

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



**ITEM: 3.50
(ID # 22078)**

MEETING DATE:

FROM : HOUSING AND WORKFORCE SOLUTIONS:

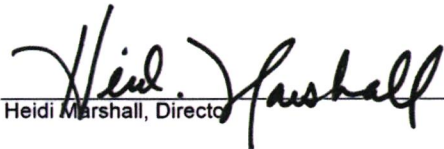
Tuesday, June 27, 2023

SUBJECT: HOUSING AND WORKFORCE SOLUTIONS (HWS): Adoption of Resolution No. 2023-154, 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 Villa Verde Housing Project Located in the City of Coachella, and Approval of Up to \$3,000,000 from Permanent Local Housing Allocation (PLHA) Funds to Abode Communities for the Villa Verde Housing Project; District 4. [\$3,000,000 - 100% Permanent Local Housing Allocation (PLHA) Funds]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Adopt Resolution No. 2023-154, 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 Villa Verde Housing Project Located in the City of Coachella; and
2. Approve up to \$3,000,000 from Permanent Local Housing Allocation (PLHA) funds to Abode Communities for the Villa Verde Housing Project in the City of Coachella, subject to the conditions set forth in Resolution No. 2023-154.

ACTION:Policy


Heidi Marshall, Director 6/12/2023

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Perez, 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,
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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0	\$3,000,000	\$3,000,000	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: Permanent Local Housing Allocation (PLHA) Funds (100%)			Budget Adjustment:	No
			For Fiscal Year:	2023/24

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

Abode Communities, an affordable housing developer (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 Villa Verde Apartments, a first phase affordable multifamily low-income housing project (Proposed Project). The Proposed Project will be developed on 9.25 acres located at 84824 Calle Verde, in the City of Coachella, County of Riverside, State of California, identified as Assessor's Parcel Numbers 768-350-002 and 768-400-001 (Property). The Proposed Project will consist of 152 affordable units, 16 one-bedroom units, 68 two-bedroom units, and 68 three-bedroom units. Under the County's PLHA program, 32 units will be restricted to households whose incomes do not exceed 30% of the area median income, 36 units will be restricted to individual households whose incomes do not exceed 40% of the area median income, 82 units will be restricted to households whose income do not exceed 50% of median income and two (2) unrestricted manager units.

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 approximately \$1,850,000 in land contribution from Housing Authority for the County of Riverside (HACR), \$450,000 predevelopment loan from HACR, \$51,034,328 in equity contribution from Wells Fargo, \$219,892 loan by the HACR as Housing Successor to the former Coachella Redevelopment Agency, \$9,618,000 tax-exempt permanent loan from California Community Reinvestment Corporation, \$1,300,000 in deferred development fees, \$24,873,043 Multifamily Housing Program (MHP) loan from the California Department of Housing and Community Development (HCD), \$11,274,429 No Place Like Home (NPLH) funds from the California Department of Housing and Community Development (HCD), and 37 project based vouchers from HACR. The projected total cost of development during the permanent financing period is approximately \$103,619,692.

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 funding to local governments in California to help cities and counties implement plans to increase the affordable housing stock. The City of Coachella was allocated funds by formula determination by HCD. The County has an allocation of \$3,996,171. The City of Coachella

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delegated its allocation to the County pursuant to an agreement dated June 26, 2020.

In order to complete the 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. 2023-154 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 June 27, 2024.

