

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



**ITEM: 3.46  
(ID # 22220)**

**MEETING DATE:**

**FROM :** HOUSING AND WORKFORCE SOLUTIONS:

Tuesday, June 27, 2023

**SUBJECT:** HOUSING AND WORKFORCE SOLUTIONS (HWS): Adoption of Resolution No. 2023-169, Approving Housing and Homeless Incentive Program Funding Allocation of up to \$3,000,000 and Support for Application for Low-Income Housing Tax Credits to the California Tax Credit Allocation Committee for the Sandstone Valley Apartments Multifamily Housing Project, Located in the City of Murrieta; Approval of up to \$3,000,000 from Housing and Homelessness Incentive Program (HHIP) Funds to Sandstone Valley Apartments LP, a California Limited Partnership, for the Development of Sandstone Valley Apartments Multifamily Housing Project, in the City of Murrieta, District 3. [\$3,000,000 - 100% Housing and Homelessness Incentive Program (HHIP) Funds]

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

1. Adopt Resolution No. 2023-169, Approving Housing and Homeless Incentive Program (HHIP) Funding Allocation of up to \$3,000,000 and Support for Application for Low-Income Housing Tax Credits to the California Tax Credit Allocation Committee for the Sandstone Valley Apartments Multifamily Housing Project, Located in the City of Murrieta;
2. Approve the allocation of up to \$3,000,000 from Housing and Homelessness Incentive Program (HHIP) Funds to Sandstone Valley Apartments LP, a California limited partnership, or its Affiliate, for the Development of Sandstone Valley Apartments Multifamily Housing Project, in the City of Murrieta; and
3. Approve up to \$3,000,000 from Housing and Homelessness Incentive Program (HHIP) Funds to Sandstone Valley Apartments LP for the Sandstone Valley Apartments Multifamily Housing Project, subject to the conditions set forth in Resolution No. 2023-169.

**ACTION:**Policy

  
Heidi Marshall, Director 6/12/2023

---

**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Washington, seconded by Supervisor Gutierrez 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: June 27, 2023  
xc: HWS

Kimberly A. 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>	\$ 0	\$3,000,000	\$3,000,000	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS:</b> 100% Housing and Homelessness Incentive Program (HHIP) Funds			<b>Budget Adjustment:</b> No	
			<b>For Fiscal Year:</b> 23/24	

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

**BACKGROUND:**

**Summary**

CRP Affordable Housing and Community Development LLC, a Delaware limited liability company (Developer), has applied to the County of Riverside (County) for a total funding allocation of up to \$3,000,000 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 Sandstone Valley Apartments (Proposed Project). The Proposed Project will consist of 96 affordable rental units (95 rentable units + 1 manager unit) constructed on 3.60-acres of land located at Hawthorn Street and Jefferson Avenue, in the City of Murrieta, County of Riverside, State of California, identified as Assessor's Parcel Number 909-020-020, 909-020-021 and 909-020-052 (Property). The Proposed Project will consist of 18 one-bedroom units, 48 two-bedroom units, and 30 three-bedroom units. Proposed Project will provide affordable housing to low-income family households and families who are homeless or at risk of homelessness. A total of 24 units will be restricted to households who are homeless or at risk of homelessness, whose incomes do not exceed 30% of the Area Median Income (AMI); onsite wrap around services will be provided to these households.

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 California Department of Housing and Community Development Multi-Family Housing Program (MHP) and low-income housing tax credits and owned by Sandstone Valley Apartments, LP. The Proposed Project has a funding gap of \$3,000,000 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 \$29,776,230 in investor equity, \$5,651,671 Permanent Loan, \$1,300,000 Deferred Developer Fee, \$15,000,000 in California Department of Housing and Community Development (HCD) Multifamily Housing Program funds, \$5,000,000 HCD Infill Infrastructure Grant Program,

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

\$3,000,000 in Riverside County Permanent Local Housing Allocation funds and \$4,799,668 in General Partnership contributions. The total cost of development during the permanent financing period is approximately \$67,527,568.

