

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



**ITEM: 3.11  
(ID # 24302)**

**MEETING DATE:**  
Tuesday, April 09, 2024

**FROM :** HOUSING AND WORKFORCE SOLUTIONS:

**SUBJECT:** HOUSING AND WORKFORCE SOLUTIONS (HWS): Adoption of Resolution No. 2024-019, 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 Cambern Avenue Apartments, Located in the City of Lake Elsinore; and Approval of Up to \$4,000,000 from Permanent Local Housing Allocation (PLHA) Funds to Community HousingWorks; District 2. [\$4,000,000 – 100% Permanent Local Housing Allocation (PLHA) Funds]

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

1. Adopt Resolution No. 2024-019, 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 Cambern Avenue Apartments, Located in the City of Lake Elsinore; and
2. Approve up to \$4,000,000 from Permanent Local Housing Allocation (PLHA) funds to Community HousingWorks, a California nonprofit public benefit corporation and affordable housing developer, for Cambern Avenue Apartments, subject to the conditions set forth in Resolution No. 2024-019.

**ACTION:Policy**

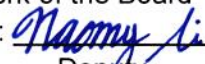
  
Heidi Marshall, Director 3/13/2024

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**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: April 9, 2024  
xc: HWS

Kimberly A. Rector  
Clerk of the Board  
By:   
Deputy

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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>	\$4,000,000	\$ 0	\$4,000,000	\$ 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>	23/24-24/25

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

**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 designated to provide a permanent source of funding to local governments in California to help cities and counties implement plans to funding to local governments in California to help cities and counties implement plans to increase the affordable housing stock.

Community HousingWorks (CHW), a California nonprofit public benefit corporation and affordable housing developer, is proposing to develop Cambern Avenue Apartments, a 76-unit affordable multi-family development including one resident manager unit on a scattered site developed in a single phase comprised of multiple buildings on two parcels separated by a street. Parcel 1 is comprised of approximately 2.9 acres and will be developed concurrently with Parcel 2 and will include approximately 60 multi-family residential units within approximately 59,590 square feet of building space, a community center, tot lot and courtyards. Parcel 2 is comprised of approximately 1.1 acres and will include approximately 16 multifamily residential units within approximately 16,300 square feet of building space, an onsite laundry facility, and residential plaza. The entire site consists of approximately 4.0 gross acres of real property located at 29366 3rd Street, Lake Elsinore (Parcel 1) & 29377 3rd Street, Lake Elsinore (Parcel 2), in the County of Riverside, State of California, identified with Assessor's Parcel Numbers 377-100-003 and 377-380-003 for low-income households, and individuals and families at risk of homelessness (Proposed Project).

CHW has applied to the County for Permanent Local Housing Allocation (PLHA) for gap funding in the amount of \$4,000,000 for the Proposed Project. On April 23, 2024, CHW intends to submit an application to the California Debt Limit Allocation Committee (CDLAC) for bond authority and the right to apply for non-competitive low-income housing tax credits through the California Tax Credit Allocation Committee (CTCAC), the sales proceeds of which will be used to finance the development and construction of the Proposed Project.

The Proposed Project is comprised of 75 affordable rental apartment units (18 one-bedroom units, 38 two-bedroom units, and 19 three-bedroom units) and 1 two-bedroom manager unit. Of the rental units, 23 units (6 one-bedroom units, 12 two-bedroom units and 5 three-bedroom units) will be restricted to households whose incomes do not exceed 50% of the area median income (AMI) for the County of Riverside and 51 units (12 one-bedroom units, 25 two-bedroom

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units and 14 three-bedroom units) will be restricted to households whose incomes do not exceed 60% AMI.

Under the County’s PLHA program, no more than 49 percent of the rental units or 36 units will be restricted to households whose incomes do not exceed 80% AMI (PLHA Affordable Units). Of the PLHA Affordable Units, 20 percent or 7 units will be restricted to households whose incomes do not exceed 50% AMI. The PLHA Affordable Units will be restricted for a period of at least 55 years from the recordation of the Notice of Completion.

