

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



**ITEM: 3.7**  
(ID # 24755)

**MEETING DATE:**  
Tuesday, May 07, 2024


**FROM :** HOUSING AND WORKFORCE SOLUTIONS:

**SUBJECT:** HOUSING AND WORKFORCE SOLUTIONS (HWS): Adoption of Resolution No. 2024-104, Approving HOME ARP Funding Allocation and Support for Application for Low-Income Housing Tax Credits to the California Tax Credit Allocation Committee for the Linwood Rose Apartment Project Located in the City of Moreno Valley and Approval of Loan up to \$1,500,000 from HOME Investment Partnerships Act American Rescue Act (HOME-ARP) Funds to Rancho Belago Developers, Inc. and its affiliates for the Linwood Rose Apartments Project; District 5. [\$1,500,000 - 100% HOME-ARP funds]

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

1. Adopt Resolution No. 2024-104, Approving HOME ARP Funding Allocation and Support for Application for Low-Income Housing Tax Credits to the California Tax Credit Allocation Committee for the Linwood Rose Apartment Project Located in the City of Moreno Valley; and
2. Approve up to \$1,500,000 from HOME ARP funds to Rancho Belago Developers, Inc. and its affiliates for the Linwood Rose Apartment Project in the City of Moreno Valley, subject to the conditions set forth in Resolution No. 2024-104.

**ACTION:**Policy

  
Heidi Marshall, Director 4/23/2024

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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: May 7, 2024  
xc: HWS

Kimberly A. Rector  
Clerk of the Board

By:   
Deputy

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

<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>	\$ 0	\$1,500,000	\$1,500,000	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS:</b> HOME Investment Partnerships American Rescue Plan (HOME-ARP) Funds 100%			<b>Budget Adjustment:</b>	No
			<b>For Fiscal Year:</b> 24/25	

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

**BACKGROUND:**

**Summary**

On October 19, 2021, agenda item 3.21, the County of Riverside Board of Supervisors accepted an allocation of \$8,823,099 in HOME Investment Partnerships American Rescue Plan (HOME-ARP) Funds from the U.S. Department of Housing and Urban Development office of Community Planning and Development (HUD). HOME-ARP funds were appropriated as a part of President Biden’s American Rescue Plan Act of 2021, with the purpose of providing housing, services, and shelter to individuals experiencing homelessness and other vulnerable populations.

Rancho Belago Developers, Inc., a California corporation and an affordable housing developer (Developer), has applied to the County of Riverside (County) for HOME-ARP funding in the amount of \$1,500,000 to pay a portion of the costs to develop and construct the Linwood Rose Apartments, an affordable multifamily low-income housing project (Proposed Project). The Proposed Project will be developed on approximately 0.91 acres of land located at 24108 and 24124 Fir Avenue, in the City of Moreno Valley, County of Riverside, State of California, identified as Assessor’s Parcel Numbers 481-130-023 and 481-130-022. (Property). The Proposed Project will consist of thirty-six (36) units, comprised of thirty-five (35) one-bedroom affordable units and 1 two-bedroom manager unit. Under the County’s HOME-ARP program, twelve (12) units will be restricted to households whose incomes do not exceed 30% of the area median income for the County of Riverside.

In order to complete the California Tax Credit Allocation Committee (TCAC) application for an allocation of tax credits in July 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 HOME-ARP commitment.

The attached proposed Resolution No. 2024-104 provides Board support for the Proposed Project and recommends an allocation of up to \$1,500,000 in HOME-ARP 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 HOME-ARP funds be valid until April 30, 2025.

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

The attached proposed Resolution 2024-104 allocates up to \$1,500,000 in HOME-ARP funds to the Proposed Project, subject to Developer's satisfaction of the conditions specifically set forth in Resolution 2024-104, 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 HOME-ARP Program approved by the Board of Supervisors and approved as to form by County Counsel.

Staff recommends that the Board adopt Resolution No. 2024-104. County Counsel has reviewed and approved the attached Resolution No. 2024-104 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 HOME-ARP funds.