In order to complete the MHP and Tax Credit Allocation Committee (TCAC) applications, Developer must provide resolutions from the local jurisdiction providing support for the Proposed Project and proposed funding commitment.

The attached proposed Resolution No. 2023-169 provides Board support for the Proposed Project and recommends an allocation of up to \$3,000,000 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 June 30, 2024.

The attached proposed Resolution No. 2023-169 allocating up to \$3,000,000 in HHIP funds to the Proposed Project, subject to Developer's satisfaction of the conditions specifically set forth in the attached Resolution No. 2023-169 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. 2023-169. County Counsel has reviewed and approved the attached Resolution No. 2023-169, 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,  
STATE OF CALIFORNIA

Attachment:

- Resolution No. 2023-169

  
Brianna Lontajo, Principal Management Analyst 6/20/2023

  
Kristine Bell-Valdez, Supervising Deputy County Counsel 6/14/2023

**BOARD OF SUPERVISORS**

**COUNTY OF RIVERSIDE**

**RESOLUTION NO. 2023-169**

**APPROVING HOUSING AND HOMELESSNESS INCENTIVE PROGRAM FUNDING ALLOCATION OF UP TO \$3,000,000 AND SUPPORT FOR APPLICATION FOR LOW-INCOME HOUSING TAX CREDITS TO THE CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE FOR THE SANDSTONE VALLEY APARTMENTS MULTIFAMILY HOUSING PROJECT, 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 Inland Empire Health Plan’s (“IEHP”) participation in the Housing and Homelessness Incentive Program (“HHIP”), 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**, CRP Affordable Housing and Community Development LLC, a Delaware limited liability company registered to do business in the State of California (“Developer”), or its affiliate, proposes to develop and construct a multi-family affordable rental housing project, Sandstone Valley Apartments, for low-income family households and families who are homeless or at risk of homelessness, consisting of ninety-five (95) affordable rental units, and one (1) residential manager unit (“Project”) on approximately 3.60 acres of vacant land located on 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”); and

*RESOLUTION NUMBER 2023-169  
Sandstone Valley Apartments*

FORM APPROVED COUNTY COUNSEL  
BY: *AMR/D. DHILLON* DATE: *6/14/2023*

1           **WHEREAS**, a total of twenty four (24) units will be restricted under HHIP to  
2 households who are homeless or at risk of homelessness whose incomes do not exceed 30% of  
3 the area median income for the County of Riverside; and

4           **WHEREAS**, Developer has submitted an application to County requesting financial  
5 assistance in the amount of \$3,000,000 in HHIP funds (“County Allocation”) to develop  
6 Sandstone Valley Apartments (“Project”). The County Allocation is needed to fill an existing  
7 financing gap in the amount of \$3,000,000 for the Project; and

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

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

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

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

22           **WHEREAS**, Sandstone Valley Apartments, LP, a California limited partnership created  
23 by and between Community Revitalization and Development Corporation, a California non-  
24 profit corporation as Managing General Partner, and Sandstone Valley Apartments AGP LLC, a  
25 California limited liability company as Administrative General Partner, for the specific purpose  
26 of selling tax credits and developing, constructing, and owning the Project, intends to submit an  
27 application to CDLAC for bond authority and the right to apply for non-competitive low-income  
28 housing tax credits, the sales proceeds of which will be used to finance the development and

1 construction of the Project; and

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

5       **WHEREAS**, the application deadline to be considered for a 2024 allocation of tax credits  
6 through TCAC is anticipated in February 2024; and

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

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

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

15       **WHEREAS**, the County desires to support the Developer's application to California  
16 CDLAC for an award of private activity bonds from the annual volume cap and TCAC for an  
17 allocation of low-income housing tax credits, respectively.

