

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



**ITEM:** 3.18  
(ID # 23846)

**MEETING DATE:**  
Tuesday, February 06, 2024


**FROM :** HOUSING AND WORKFORCE SOLUTIONS:

**SUBJECT:** HOUSING AND WORKFORCE SOLUTIONS (HWS): Adoption of Resolution No. 2024-031, 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 Avenue 44 Apartments Project Located in the City of Indio, and Reapproval of Up to \$2,000,000 from Permanent Local Housing Allocation (PLHA) Funds to Pacific West Communities, Inc. for the Avenue 44 Apartments Project; District 4. [\$2,000,000 - 100% Permanent Local Housing Allocation (PLHA) Funds]

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

1. Adopt Resolution No. 2024-031, 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 Avenue 44 Apartment Project Located in the City of Indio; and
2. Reapprove up to \$2,000,000 from Permanent Local Housing Allocation (PLHA) funds to Pacific West Communities, Inc. for the Avenue 44 Apartment Project in the City of Indio, subject to the conditions set forth in Resolution No. 2024-031.

**ACTION:Policy**

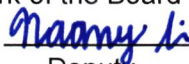
  
Heidi Marshall, Director 1/24/2024

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**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Perez, 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: February 6, 2024  
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>	\$2,000,000	\$ 0	\$2,000,000	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS:</b> Permanent Local Housing Allocation (PLHA) Funds 100%			<b>Budget Adjustment:</b>	No
			<b>For Fiscal Year:</b>	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 Permanent Local Housing Allocation (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 Indio was allocated funds by formula determination by California Department of Housing and Community Development (HCD) and delegated its allocation to the County pursuant to an agreement dated June 17, 2020. The County also received an allocation of \$3,996,171 from HCD.

Pacific West Communities, Inc., an Idaho Corporation registered in the State of California (Developer), has applied to the County of Riverside (County) for PLHA funding in the amount of \$2,000,000 to pay a portion of the costs to develop and construct the Avenue 44 Apartments, an affordable multifamily low-income housing project (Proposed Project). The Proposed Project will be developed on 6.06 acres located at the northeast corner of Avenue 44 and Golf Center Parkway, in the City of Indio, County of Riverside, State of California, identified as Assessor's Parcel Numbers APNs 692-060-019 and 692-060-020. (Property). The Proposed Project will consist of 180 affordable units comprised of 8 three-story buildings, including 87 one-bedroom units, 46 two-bedroom units, 45 three-bedroom units, and 2 two-bedroom manager's units. Under the County's PLHA program, 69 units will be restricted to households whose incomes do not exceed 80% of the area median income, of those units 20% or 18 units will be restricted to individual households whose incomes do not exceed 50% of the area median income for the County of Riverside.

On January 24, 2023 (Minute Order 3.30), the Board of Supervisors approved Resolution No. 2023-040, approving a funding allocation of up to \$2,000,000 from PLHA funds and supporting an application for Low-Income Housing Tax Credits to the California Tax Credit Allocation Committee for the Avenue 44 Apartments Project. The Resolution expired on January 31, 2024.

On December 19, 2023, the Developer formally requested an extension through January 31, 2025. The Developer will be applying for financing through the California Tax Credit Allocation Committee in April 2024.

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In order to complete the California Tax Credit Allocation Committee (TCAC) application for an allocation of tax credits in April 2024, Developer must provide a resolution from the local jurisdiction providing support for the Proposed Project. The Proposed Project has a competitive tiebreaker score for low-income housing tax credits bolstered by the financial support from the County's PLHA commitment.

The attached proposed Resolution No. 2024-031 provides Board support for the Proposed Project and recommends an allocation of up to \$2,000,000 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, 2025.

The attached proposed Resolution 2024-031 allocates up to \$2,000,000 in PLHA funds to the Proposed Project, subject to Developer's satisfaction of the conditions specifically set forth in Resolution 2024-031, 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. 2024-031. County Counsel has reviewed and approved the attached Resolution No. 2024-031 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 PLHA funds.