The estimated total development cost for the Proposed Project is approximately \$48,514,340. Permanent sources for financing include the following:

<b>Permanent Sources</b>	<b>Amount</b>
Conventional Perm Loan	8,041,000
City of Lake Elsinore	5,400,000
Accrued Deferred Interest-City of Lake Elsinore	213,105
County of Riverside PLHA	4,000,000
Accrued Deferred Interest County	157,855
Deferred Developer Fee	3,312,019
GP Capital – Sponsor	100
Limited Partners	27,390,261
<b>Total</b>	<b>\$48,514,340</b>

CHW must provide a resolution from the local jurisdiction providing support for the Proposed Project and local funding commitment. The attached proposed Resolution No. 2024-019 provides Board support for the Proposed Project and recommends an allocation of up to \$4,000,000 in PLHA funds to be used as a loan to CHW to pay a portion of the development and construction costs for the Project. Staff recommends that the allocation of the PLHA funds be valid until December 31, 2024.

The attached proposed Resolution No. 2024-019 allocates up to \$4,000,000 in PLHA funds to the Proposed Project, subject to the CHW’s satisfaction of the conditions specifically set forth in the attached Resolution No. 2024-019 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 the 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 Project; and

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3. Successful negotiation of a Loan Agreement requiring compliance with the PLHA Rules approved by the Board of Supervisors and approved as to form by County Counsel.

Staff recommends that the Board adopt Resolution No. 2024-019. County Counsel has reviewed and approved the attached Resolution No. 2024-019 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 Project will provide urgently needed affordable housing in the City of Lake Elsinore and County of Riverside County residents. In addition, the project will generate construction, property maintenance, and property management jobs.

**Additional Fiscal Information**

No impact upon the County's General Fund; the County's contribution to the Proposed Project will be fully funded with PLHA funds allocated to the County.

**Attachment:**

- Resolution No. 2024-019

  
Brianna Lontajo, Principal Management Analyst 4/3/2024

**BOARD OF SUPERVISORS**

**COUNTY OF RIVERSIDE**

**RESOLUTION NO. 2024-019  
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 FOR THE CAMBERN AVENUE APARTMENTS, LOCATED  
IN THE CITY OF LAKE ELSINORE**

**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);

**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 California Health and Safety Code (“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; 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;

**WHEREAS**, pursuant to the PLHA Program, the County and HCD entered into that

*RESOLUTION NUMBER 2024-019  
Cambern Avenue Apartments*

FORM APPROVED COUNTY COUNSEL  
BY: AMRIT P. DHILLON  
DATE: 3/25/2024

1 certain Standard Agreement dated June 17th, 2021, including Exhibits A, B, C, D 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;

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

8       **WHEREAS**, Community HousingWorks, a California public benefit corporation and  
9 an affordable housing developer (“Developer”), proposes to develop an affordable housing  
10 development which will provide affordable housing for approximately 75 low-income  
11 households, with one manager unit, as well as supportive services (“Proposed Project” or the  
12 “Project”). The Proposed Project will be a scattered site project developed in a single phase  
13 comprised of multiple buildings on two parcels separated by a street. Parcel 1 is comprised of  
14 approximately 2.9 acres and will be developed concurrently with Parcel 2 and will include  
15 approximately 60 multi-family residential units within approximately 59,590 square feet of  
16 building space, a community center, tot lot and courtyards. Parcel 2 is comprised of  
17 approximately 1.1 acres will include approximately 16 multifamily residential units within  
18 approximately 16,300 square feet of building space, an onsite laundry facility, and residential  
19 plaza. The entire site consists of approximately 4.0 gross acres of real property located at  
20 29366 3<sup>rd</sup> Street, Lake Elsinore (Parcel 1) & 29377 3<sup>rd</sup> Street, Lake Elsinore (Parcel 2), in the  
21 County of Riverside, State of California, identified with Assessor’s Parcel Numbers 377-100-  
22 003 and 377-380-003 (the “Property”);

23       **WHEREAS**, in connection with this award of PLHA funds, 49% of the total units will be  
24 restricted to households whose incomes do not exceed 60% of the Riverside County Area  
25 Median Income;

26       **WHEREAS**, Developer submitted an application to County requesting financial  
27 assistance in the amount of \$4,000,000 in PLHA Funds. The PLHA Funds are needed to fill an  
28 existing Project financing gap in the amount of \$4,000,000;

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

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

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

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

14           **WHEREAS**, the application deadline to be considered for bond authority through  
15 CDLAC for right to apply for allocation of tax credits through TCAC is April 23, 2024;

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

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

22           **WHEREAS**, the County desires to approve an allocation of funding in the approximate  
23 amount of \$4,000,000 PLHA funds, to be used to pay a portion of the costs to develop and  
24 construct the proposed Project on the Property, subject to Developer’s satisfaction of certain  
25 conditions precedent for the benefit of the County; and

26           **WHEREAS**, the County desires to support the Developer’s application to California  
27 CDLAC for an award of private activity bonds and TCAC for an allocation of low-income  
28 housing tax credit, respectively.