18       **NOW THEREFORE, BE IT RESOLVED, FOUND, DETERMINED AND**  
19 **ORDERED** by the Board of Supervisors of the County of Riverside ("Board"), in regular  
20 session assembled on June 27, 2023 at 9:30 AM, in the meeting room of the Board of  
21 Supervisors located on the 1st floor of the County Administrative Center, 4080 Lemon Street,  
22 Riverside, California, as follows:

- 23       1) That the Board of Supervisors hereby finds and declares that the above recitals are true  
24       and correct and incorporated as though set forth herein.
- 25       2) The Board supports the application of Sandstone Valley Apartments LP, a California  
26       limited partnership, to TCAC for an allocation of low-income housing tax credits, the  
27       sale proceeds of which will be used to finance the development and construction of a  
28       multi-family affordable rental housing project, Sandstone Valley Apartments, consisting

1 of 96 total units (95 affordable units and one (1) residential manager unit), on real  
2 property located on approximately 3.60 acres of vacant land located on Hawthorn Street  
3 and Jefferson Avenue, in the City of Murrieta, County of Riverside, State of California,  
4 identified as Assessor's Parcel Numbers 909-020-020, 909-020-021 and 909-020-052.

5 3) Subject to any restrictions on the use HHIP funds, the Board of Supervisors agrees to  
6 provide financial assistance to the Developer the maximum amount of \$3,000,000 of  
7 HHIP funds, for construction of eligible activities on the Project, subject to the  
8 satisfaction of the following conditions precedent:

- 9 a. Borrower shall be Sandstone Valley Apartments LP, a California limited  
10 partnership created by and between Community Revitalization and Development  
11 Corporation, a California non-profit corporation as Managing General Partner,  
12 and Sandstone Valley Apartments AGP LLC, a California limited liability  
13 company as Administrative General Partner, for the specific purpose of selling tax  
14 credits and developing, constructing, and owning the Project;
- 15 b. Project Name: Sandstone Valley Apartments;
- 16 c. HHIP Loan Amount: Not to exceed Three Million Dollars (\$3,000,000);
- 17 d. Interest: Three percent (3%) simple interest;
- 18 e. Affordability Period: 55 years from recordation of the Notice of Completion in  
19 the official records of the County of Riverside, subject to a recorded Covenant  
20 Agreement in a senior lien position relative to the Deeds of Trust;
- 21 f. HHIP Loan Term: 55 years;
- 22 g. Repayment: Loan payments derived from the Project's residual receipts;
- 23 h. Entitlements and Governmental Approvals: Secure any and all required land use  
24 entitlements, permits and approvals which may be required for construction of the  
25 Project, including but not limited to, compliance with the California  
26 Environmental Quality Act and the National Environmental Policy Act;
- 27 i. Other Financing: the HHIP loan is expressly conditioned upon the Developer's  
28 ability to secure sufficient equity capital or firm and binding commitments for



1 financing necessary to undertake the development and construction of the Project.  
2 All financing contemplated or projected with respect to the Project shall be  
3 approved in form and substance by the Board of Supervisors. Other financing  
4 sources for the Proposed Project are anticipated to include \$29,776,230 in  
5 investor equity, \$5,651,671 Permanent Loan, \$1,300,000 Deferred Developer Fee,  
6 \$15,000,000 in California Department of Housing and Community Development  
7 (HCD) Multifamily Housing Program funds, \$5,000,000 HCD Infill Infrastructure  
8 Grant Program, \$3,000,000 in Riverside County Permanent Local Housing  
9 Allocation funds and \$4,799,668 in General Partnership contributions. The total  
10 cost of development, during the permanent financing period, is approximately  
11 \$67,527,568;

12 j. Successful negotiation of loan agreements evidencing the loan of the HHIP funds  
13 in the amounts approved herein, approved as to form by County Counsel,  
14 approved by the Board of Supervisors and executed by all required parties.