**Attachment:**

- Resolution No. 2024-031

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Brianna Lontajo, Principal Management Analyst 1/30/2024



Aaron Gettis, Deputy County Counsel 1/25/2024

**BOARD OF SUPERVISORS**

**COUNTY OF RIVERSIDE**

**RESOLUTION NO. 2024-031**

**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 AVENUE 44 APARTMENTS PROJECT LOCATED IN THE CITY OF INDIO**

**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;

**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 HSC section 50470 et seq. and SB 2 (Chapter 364, Statutes of 2017) (the “PLHA Statutes”);


**WHEREAS**, to implement the PLHA Program, HCD adopted and issued the HCD 2019 PLHA Final Guidelines (“Guidelines” or “PLHA Guidelines”);

**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;

**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;

**WHEREAS**, pursuant to the PLHA Program, the County and the California Department

*RESOLUTION NUMBER NO. 2024-031  
Avenue 44 Apartments*

FORM APPROVED COUNTY COUNSEL  
BY:  AMBER P. HILLON  
DATE: 1/16/2024

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

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

10 **WHEREAS**, consistent with HCD Guidelines, City of Indio, a California municipal  
11 corporation (“City”), delegated to County the responsibility for submitting an application for  
12 administering its formula component for Allocation Years 2019-2023 (“City’s Allocations”) in  
13 the estimated funding amount of \$2,735,772;

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

18 **WHEREAS**, in connection therewith, City and County entered in that certain Agreement  
19 for the Permanent Local Housing Allocation (PLHA) Program under the California Department  
20 of Housing and Community Development (HCD) for Allocation Years 2019-2023 dated June 17,  
21 2020 (the “County and City PLHA Agreement”), which provides for the use of PLHA Funds by  
22 the County within the City to increase the affordable housing stock within the City;

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

27 **WHEREAS**, Pacific West Communities, Inc., an Idaho corporation registered to do  
28 business in the State of California and an affordable housing developer (“Developer”), proposes

1 to develop and construct a multi-family affordable rental housing project, Avenue 44  
2 Apartments, for low-income family households consisting of one hundred eighty (180)  
3 affordable rental units (“Project”) on approximately 6.06 acres of vacant land located at the  
4 northeast corner of Avenue 44 and Golf Center Parkway, in the City of Indio, County of  
5 Riverside, State of California, more specifically identified as Assessor’s Parcel Numbers 692-  
6 060-019 and 692-060-020 (“Property”);

7       **WHEREAS**, a total of eighty seven (87) units will be restricted under the PLHA  
8 Program of which thirty five (35) units will be restricted to households whose incomes do not  
9 exceed 80% of the area median income and one hundred forty three (143) units will be restricted  
10 to individuals households whose incomes do not exceed 60% of the area median income for the  
11 County of Riverside;

12       **WHEREAS**, Developer submitted an application to County requesting financial  
13 assistance in the amount of \$2,000,000 in PLHA funds (“County Allocation”). The County  
14 Allocation is needed to fill an existing Project financing gap in the amount of \$2,000,000;

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

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

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

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

28       **WHEREAS**, the application deadline to be considered for bond authority through

1 CDLAC for right to apply for allocation of tax credits through TCAC is April 23, 2024;

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

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

8 **WHEREAS**, the County desires to approve an allocation of funding in the approximate  
9 amount of \$2,000,000 PLHA funds, to be used to pay a portion of the costs to develop and  
10 construct the Project on the Property, subject to Developer's satisfaction of certain conditions  
11 precedent for the benefit of the County; and

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

14  
15 **NOW THEREFORE, BE IT RESOLVED, FOUND, DETERMINED AND**  
16 **ORDERED** by the Board of Supervisors of the County of Riverside ("Board"), in regular  
17 session assembled on February 6, 2024 at 9:30 am, in the meeting room of the Board of  
18 Supervisors located on the 1st floor of the County Administrative Center, 4080 Lemon Street,  
19 Riverside, California, as follows:

- 20 1) That the Board hereby finds and declares that the above recitals are true and correct and  
21 incorporated as though set forth herein.
- 22 2) The Board supports the Developer's application to TCAC for an allocation of low-  
23 income housing tax credits, the sale proceeds of which will be used to finance the  
24 development and construction of a multi-family affordable rental housing project,  
25 Avenue 44 Apartments, consisting of 180 total units, on real property located on  
26 approximately 6.06 acres of vacant land located at the northeast corner of Avenue 44  
27 and Golf Center Parkway, in the City of Indio, County of Riverside, State of California,  
28 identified as Assessor's Parcel Numbers 692-060-019 and 692-060-020.