1           **NOW THEREFORE, BE IT RESOLVED, FOUND, DETERMINED, AND**  
2 **ORDERED** by the Board of Supervisors of the County of Riverside (“Board”), in regular  
3 session assembled on April 9, 2024, in the meeting room of the Board of Supervisors located on  
4 the 1st floor of the County Administrative Center, 4080 Lemon Street, Riverside, California, as  
5 follows:

- 6       1) That the Board of Supervisors hereby finds and declares that the above recitals are true  
7       and correct and incorporated as though set forth herein.
- 8       2) The Board of Supervisors supports the Developer’s application to TCAC for an award  
9       low-income housing tax credits, the sale proceeds of both of which will be used to  
10      finance proposed Project the construction of Cambern Affordable Housing Apartments,  
11      a scattered site project that includes multi-family affordable rental housing consisting of  
12      approximately 76 total units (75 affordable rental units and 1 residential manager unit),  
13      on real property located on approximately 4 gross acres of land located at 29366 3<sup>rd</sup>  
14      Street, Lake Elsinore (Parcel 1) & 29377 3<sup>rd</sup> Street, Lake Elsinore (Parcel 2), County of  
15      Riverside, State of California, identified with Assessor’s Parcel Numbers 377-100-003  
16      and 377-380-003.
- 17      3) Subject to any restrictions on the use of PLHA funds and Department of Treasury  
18      regulations, the Board of Supervisors agrees to provide financial assistance to the  
19      Developer in the maximum amount of \$4,000,000 of PLHA funds, for the construction  
20      of affordable housing and the conduct of eligible activities for the Project, subject to the  
21      satisfaction of the following conditions precedent:
  - 22          a. Applicant shall be Cambern Avenue Housing Associates, L.P, the owner of the  
23          property and an affiliate of Community HousingWorks, a California public  
24          benefit corporation, which will act as the Sponsor and Cambern Avenue  
25          Development Holding Company, LLC, an affiliate of Community HousingWorks,  
26          as the Developer for the purpose of developing the Project. The Project will be  
27          owned, constructed, and operated by Cambern Avenue Housing Associates, L.P.,  
28          in which CHW Cambern Avenue, LLC, a California limited liability company



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whose sole member/manager is Community Housing Works, acts as the managing general partner;

- b. Project Name shall be Cambern Avenue Apartments;
- c. PLHA Loan Amount shall not exceed Four Million Dollars (\$4,000,000);
- d. Interest shall be three percent (3%) simple interest;
- e. Affordability Period shall be 55 years from recordation of the Notice of Completion in the Official Records of the County of Riverside, subject to an affordability covenant agreement recorded in a senior lien position to all deeds of trust;
- f. PLHA Funds Loan Term shall be 55 years;
- g. Repayment shall be derived from a pro-rata share of a portion of the Project's residual receipts;
- h. Entitlements and Governmental Approvals: Developer shall secure any and all required land use entitlements, permits, and approvals which may be required for construction of the Project, including, but not limited to compliance with the California Environmental Quality Act;
- i. Other Financing: The PLHA Funds Loan is expressly conditioned upon the Developer's ability to secure sufficient equity capital or firm and binding commitments for financing necessary to undertake the development and construction of the Project. All financing contemplated or projected with respect to the Project shall be, or have been, approved in form and substance by the Board of Supervisors. Other financing sources for the Proposed Project are anticipated to include Tax Credits, a Construction Loan, and a Permanent Loan;
- j. Monitoring Fee: Payment of annual compliance monitoring fee to the County in the amount of \$7,400. Monitoring fee to be adjusted annually, not to exceed an increase in the Consumer Price Index (CPI); and

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k. Successful negotiation of a loan agreement evidencing the loan of PLHA Funds in the amount approved herein, approved as to form by County Counsel, approved by the Board of Supervisors and executed by all required parties.

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

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ROLL CALL:

Ayes: Jeffries, Washington, Spiegel, Perez, and Gutierrez  
Nays: None  
Absent: None

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

KIMBERLY A. RECTOR, Clerk of said Board

By: Naomy Li  
Deputy