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

20 //

21 // ROLL CALL:

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

23 // Nays: None

24 // Absent: None

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

27 KIMBERLY A. RECTOR, Clerk of said Board

28 By:  \_\_\_\_\_

Deputy

RESOLUTION NUMBER 2023-169  
Sandstone Valley Apartments

06.27.2023 3.46

✓

# Riverside County Board of Supervisors Request to Speak

Submit request to Clerk of Board (right of podium), Speakers are entitled to three (3) minutes, subject to Board Rules listed on the reverse side of this form.

SPEAKER'S NAME: Jacki McCreary

Address: 17865 Gardner Ln

City: Riverside Zip: 92504

Phone #: 951-237-2077

Date: 6-27-23 Agenda # 3141

### PLEASE STATE YOUR POSITION BELOW:

Position on "Regular" (non-appealed) Agenda Item:

           Support                 Oppose                 Neutral

**Note:** If you are here for an agenda item that is filed for "Appeal", please state separately your position on the appeal below:

           Support                 Oppose                 Neutral

I give my 3 minutes to: \_\_\_\_\_

# BOARD RULES

## **Requests to Address Board on "Agenda" Items:**

You may request to be heard on a published agenda item. Requests to be heard must be submitted to the Clerk of the Board before the scheduled meeting time.

## **Requests to Address Board on items that are "NOT" on the Agenda/Public Comment:**

Notwithstanding any other provisions of these rules, a member of the public shall have the right to address the Board during the mid-morning "Oral Communications" segment of the published agenda. Said purpose for address must pertain to issues which are under the direct jurisdiction of the Board of Supervisors. YOUR TIME WILL BE LIMITED TO THREE (3) MINUTES. Donated time is not permitted during Public Comment.

## **Power Point Presentations/Printed Material:**

Speakers who intend to conduct a formalized Power Point presentation or provide printed material must notify the Clerk of the Board's Office by 12 noon on the Monday preceding the Tuesday Board meeting, insuring that the Clerk's Office has sufficient copies of all printed materials and at least one (1) copy of the Power Point CD. Copies of printed material given to the Clerk (by Monday noon deadline) will be provided to each Supervisor. If you have the need to use the overhead "Elmo" projector at the Board meeting, please ensure your material is clear and with proper contrast, notifying the Clerk well ahead of the meeting, of your intent to use the Elmo.

## **Individual Speaker Limits:**

**Individual speakers are limited to a maximum of three (3) minutes.** Please step up to the podium when the Chairman calls your name and begin speaking immediately. Pull the microphone to your mouth so that the Board, audience, and audio recording system hear you clearly. Once you start speaking, the "green" podium light will light. The "yellow" light will come on when you have one (1) minute remaining. When you have 30 seconds remaining, the "yellow" light will begin to flash, indicating you must quickly wrap up your comments. Your time is up when the "red" light flashes. The Chairman adheres to a strict three (3) minutes per speaker. ***Note: If you intend to give your time to a "Group/Organized Presentation", please state so clearly at the very bottom of the reverse side of this form.***

## **Group/Organized Presentations:**

Group/organized presentations with more than one (1) speaker will be limited to nine (9) minutes at the Chairman's discretion. The organizer of the presentation will automatically receive the first three (3) minutes, with the remaining six (6) minutes relinquished by other speakers, as requested by them on a completed "Request to Speak" form, and clearly indicated at the bottom of the form.

## **Addressing the Board & Acknowledgement by Chairman:**

The Chairman will determine what order the speakers will address the Board, and will call on all speakers in pairs. The first speaker should immediately step to the podium and begin addressing the Board. The second speaker should take up a position in one of the chamber aisles in order to quickly step up to the podium after the preceding speaker. This is to afford an efficient and timely Board meeting, giving all attendees the opportunity to make their case. Speakers are prohibited from making personal attacks, and/or using coarse, crude, profane or vulgar language while speaking to the Board members, staff, the general public and/or meeting participants. Such behavior, at the discretion of the Board Chairman, may result in removal from the Board Chambers by Sheriff Deputies.