

**SUBMITTAL TO THE RIVERSIDE COMMUNITY
HOUSING CORP. BOARD OF DIRECTORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM: 14.1
(ID # 23740)

MEETING DATE:
Tuesday, December 12, 2023

FROM : RIVERSIDE COMMUNITY HOUSING CORP.:

SUBJECT: RIVERSIDE COMMUNITY HOUSING CORP.: Adopt Resolution No. 2023-001, Authorizing the Chief Executive Officer (CEO) or Chief Operating Officer (COO) to take all necessary steps to secure supplemental bond financing and additional construction loan financing for the Blossom Apartments project also known as Allegheny Apartments, and Authorizing the CEO or COO to execute any documents necessary to obtain additional bond financing and construction loan; District 5. [\$2,395,424; 100% Tax Exempt Bonds from the California Debt Allocation Committee]

RECOMMENDED MOTION: That the Board of Directors:

1. Adopt Resolution No. 2023-001, Authorizing the Chief Executive Officer or the Chief Operating Officer to take all necessary steps to secure additional bond financing and construction financing for the Blossom Apartments project, on behalf of RCHC in its capacity as the Administrative General Partner of Linc-Beaumont 2 Apts, LP;

Continued on page 2

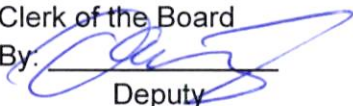
ACTION:Policy


Heidi Marshall, Director of Housing & Homelessness Prevention 12/4/2023

MINUTES OF THE BOARD OF DIRECTORS

On motion of Director Gutierrez, seconded by Director 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: Community Housing Corp.

Kimberly A. Rector
Clerk of the Board
By: 
Deputy

**SUBMITTAL TO THE RIVERSIDE COMMUNITY
HOUSING CORP. BOARD OF DIRECTORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

RECOMMENDED MOTION: That the Board of Directors:

2. Authorize the Chief Executive Officer or the Chief Operating Officer, on behalf of Riverside County Housing Corp (RCHC) in its capacity as the Administrative General Partner of Linc-Beaumont 2 Apts LP, to negotiate and execute, subject to approval as to form by RCHC's General Counsel, additional construction loan financing from PNC Bank, National Association in amount not to exceed \$1,350,000 for the construction of The Blossom Apartments;
3. Authorize the Chief Executive Officer or the Chief Operating Officer, on behalf of RCHC in its capacity as the Administrative General Partner of Linc-Beaumont 2 Apts, a California limited partnership, to negotiate and execute, subject to approval by RCHC's General Counsel, additional tax-exempt bond loan funding in amount not to exceed \$1,045,424 for the Construction of The Blossom Apartments; and
4. Authorize the Chief Executive Officer or Chief Operating Officer, or designee, on behalf of RCHC to take all necessary steps to obtain additional construction financing and permanent financing as specified in Resolution No. 2023-01 for the Allegheny Apartments project, on behalf of RCHC in its capacity as the Administrative General Partner of Linc-Beaumont 2 Apts LP, including, but not limited to signing necessary and subsequent documents required in connection with aforementioned loans, subject to approval as to form by General Counsel.

| FINANCIAL DATA | Current Fiscal Year: | Next Fiscal Year: | Total Cost: | Ongoing Cost |
|---|-----------------------------|--------------------------|-------------------------------|---------------------|
| COST | \$2,395,424 | \$ 0 | \$2,395,424 | \$ 0 |
| NET COUNTY COST | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| SOURCE OF FUNDS: 100% Tax Exempt Bonds from the California Debt Allocation Committee | | | Budget Adjustment: No | |
| | | | For Fiscal Year: 23/24 | |

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On March 30, 2021 (M.O. 14.1), the Board of Directors (Board) approved a Memorandum of Understanding (MOU) between LINC Housing Corporation (LINC) and Riverside Community Housing Corp. (RCHC) that allowed both entities to form a limited partnership (Partnership) to construct, own and operate an affordable housing project in the City of Beaumont, the project known as The Blossom Apartments and also known as the Allegheny Apartments (Project). The Board also authorized the submission of a competitive tax-exempt bond application to the California Debt Limit Allocation Committee (CDLAC) to fund the proposed Project and, on April 28, 2021, the Project received an award of \$9,095,090 in federal tax credits.

**SUBMITTAL TO THE RIVERSIDE COMMUNITY
HOUSING CORP. BOARD OF DIRECTORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

The Project is located on the east side of Allegheny Avenue between 6th Street and 8th Street identified as Assessor's Parcel Number 419-150-050. The Project is approximately 1.48-acres that will consist of two 3-story buildings, as well as 28 parking spaces, a community room, and 10,801 square feet of open space. The Project will provide forty-eight (48) units, including one (1) unrestricted manager's unit and forty-seven (47) units affordable to very low-income households earning between 30% and 50% of the Area Median Income (AMI). Half of the forty-eight (48) units will be two-bedroom units (approximately 952 square feet), and the remaining half will be three-bedroom units (approximately 1159 square feet). The Project is completed and units are currently being leased, Project is expected to be fully leased up by the end of the year.