The attached proposed Resolution 2023-154 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 2023-154, 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. 2023-154. County Counsel has reviewed and approved the attached Resolution No. 2023-154 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:

- Resolution No. 2023-154

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



Brianra Lontajo, Principal Management Analyst 6/21/2023



Kristine Bell-Valdez, Supervising Deputy County Counsel 6/15/2023

**RESOLUTION NO. 2023-154
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 VILLA VERDE HOUSING PROJECT LOCATED IN THE
CITY OF COACHELLA**

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 & 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 NO. 2023-154
Villa Verde Affordable Housing Project*

APPROVED COUNTY COUNSEL
BY *[Signature]*
KRISTINE BELL-VALDEZ
DATE *6/27/23*

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

5 **WHEREAS**, pursuant to Section 300(c) of the PLHA Guidelines, a local government
6 may delegate to another local government to submit an application and administer the formula
7 component of PLHA funds on its behalf, provided the local governments enter into an agreement
8 and the funds are expended for eligible activities consistent with program requirements; and

9 **WHEREAS**, consistent with PLHA Guidelines, City of Coachella, a California
10 municipal corporation (“City”), delegated to County the responsibility for submitting an
11 application for administering its formula component for Allocation Years 2019-2023 (“City’s
12 Allocations”) in the estimated funding amount of \$3,000,000; and

13 **WHEREAS**, pursuant to the PLHA Program, the County and HCD entered into that
14 certain Standard Agreement dated April 20th, 2021, including Exhibits A, B, C, D and E
15 (collectively, the “PLHA Standard Agreement for City’s Allocation”), which allocates PLHA
16 funding to the County for use in the City; and

17 **WHEREAS**, in connection therewith, City and County entered in that certain Agreement
18 for the PLHA Program under the California HCD for Allocation Years 2019-2023 dated January
19 27, 2022 (the “County and City PLHA Agreement”), which provides for the use of PLHA Funds
20 by the County within the City to increase the affordable housing stock within the City; and

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

25 **WHEREAS**, Adobe Communities, registered to do business in the State of California
26 and an affordable housing developer (“Developer”), proposes to develop and construct a multi-
27 family affordable rental housing project, Villa Verde, for low-income family households
28 consisting of one hundred fifty (150) affordable rental units (“Project”) on approximately 9.25

1 acres of vacant land located at the northeast corner of 84824 Calle Verde, in the City of
2 Coachella, County of Riverside, State of California, more specifically identified as Assessor's
3 Parcel Numbers 768-350-002 and 768-400-001 ("Property"); and

4 **WHEREAS**, a total of one hundred fifty (150) units will be restricted under the PLHA
5 Program of which 32 units will be restricted to individuals whose incomes do not exceed 30% of
6 the area median income, 36 units will be restricted to individuals whose incomes do not exceed
7 40% of the area median income, 82 units will be restricted to households whose incomes do not
8 exceed 50% of the area median income for the County of Riverside along with two (2)
9 unrestricted manager units; and

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

13 **WHEREAS**, the California Debt Limit Allocation Committee ("CDLAC") was created
14 to set and allocate California's annual debt ceiling, and administer the State's tax-exempt bond
15 program to issue the debt; and

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

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

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

26 **WHEREAS**, the application deadline to be considered for bond authority through
27 CDLAC for right to apply for allocation of tax credits through TCAC is February 7, 2024; and

28 **WHEREAS**, corporations provide equity to build the projects in return for the tax credits

1 in which TCAC verifies that the developers have met all the requirements of the program and
2 ensures the continued affordability and habitability of the developments for the succeeding fifty
3 five (55) years; and

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

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

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

12
13 **NOW THEREFORE, BE IT RESOLVED, FOUND, DETERMINED AND**
14 **ORDERED** by the Board of Supervisors of the County of Riverside ("Board"), in regular
15 session assembled on June 27, 2023 at 9:30 am, in the meeting room of the Board of Supervisors
16 located on the 1st floor of the County Administrative Center, 4080 Lemon Street, Riverside,
17 California, as follows:

- 18 1) That the Board hereby finds and declares that the above recitals are true and correct and
19 incorporated as though set forth herein.
- 20 2) The Board supports the Developer's applications to TCAC for an allocation of low-
21 income housing tax credits and CDLAC for an award of private activity bonds, the sale
22 proceeds of which will be used to finance the development and construction of a multi-
23 family affordable rental housing project, Villa Verde Apartments, consisting of 152 total
24 units, on real property located on approximately 9.25 acres of vacant land located at the
25 84824 Calle Verde, in the City of Coachella, County of Riverside, State of California,
26 identified as Assessor's Parcel Numbers 768-350-002 and 768-400-001.
- 27 3) Subject to any restrictions on the use PLHA funds, the Board agree to provide financial
28 assistance to the Developer in the maximum amount of \$3,000,000 of PLHA funds, for

