

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



**ITEM: 3.27
(ID # 23473)**

MEETING DATE:
Tuesday, December 12, 2023


FROM : HOUSING AND WORKFORCE SOLUTIONS:

SUBJECT: HOUSING AND WORKFORCE SOLUTIONS (HWS): Adopt Resolution No. 2023-289, 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 Adobe 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. 2023-289, 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. 2023-289.

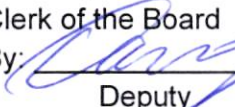
ACTION:Policy


Heidi Marshall, Director 11/13/2023

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Gutierrez, seconded by Supervisor Perez 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: December 12, 2023
xc: HWS

Kimberly A. Rector
Clerk of the Board
By: 
Deputy

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

| FINANCIAL DATA | Current Fiscal Year: | Next Fiscal Year: | Total Cost: | Ongoing Cost |
|--|-----------------------------|--------------------------|---------------------------|---------------------|
| COST | \$3,000,000 | \$ 0 | \$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

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

Abode Communities, an affordable housing developer (Developer), 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 individuals whose incomes do not exceed 30% of the area median income, 36 units will be restricted to individuals whose incomes do not exceed 40% of the area median income, 82 units will be restricted to households whose incomes do not exceed 50% of the area median income for the County of Riverside along with two (2) unrestricted manager units.

On June 27, 2023 (Agenda Item 3.50), the Board of Supervisors approved Resolution No. 2023-154, approving a funding allocation of up to \$3,000,000 from Permanent Local Housing Allocation (PLHA) Funds and supporting an application for Low-Income Housing Tax Credits to the California Tax Credit Allocation Committee for the Villa Verde Housing Project. The Resolution is scheduled to expire on January 31, 2024.

On October 26, 2023, Abode Communities, an affordable housing developer, formally requested an extension through February 2025. Abode Communities will be applying for financing through the California Tax Credit Allocation Committee in February 2024.

In order to complete the California Tax Credit Allocation Committee (TCAC) application for an

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

allocation of tax credits in February 2024, Developer must provide a resolution from the local jurisdiction providing support for the Proposed Project.

The attached proposed Resolution No. 2023-289, 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 December 31, 2024.

The attached proposed Resolution 2023-289 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 2023-289, 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. 2023-289. County Counsel has reviewed and approved the attached Resolution No. 2023-289 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. 2023-289

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

Brianne Lontajo

Brianne Lontajo, Principal Management Analyst 12/6/2023

Aaron Gettis

Aaron Gettis, Deputy County Counsel 11/28/2023

1 **BOARD OF SUPERVISORS**

COUNTY OF RIVERSIDE

2 **RESOLUTION NO. 2023-289**

3 **APPROVING FUNDING ALLOCATION AND SUPPORT FOR APPLICATION FOR**
4 **LOW-INCOME HOUSING TAX CREDITS TO THE CALIFORNIA TAX CREDIT**
5 **ALLOCATION COMMITTEE AND SUPPORT FOR APPLICATION FOR AWARD OF**
6 **PRIVATE ACTIVITY BONDS TO THE CALIFORNIA DEBT LIMIT ALLOCATION**
7 **COMMITTEE FOR THE VILLA VERDE HOUSING PROJECT LOCATED IN THE**
8 **CITY OF COACHELLA**

9 **WHEREAS**, the COUNTY OF RIVERSIDE, a political subdivision of the State of
10 California ("County"), is the recipient of funds derived from the Permanent Local Housing
11 Allocation ("PLHA") Program which was enacted under the Building Homes and Jobs Act,
12 included as part of California Senate Bill ("SB") 2 (Chapter 364, Statutes of 2017); and

13 **WHEREAS**, the PLHA Program was designed to provide a permanent source of funding
14 to local governments in California to help cities and counties implement plans to increase the
15 affordable housing stock; and

16 **WHEREAS**, the State of California (the "State"), Department of Housing and Community
17 Development ("HCD") issued a Notice of Funding Availability ("NOFA"), dated February 26,
18 2020, to provide approximately \$195,000,000 under the PLHA Program through its Entitlement
19 and Non-entitlement Local Government Formula Component from the Fund for assistance to
20 local governments pursuant to California Health & Safety Code ("HSC") Section 50470 et seq.
21 and SB 2 (Chapter 364, Statutes of 2017) (the "PLHA Statutes"); and

22 **WHEREAS**, to implement the PLHA Program, HCD adopted and issued the HCD 2019
23 PLHA Final Guidelines ("Guidelines" or "PLHA Guidelines"); and

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

27 **WHEREAS**, HSC Section 50470 authorizes the HCD to allocate moneys collected and
28 deposited in the Fund for the PLHA Program, with 90 percent of PLHA funds to local
29 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. 2023-289
Villa Verde Affordable Housing Project*