RCHC's role in the Partnership in the Project is the Administrative General Partner to LINC-Beaumont 2 APTS, LP, a California limited partnership. As Administrative General Partner, RCHC is responsible for providing services to the residents living at The Blossom Apartments and, in exchange, RCHC will receive a 25% ownership stake in LINC-Beaumont 2 APTS, LP and in the developer fee.

The Project encountered unexpected rises in construction and material costs, resulting in a \$2.4 million gap. In response, the Partnership applied for and secured a supplemental bond funds award of \$1,045,424 from CDLAC. Additionally, efforts are underway to secure an additional construction loan financing of \$1,350,000 to address the Project's financial shortfall.

RCHC, in its capacity as the Administrative General Partner, is going to be required to sign loan documents and other forms of security in connection with the above referenced financing. Staff recommends that the Board of Directors authorize the Chief Operating Officer or the Chief Executive Officer of RCHC to sign any and all documents necessary to secure the funding described above for the Allegheny Apartments project, subject to RCHC's General Counsel's approval 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.

Additional Fiscal Information

No impact to general funds; Project is being funded with State CDLAC bond financing and private funding.

Attachments:

- RCHC Resolution No. 2023-001

SUBMITTAL TO THE RIVERSIDE COMMUNITY
HOUSING CORP. BOARD OF DIRECTORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



Brianna Lontajo, Principal Management Analyst 12/6/2023



Aaron Gettis, Deputy County Counsel 12/4/2023

2
3 RESOLUTION NO. 2023-001

4
5 **A RESOLUTION OF THE BOARD OF DIRECTORS OF RIVERSIDE COMMUNITY**
6 **HOUSING CORP. AUTHORIZING THE CHIEF EXECUTIVE OFFICER OR CHIEF**
7 **OPERATING OFFICER TO TAKE ALL NECESSARY ACTIONS TO ACCEPT ADDITIONAL**
8 **BOND FINANCING IN AN AMOUNT NOT TO EXCEED \$1,045,424 AND ADDITIONAL**
9 **CONSTRUCTION LOAN AND ADDITIONAL PERMANENT LOAN IN AN AMOUNT NOT TO**
10 **EXCEED \$1,350,000 FOR THE BLOSSOM APARTMENTS, EXECUTE LOAN AGREEMENTS,**
11 **AND ANY RELATED DOCUMENTS TO SECURE AFOREMENTIONED BOND FINANCING**
12 **AND PERMANENT FINANCING FOR THE BLOSSOM APARTMEMNTS AFFORDABLE**
13 **HOUSING PROJECT LOCATED IN THE CITY OF BEAUMONT**

14
15 **WHEREAS**, the Riverside Community Housing Corp. ("Corporation"), a California nonprofit
16 public benefit corporation, was created for the purpose of financing, acquiring, developing, rehabilitating,
17 owning, managing, and selling affordable housing for extremely low, low, and moderate income persons
18 within the County of Riverside;

19 **WHEREAS**, on March 30, 2021, the Board of Directors of RCHC (the "Board") approved the
20 formation of a limited partnership with LINC Housing Corporation, a California nonprofit public benefit
21 corporation, or its affiliated limited liability companies (the "Partnership"), for the purpose of developing
22 and operating 48 low-income residential units, an affordable housing project known as Allegheny
23 Apartments (the "Project"), on real property located in the City of Beaumont in Riverside County,
24 California [APN 419-150-050] (the "Property");

25 **WHEREAS**, it is in the best interests of the RCHC to act as the Administrative General Partner of
26 LINC-Beaumont 2 APTS, LP, a California limited partnership, together with LINC-Beaumont 2 APTS,
27 LLC, a California limited liability company, as the Managing General Partner;

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

1 **WHEREAS**, in connection with the development of the Project, the Partnership has obtained (i)
2 financing in the amount of \$12,735,866 (the “Original Bond Loan”) from the proceeds of Multifamily
3 Housing Revenue Bonds (Allegheny Apartments) 2021 Series A (the “Original Bond”) issued by
4 California Municipal Finance Authority (the “Issuer”), which has been purchased by PNC Bank, N.A., a
5 national banking association (“PNC”) which, upon the satisfaction of certain conversion conditions, will
6 convert to a permanent loan in a maximum aggregate principal amount of \$5,604,000 (the “Permanent
7 Loan”) and (ii) a construction loan from PNC in the amount of \$8,655,340.00 (the “Original Construction
8 Loan”);

