
  - 24 e. Affordability Period: 55 years from recordation of the Notice of Completion in  
25 the official records of the County of Riverside;
  - 26 f. HHIP Loan Term: 55 years;
  - 27 g. Repayment: Loan payments derived from the Project's residual receipts;

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- h. Entitlements and Governmental Approvals: 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 and the National Environmental Policy Act;
- i. Other Financing: the HHIP 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 approved in form and substance by the Board of Supervisors. Other Project financing sources may include a permanent loan from Citibank in the amount of \$1,827,833, Investor Tax Credit Equity in the amount of \$21,741,527, and a General Partner contribution of \$100;
- j. Monitoring Fee: Payment of annual compliance monitoring fee to the County of Riverside Department of Housing and Workforce Solutions (HWS) in the amount of \$4,800. Monitoring fee to be adjusted annually, not to exceed an increase in the Consumer Price Index ("CPI"); and
- k. Successful negotiation of loan agreements evidencing the loan of the HHIP funds in the amounts approved herein, approved as to form by County Counsel, approved by the Board of Supervisors and executed by all required parties.

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

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3 RESOLUTION NO. 2023-111

4 APPROVING HOUSING AND HOMELESSNESS INCENTIVE PROGRAM FUNDING  
5 ALLOCATION OF UP TO \$6,000,000 AND SUPPORT FOR APPLICATION FOR LOW-  
6 INCOME HOUSING TAX CREDITS TO THE CALIFORNIA TAX CREDIT ALLOCATION  
7 COMMITTEE FOR THE BEAUMONT 3 APARTMENTS MULTIFAMILY HOUSING  
8 PROJECT, LOCATED IN THE CITY OF BEAUMONT

9  
10 ROLL CALL:


11  
12 Ayes: Jeffries, Spiegel, Washington, Perez, and Gutierrez

13 Nays: None

14 Absent: None

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

19  
20 KIMBERLY A. RECTOR, Clerk of said Board

21  
22 By:  \_\_\_\_\_

23 Deputy