FORM APPROVED COUNTY COUNSEL
BY: PAULA S. SALCIDO
DATE: 12-20-23

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**, Abode Communities, a nonprofit public benefit
26 corporation and an affordable housing developer ("Developer"), proposes to develop and
27 construct a multi-family affordable rental housing project, Villa Verde, for low-income family
28 households consisting of one hundred fifty (150) affordable rental units and two (2) property

1 manager's units ("Project") on approximately 9.25 acres of vacant land located at the northeast
2 comer of 84824 Calle Verde, in the City of Coachella, County of Riverside, State of California,
3 more specifically identified as Assessor's Parcel Numbers 768-350-002 and 768-400-001
4 ("Property"); and

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

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

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

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

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

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

1 **WHEREAS**, the application deadline to be considered for bond authority through
2 CDLAC for right to apply for allocation of tax credits through TCAC is May 31, 2024, 2024;
3 and

4 **WHEREAS**, corporations provide equity to build the projects in return for the tax credits
5 in which TCAC verifies that the developers have met all the requirements of the program and
6 ensures the continued affordability and habitability of the developments for the succeeding fifty-
7 five (55) years; and

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

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

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

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

- 21 1) That the Board hereby finds and declares that the above recitals are true and correct and
22 incorporated as though set forth herein.
- 23 2) The Board supports the Developer's applications to TCAC for an allocation of low-
24 income housing tax credits and CDLAC for an award of private activity bonds, the sale
25 proceeds of which will be used to finance the development and construction of a multi-
26 family affordable rental housing project, Villa Verde Apartments, consisting of 152 total
27 units, on real property located on approximately 9.25 acres of vacant land located at the
28

1 84824 Calle Verde, in the City of Coachella, County of Riverside, State of California,
2 identified as Assessor's Parcel Numbers 768-350-002 and 768-400-001.

3 3) Subject to any restrictions on the use PLHA funds, the Board agree to provide financial
4 assistance to the Developer in the maximum amount of \$3,000,000 of PLHA funds, for
5 construction of eligible activities on the Project, subject to the satisfaction of the
6 following conditions precedent:

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

1 construction of the Project. All permanent financing contemplated or
2 projected with respect to the Project shall be, or have been, approved in
3 form and substance by the Board. Other financing sources for the Project
4 are anticipated to include \$1,850,000 in land contribution from Housing
5 Authority of the County of Riverside ("HACR"), \$450,000
6 predevelopment loan from the HACR, \$57,139,542 in equity contribution
7 from Wells Fargo, \$219,892 loan by the HACR as Housing Successor to
8 the former Coachella Redevelopment Agency, \$10,549,000 tax-exempt
9 permanent loan from California Community Reinvestment Corporation,
10 \$1,300,000 in deferred development fees, \$20,000,000 National Housing
11 Trust Fund ("NHTF") loan from the California Department of Housing
12 and Community Development ("HCD"), \$11,274,429 No Place Like
13 Home ("NPLH") funds from HCD, and eighty-seven (87) Project Based
14 Vouchers from HACR. The projected total cost of development during the
15 permanent financing period is approximately \$105,782,863;

- 16 j. Monitoring Fee: Payment of annual compliance monitoring fee to the
17 County in the amount of \$15,000. Monitoring fee to be adjusted annually,
18 not to exceed an increase in the National Consumer Price Index (CPI)
19 published on or about July 1st annually; and
- 20 k. Successful negotiation of loan agreements evidencing the loan of the
21 PLHA funds in the amounts approved herein, approved as to form by
22 County Counsel, approved by the Board and executed by all required
23 parties.

- 24 4) The Board's commitment to provide the PLHA loan is subject to the satisfaction of the
25 conditions precedent set forth herein, is valid until February 28, 2025, and shall
26 thereafter have no force or effect, unless a PLHA loan agreement related to the financing
27 of the Project (approved as to form by County Counsel) has been approved and executed
28 by the Board and the Developer.

2
3 RESOLUTION NO. 2023-289

4 APPROVING FUNDING ALLOCATION AND SUPPORT FOR APPLICATION FOR LOW-
5 INCOME HOUSING TAX CREDITS TO THE CALIFORNIA TAX CREDIT ALLOCATION
6 COMMITTEE AND SUPPORT FOR APPLICATION FOR AWARD OF PRIVATE ACTIVITY
7 BONDS TO THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE FOR THE VILLA
8 VERDE HOUSING PROJECT LOCATED IN THE CITY OF COACHELLA

9
10 ROLL CALL:

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

13 Nays: None

14 Absent: None
15
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
24