1 3) Subject to any restrictions on the use PLHA funds, the Board agree to provide financial  
2 assistance to the Developer in the maximum amount of \$2,000,000 of PLHA funds, for  
3 construction of eligible activities on the Project, subject to the satisfaction of the  
4 following conditions precedent:

5 a. Borrower: a to-be-formed limited partnership in which Pacific West  
6 Communities, Inc., an Idaho corporation registered to do business in the State of  
7 California is an affordable housing developer or a single purpose entity affiliate of  
8 Pacific West Communities, Inc., is a general partner, formed for developing,  
9 constructing and owning the Project for the specific purpose of selling tax credits  
10 and developing, constructing, and owning the Project;

11 b. Project Name shall be Avenue 44 Apartments;

12 c. PLHA Loan Amount shall not to exceed Two Million Dollars (\$2,000,000);

13 d. Interest shall be three percent (3%) simple interest;

14 e. Affordability Period shall be 55 years from recordation of the Notice of  
15 Completion in the official records of the County of Riverside, subject to an  
16 affordability covenant agreement recorded in a senior lien position to all deeds of  
17 trust;

18 f. PLHA Loan Term shall be 55 years;

19 g. Repayment shall be from loan payments derived from the Project's residual  
20 receipts;

21 h. Entitlements and Governmental Approvals: Developer shall secure any and all  
22 required land use entitlements, permits and approvals which may be required for  
23 construction of the Project, including, but not limited to compliance with the  
24 California Environmental Quality Act;

25 i. Other Financing: The PLHA loan is expressly conditioned upon the Developer's  
26 ability to secure sufficient equity capital or firm and binding commitments for  
27 financing necessary to undertake the development and construction of the Project.  
28 All financing contemplated or projected with respect to the Project shall be, or

1 have been, approved in form and substance by the Board. Other sources of  
2 construction financing for the Project are anticipated to include \$35,000,000 in  
3 tax exempt bonds, \$12,627,997 in taxable bonds, \$3,919,408 in tax credit equity,  
4 \$746,986 in deferred costs from the owner, \$8,215,255 in deferred developer fees,  
5 a \$2,471,850 loan from the City of Indio Housing Authority, a \$1,523,332 fee  
6 deferral loan from the City of Indio, and \$261,660 in TUMF Fee Waivers from  
7 the Coachella Valley Association of Governments (“CVAG”). Upon stabilization  
8 of the project, permanent financing sources for the Project are anticipated to  
9 include \$39,644,388 in tax credit equity, a \$16,750,000 tax-exempt bond  
10 permanent loan, \$2,471,850 loan by the city of Indio Housing Authority,  
11 \$1,523,332 City of Indio fee deferral, a TUMF Fee Waiver in the amount of  
12 \$261,660 from CVAG, and \$4,115,255 in deferred developer fees. The total cost  
13 of the development is approximately \$66,766,485;

14 j. Monitoring Fee: Payment of annual compliance monitoring fee to the County in  
15 the amount of \$18,000. Monitoring fee to be adjusted annually, not to exceed an  
16 increase in the Consumer Price Index (CPI); and

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

20 4) The Board’s commitment to provide the PLHA loan is subject to the satisfaction of the  
21 conditions precedent set forth herein, is valid until January 31, 2025, and shall thereafter  
22 have no force or effect, unless a PLHA loan agreement related to the financing of the  
23 Project (approved as to form by County Counsel) has been approved and executed by the  
24 Board and the Developer.

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2  
3 RESOLUTION NO. 2024-031

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  
8 AVENUE 44 APARTMENTS PROJECT LOCATED IN THE CITY OF INDIO

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: Naomy Li  
23 Deputy