9 **WHEREAS**, the Board of Directors of the Corporation, acting as the administrative general
10 partner of the Partnership, deems it to be in the best interests of the Partnership to (i) borrow an additional
11 amount not to exceed \$1,045,424 from the proceeds of a supplemental tax exempt bond issuance (the
12 “Supplemental Bond”) from the Issuer and which will be purchased by PNC (the “Additional Bond
13 Loan”), and (ii) obtain an additional construction loan from PNC in an amount not to exceed \$1,350,000
14 (the “Additional Construction Loan”) and to enter into any and all documents required in connection with
15 (i) modification and amendment of the documents evidencing the Original Bond to reflect the the
16 Supplemental Bond and said Additional Bond Loan and Additional Construction Loan, including but not
17 limited to amended and restated regulatory agreements, loan agreements, promissory notes, deeds of trust,
18 and any other documents necessary to consummate the issuance of the Supplemental Bond and to obtain
19 the Additional Bond Loan and Additional Construction Loan;

20 **WHEREAS**, the Board of the Directors of the Corporation, acting in its sole capacity, deems it to
21 be in the best interests of the Corporation to assist the Partnership in obtaining the Additional Bond Loan,
22 Additional Construction Loan by entering into any and all documents required in connection with said
23 loans, including but not limited to indemnity agreements, guaranty agreements and any other documents
24 necessary to assist the Partnership in obtaining the Additional Bond Loan, Additional Construction Loan;

25 **NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED** by the Board
26 of Directors of the Riverside Community Housing Corp., in regular session assembled on or about
27 December 12, 2023, in the meeting room of the Board located on the 1st floor of the County
28

1 Administrative Center, 4080 Lemon Street, Riverside, California, and based upon the evidence and
2 testimony presented on the matter, both written and oral, including the Administrative Record as it
3 relates to the financing of the Allegheny Apartments Affordable Housing Project, as follows:

- 4 1. That the Board of Directors hereby finds and declares that the above Recitals are true,
5 correct, and incorporated herein;
- 6 2. That the Partnership shall borrow the Additional Bond Loan in an amount not to exceed
7 \$1,045,424, Additional Construction Loan Loan in an amount not to exceed \$1,350,000 and
8 shall enter into any and all documents required in connection with the Supplemental Bond
9 and said loans, including but not limited to amended and restated regulatory agreements, loan
10 agreements, promissory notes, deeds of trust, and any other documents necessary to
11 consummate the issuance of the Supplemental Bond and to obtain the Additional Bond Loan,
12 Additional Construction Loan;
- 13 3. That the Corporation shall assist the Partnership in obtaining the Additional Bond Loan,
14 Additional Construction Loan and shall enter into any and all documents necessary,
15 including but not limited to indemnity agreements, guaranty agreements and any other
16 agreements required to assist the Partnership in obtaining the Additional Bond Loan,
17 Additional Construction Loan;
- 18 4. That all actions taken in connection with obtaining additional bond and construction loan by
19 any officer of the Corporation in its capacity as the administrative general partner of the
20 Partnership, prior to the date of this Resolution and Granting of Authority are hereby
21 approved and ratified;
- 22 5. That the CEO or the COO of RCHC, or their designee(s), and in its capacity as the
23 Administrative General Partner of the Partnership, is authorized to enter into any and all
24 necessary documents, including, but not limited to, the regulatory agreements, loan
25 agreements, promissory notes, deeds of trust, assignment agreements, standard agreements,
26 security agreements, and any other agreements, and all further actions necessary to
27 consummate the actions described herein.
28

2
3 RESOLUTION NO. 2023-001

4 A RESOLUTION OF THE BOARD OF DIRECTORS OF RIVERSIDE COMMUNITY
5 HOUSING CORP. AUTHORIZING THE CHIEF EXECUTIVE OFFICER OR CHIEF
6 OPERATING OFFICER TO TAKE ALL NECESSARY ACTIONS TO ACCEPT ADDITIONAL
7 BOND FINANCING IN AN AMOUNT NOT TO EXCEED \$1,045,424 AND ADDITIONAL
8 CONSTRUCTION LOAN AND ADDITIONAL PERMANENT LOAN IN AN AMOUNT NOT TO
9 EXCEED \$1,350,000 FOR THE BLOSSOM APARTMENTS, EXECUTE LOAN AGREEMENTS,
10 AND ANY RELATED DOCUMENTS TO SECURE AFOREMENTIONED BOND FINANCING
11 AND PERMANENT FINANCING FOR THE BLOSSOM APARTMENTS AFFORDABLE
12 HOUSING PROJECT LOCATED IN THE CITY OF BEAUMONT

13
14 ROLL CALL:

15
16 Ayes: Jeffries, Washington, Spiegel, Perez, and Gutierrez

17 Nays: None

18 Absent: None

19
20 The foregoing is certified to be a true copy of a resolution duly adopted by said Board of
21 Supervisors on the date therein set forth.

22 KIMBERLY A. RECTOR, Clerk of said Board

23
24 By:  _____

25 Deputy