**Attachment:**

- Resolution No. 2024-104

  
Brianra Lontajo, Principal Management Analyst 5/1/2024

  
Aaron Gettis, Chief of Deputy County Counsel 4/25/2024

**BOARD OF SUPERVISORS**

**COUNTY OF RIVERSIDE**

**RESOLUTION NO. 2024-104**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE APPROVING HOME INVESTMENT PARTNERSHIP AMERICAN RESCUE PLAN ACT FUNDING ALLOCATION IN AN AMOUNT NOT TO EXCEED \$1,500,000, AND SUPPORT FOR APPLICATION FOR LOW-INCOME HOUSING TAX CREDITS TO THE CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE FOR THE LINWOOD ROSE APARTMENTS MULTIFAMILY HOUSING PROJECT, LOCATED IN THE CITY OF MORENO VALLEY**

**WHEREAS**, the COUNTY OF RIVERSIDE, a political subdivision of the State of California (“County”), is the recipient of funds derived from the HOME Investment Partnerships Act (“HOME”) Program, which was enacted under Title II of the Cranston Gonzalez National Affordable Housing Act of 1990; and

**WHEREAS**, the County has identified the expansion of affordable rental housing stock for low-income households as a high housing priority through the County’s 2019-2024 Five Year Consolidated Plan; and

**WHEREAS**, On October 19, 2021, pursuant to Minute Order 3.21, the County of Riverside Board of Supervisors accepted an allocation of \$8,823,099 in HOME-ARP Funds from the U.S. Department of Housing and Urban Development Office of Community Planning and Development (HUD). HOME-ARP funds were appropriated as a part of President Biden’s American Rescue Plan Act of 2021, with the purpose of providing housing, services, and shelter to individuals experiencing homelessness and other vulnerable populations; and

**WHEREAS**, Rancho Belago Developers, Inc., a California corporation and an affordable housing developer (“Developer”), and its affiliates propose to develop a multi-family affordable rental housing project for low-income family households consisting of up to 35 affordable rental units and one resident manager unit on approximately 0.91 acres of land located at 24108 and 24124 Fir Avenue, in the City of Moreno Valley, County of Riverside, State of California, identified respectively as Assessor’s Parcel Numbers 481-130-023 and 481-130-022 (“Property”); and

*RESOLUTION NUMBER 2024-104  
The Linwood Rose Apartments*

FORM APPROVED COUNTY COUNSEL  
BY: PAULA S. SALCIDO  
4-17-2024  
DATE

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1           **WHEREAS**, 12 of the units will be restricted to households whose incomes do not  
2 exceed 30% of the Riverside County Area Median Income; and

3           **WHEREAS**, Developer has submitted an application to County requesting financial  
4 assistance in a loan amount of \$1,500,000 in HOME ARP funds (“County Allocation”) to  
5 develop The Linwood Rose Apartments (“Project”). The County Allocation is needed to fill an  
6 existing financing gap in the amount of \$1,500,000 for the Project; and

7           **WHEREAS**, the California Tax Credit Allocation Committee (“TCAC”) allocates low-  
8 income housing tax credits to eligible affordable housing projects to raise project equity through  
9 the sale of tax benefits to investors; and

10           **WHEREAS**, the Developer intends to submit an application to TCAC for an allocation  
11 of low-income housing tax credits and the proceeds from the sale of such tax credits will be used  
12 to finance Project costs; and

13           **WHEREAS**, Linwood Rose, L.P., is a California limited partnership collectively  
14 managed by KDI Linwood Rose LLC, a California limited liability company as its Managing  
15 General Partner, and RBD Linwood Rose, LLC, a California limited liability company as its  
16 Administrative General Partner. Rancho Belago Developers, Inc., a California corporation is the  
17 Limited Partner and sole member and manager of RBD Linwood Rose, LLC, Kingdom  
18 Development, Inc., a California nonprofit public benefit corporation, is the managing member of  
19 KDI Linwood Rose LLC, for the specific purpose of selling tax credits for be used to finance the  
20 development and construction of the Project; The Linwood Rose Apartments; and

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

23           **WHEREAS**, the Developer has successfully completed several affordable housing  
24 complexes in the County; and

25           **WHEREAS**, the County desires to approve an allocation of funding in the amount not to  
26 exceed \$1,500,000 of HOME ARP funds, to be used to pay a portion of the costs to develop and  
27 construct Project on the Property, subject to Developer’s satisfaction of certain conditions  
28 precedent as set forth below for the benefit of the County; and

*RESOLUTION NUMBER 2024-104  
The Linwood Rose Apartments*

1           **WHEREAS**, the County desires to support the Developer’s application to TCAC for an  
2 allocation of low-income housing tax credits.