1 construction of eligible activities on the Project, subject to the satisfaction of the
2 following conditions precedent:

- 3 a. Borrower: a to-be-formed limited partnership in which Adobe Communities,
4 registered to do business in the State of California is an affordable housing
5 developer or a single purpose entity affiliate of Adobe Communities, is a general
6 partner, formed for developing, constructing, and owning the Project for the
7 specific purpose of selling tax credits and developing, constructing, and owning
8 the Project;
- 9 b. Project Name shall be Villa Verde;
- 10 c. PLHA Loan Amount shall not to exceed Three Million Dollars (\$3,000,000);
- 11 d. Interest shall be three percent (3%) simple interest;
- 12 e. Affordability Period shall be 55 years from recordation of the Notice of
13 Completion in the official records of the County of Riverside, subject to an
14 affordability covenant agreement;
- 15 f. PLHA Loan Term shall be 55 years;
- 16 g. Repayment shall be from loan payments derived from the Project's residual
17 receipts;
- 18 h. Entitlements and Governmental Approvals: Developer shall secure any and all
19 required land use entitlements, permits and approvals which may be required for
20 construction of the Project, including, but not limited to compliance with the
21 California Environmental Quality Act;
- 22 i. Other Financing: The PLHA loan is expressly conditioned upon the Developer's
23 ability to secure sufficient equity capital or firm and binding commitments for
24 financing necessary to undertake the development and construction of the Project.
25 All permanent financing contemplated or projected with respect to the Project
26 shall be, or have been, approved in form and substance by the Board. Other
27 financing sources for the Project are anticipated to include \$1,850,000 in land
28 contribution from Housing Authority ("HACR"), \$450,000 predevelopment loan

1 from the HACR, \$51,034,328 in equity contribution from Wells Fargo, \$219,892
2 loan by the HACR as Housing Successor to the former Coachella Redevelopment
3 Agency, \$9,618,000 tax-exempt permanent loan from California Community
4 Reinvestment Corporation, \$1,300,000 in deferred development fees, \$24,873,043
5 Multifamily Housing Program (“MHP”) loan from the California Department of
6 Housing and Community Development (“HCD”), \$11,274,429 No Place Like
7 Home (“NPLH”) funds from HCD, and 37 project based vouchers from HACR.
8 The projected total cost of development during the permanent financing period is
9 approximately \$103,619,692;

10 j. Monitoring Fee: Payment of annual compliance monitoring fee to the County in
11 the amount of \$15,000. Monitoring fee to be adjusted annually, not to exceed an
12 increase in the National Consumer Price Index (CPI) published on or about July
13 1st annually; and

14 k. Successful negotiation of loan agreements evidencing the loan of the PLHA funds
15 in the amounts approved herein, approved as to form by County Counsel,
16 approved by the Board and executed by all required parties.

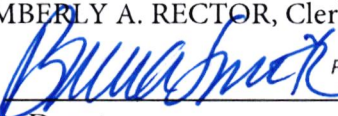
17 4) The Board’s commitment to provide the PLHA loan is subject to the satisfaction of the
18 conditions precedent set forth herein, is valid until January 31, 2024, and shall thereafter
19 have no force or effect, unless a PLHA loan agreement related to the financing of the
20 Project (approved as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

22 // ROLL CALL:

23 //
24 Ayes: Jeffries, Washington, Spiegel, Perez and Gutierrez
25 Nays: None
26 Absent: None

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

KIMBERLY A. RECTOR, Clerk of said Board

By:  RESOLUTION NUMBER NO. 2023-154
Villa Verde Affordable Housing Project
Deputy

✓

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.