3           **NOW THEREFORE, BE IT RESOLVED, FOUND, DETERMINED AND**  
4 **ORDERED** by the Board of Supervisors of the County of Riverside (“Board”), in regular  
5 session assembled on May 7, 2024, in the meeting room of the Board of Supervisors located on  
6 the 1st floor of the County Administrative Center, 4080 Lemon Street, Riverside, California, as  
7 follows:

- 8       1) That the Board of Supervisors hereby finds and declares that the above recitals are true  
9       and correct and incorporated as though set forth herein.
- 10      2) The Board of Supervisors supports Linwood Rose, L.P.’s and its affiliates applications  
11      to TCAC for an award and allocation of low-income housing tax credits, the sale  
12      proceeds which will be used to finance proposed Project to construct up to 35 affordable  
13      rental units, plus one residential manager’s unit, on real property located on  
14      approximately 0.91 acres of land located at 24108 and 24124 Fir Avenue, in the City of  
15      Moreno Valley, County of Riverside, State of California, identified respectively as  
16      Assessor Parcel Number 481-130-023 and 481-130-022.
- 17      3) The Board of Supervisors subject to any restrictions on the use HOME ARP funds  
18      agrees to provide financial assistance to the Developer and its affiliates in loan amount  
19      not to exceed \$1,500,000 of HOME ARP funds, for construction of eligible activities on  
20      the Project, subject to the satisfaction of the following conditions precedent:
  - 21          a. Borrower shall be Linwood Rose, L.P., a California limited partnership  
22          collectively managed by KDI Linwood Rose LLC, a California limited liability  
23          company as its Managing General Partner, and RBD Linwood Rose, LLC, a  
24          California limited liability company as its Administrative General Partner.  
25          Whereas Rancho Belago Developers, Inc., a California corporation is the Limited  
26          Partner and sole member and manager of RBD Linwood Rose, LLC, Kingdom  
27          Development, Inc., a California nonprofit public benefit corporation, is the  
28          managing member of KDI Linwood Rose LLC, for the specific purpose of selling

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1 tax credits and developing, constructing, and owning the Project; Project Name:  
2 The Linwood Rose Apartments;

3 b. HOME ARP Loan Amount: Not to exceed One Million Five Hundred Thousand  
4 Dollars (\$1,500,000);

5 c. Interest: One percent (1%) simple interest;

6 d. Affordability Period: 55 years from recordation of the Notice of Completion in  
7 the official records of the County of Riverside, subject to an affordability  
8 covenant agreement recorded in a senior lien position to all monetary deeds of  
9 trust;

10 e. HOME ARP Loan Term: 55 years;

11 f. Repayment: Loan payments derived from the Project's residual receipts;

12 g. Entitlements and Governmental Approvals: Secure any and all required land use  
13 entitlements, permits and approvals which may be required for construction of the  
14 Project, including but not limited to, compliance with the California  
15 Environmental Quality Act and the National Environmental Policy Act;

16 h. Other Financing: the HOME ARP loan is expressly conditioned upon the  
17 Developer's ability to secure sufficient equity capital or firm and binding  
18 commitments for financing necessary to undertake the development and  
19 construction of the Project. All financing contemplated or projected with respect  
20 to the Project shall be, or have been, approved in form and substance by the Board  
21 of Supervisors. Other Project permanent financing sources may include a  
22 permanent bank loan in the amount of \$1,753,686, tax credit proceeds in the  
23 amount of \$15,656,851, City of Moreno Valley HOME ARP loan in the amount  
24 of \$2,000,000, City of Moreno Valley waived fees in the amount of \$474,000,  
25 City of Moreno Valley loan in the amount of \$575,000, and a deferred developer  
26 fee in the amount of \$76,838;

27 i. Monitoring Fee: Payment of annual compliance monitoring fee to the County of  
28 Riverside Department of Housing and Workforce Solutions (HWS) in the amount

1 of \$3,600. Monitoring Fee shall increase annually by an amount equal to the  
2 increase of the Consumer Price Index for the San Bernardino-Riverside-Ontario,  
3 CA area ("CPI"), but in no event to exceed 5% annually. In the event of a  
4 decrease in the CPI, the Monitoring Fee currently in effect shall remain the same  
5 and shall not decrease; and

6 j. Successful negotiation of loan agreements evidencing the loan of the HOME ARP  
7 funds in the amounts approved herein, approved as to form by County Counsel,  
8 approved by the Board of Supervisors and executed by all required parties.

9 4) The Board of Supervisors' commitment to provide the HOME ARP loan is subject to the  
10 satisfaction of the conditions precedent set forth herein, is valid until April 30, 2025, and  
11 shall thereafter have no force or effect, unless a HOME ARP loan agreement related to  
12 the financing of the Project (approved as to form by County Counsel) has been executed  
13 by the Board of Supervisors and the Borrower.

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16 // ROLL CALL:

17 // Ayes: Jeffries, Washington, Spiegel, Perez, and Gutierrez


18 // Nays: None

19 // Absent: None

20 //

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

23  
24 KIMBERLY A. RECTOR, Clerk of said Board

25 By:  \_\_\_\_\_  
26 Deputy  
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