

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



ITEM: 3.32
(ID # 25162)

MEETING DATE:
Tuesday, June 25, 2024


FROM : HOUSING AND WORKFORCE SOLUTIONS

SUBJECT: HOUSING AND WORKFORCE SOLUTIONS (HWS): Adoption of Resolution No. 2024-133, Approving Funding Allocation of Permanent Local Housing Allocation (PLHA) Funds in the Amount of \$4,000,000 and Support for Application for Low-Income Housing Tax Credits to the California Tax Credit Allocation Committee for the Cambern Avenue Apartments Affordable Housing Project, Located in the City of Lake Elsinore, Recission of Resolution No. 2024-019, and Reapproval 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. 2024-133, Approving Funding Allocation of Permanent Local Housing Allocation (PLHA) Funds in the Amount of \$4,000,000 and Support for Application for Low-Income Housing Tax Credits to the California Tax Credit Allocation Committee for the Cambern Avenue Apartments Affordable Housing Project, Located in the City of Lake Elsinore;
2. Rescind Resolution No. 2024-019 for approval of updated Resolution No. 2024-133; and
3. Reapprove 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 the Cambern Avenue Apartments Affordable Housing Project, subject to the conditions set forth in Resolution No. 2024-133.

ACTION:Policy

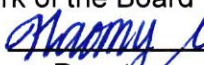

Heidi Marshall, Director 6/10/2024


Michael Weber, Deputy Director of Housing Authority 6/5/2024

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Spiegel, seconded by Supervisor Gutierrez 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: June 25, 2024
xc: HWS

Kimberly A. Rector
Clerk of the Board
By: 
Deputy

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0	\$4,000,000	\$4,000,000	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: Permanent Local Housing Allocation (PLHA) Funds (100%)			Budget Adjustment:	No
			For Fiscal Year:	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 increase the affordable housing stock.

On April 9, 2024 (Minute Order 3.11), the Board of Supervisors approved Resolution No. 2024-019, approving a funding allocation of up to \$4,000,000 from Permanent Local Housing Allocation (PLHA) fund to Community HousingWorks (CHW), a California nonprofit public benefit corporation and an affordable housing developer (Developer), to pay a portion of the costs to develop and construct the Cambern Avenue Apartments Affordable Housing Project and supporting an application for private activity bonds to the California Debt Limit Allocation Committee and Low-Income Housing Tax Credits to the California Tax Credit Allocation Committee for the Proposed Project.

The developer was unsuccessful in securing a first-round 4% tax credit award in April 2024 due to the high demand for funding and the limited availability of competitive applications. The Developer plans to restructure its tax credit application and pursue 9% low-income tax credits on July 2, 2024 with an award date of October 2, 2024. The Proposed Project has anticipated a competitive tiebreaker score for 9% low-income housing tax credits bolstered by the financial support from the County's PLHA commitment.

Developer proposes to build the Proposed Project on approximately 4.02 acres of land located at 29366 and 29377 3rd Street, identified with Assessor's Parcel Numbers 377-100-003 and 377-380-003. The Proposed Project is an affordable multifamily rental housing project comprised of 75 affordable rental apartment units (26 one-bedroom units, 29 two-bedroom units, and 20 three-bedroom units) and one two-bedroom manager unit. Of the rental units, 23 units will be restricted to households whose incomes do not exceed 30% of the area median income (AMI) for the County of Riverside; 37 units will be restricted to households whose incomes do not exceed 50% AMI and 15 units will be restricted to households whose incomes do not exceed 80% AMI.

In addition, under the County's PLHA program, 37 units will be restricted to households whose incomes do not exceed 60% AMI (PLHA Affordable Units). Of the PLHA Affordable Units, 7

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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 Proposed Project has a funding gap of \$4,000,000 and CHW applied to the County requesting assistance in the form of PLHA funds. The total cost of development is approximately \$45,629,018. Other permanent financing sources for the Proposed Project are anticipated to include:

Permanent Sources	Amount
Tax Exempt Perm Loan	\$ 7,154,000
City of Lake Elsinore Loan	\$ 7,015,482
Accrued Deferred Interest - City of Lake Elsinore	\$ 276,858
County of Riverside PLHA Loan	\$ 4,000,000
Accrued Deferred Interest - County of Riverside	\$ 157,855
General Partner Capital - Sponsor	\$ 100
Limited Partners Tax Credit Equity	\$ 26,724,723
Deferred Developer Fee	\$ 300,000
Total	\$ 45,629,018

The total cost of development is approximately \$45,629,018.

To complete its TCAC application for an allocation of tax credits, the developer must provide a resolution from the local jurisdiction providing support for the Proposed Project. The attached proposed Resolution No. 2024-133 provides Board support for the Proposed Project and recommends an allocation of up to \$4,000,000 in PLHA funds (which is a reapproval) 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 July 31, 2025.

The attached proposed Resolution No. 2024-133 allocates up to \$4,000,000 in PLHA funds to the Proposed Project. The PLHA funds shall be encumbered and spent down in compliance with all PLHA regulations subject to the CHW's satisfaction of the conditions specifically set forth in the attached Resolution No. 2024-133 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. 2024-133 and rescind previously adopted Resolution No. 2024-019. County Counsel has reviewed and approved the attached Resolution No. 2024-133 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. 2024-133


Brianna Lontajo, Principal Management Analyst 6/18/2024


Aaron Gettis, Chief of Deputy County Counsel 6/10/2024

BOARD OF SUPERVISORS

COUNTY OF RIVERSIDE

RESOLUTION NO. 2024-133

APPROVING FUNDING ALLOCATION OF PERMANENT LOCAL HOUSING ALLOCATION (PLHA) FUNDS IN THE AMOUNT OF \$4,000,000 AND SUPPORT FOR APPLICATION FOR LOW-INCOME HOUSING TAX CREDITS TO THE CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE FOR THE CAMBERN AVENUE APARTMENTS AFFORDABLE HOUSING PROJECT, 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 2022-133
Lake Elsinore Apartments

FORM APPROVED COUNTY COUNSEL
BY: *[Signature]*
DATE: 6/10/2024
AMRIT P. DHILLON

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 nonprofit public benefit
9 corporation and an affordable housing developer (“Developer”), proposes to develop an
10 affordable housing development which will provide affordable housing for approximately
11 seventy-five (75) low-income households, with one manager unit, as well as supportive
12 services (“Proposed Project” or the “Project”). The Proposed Project will be a scattered site
13 project developed in a single phase comprised of multiple buildings on two (2) parcels
14 separated by a street; Parcel 1 is comprised of approximately 3.17 acres and will be developed
15 concurrently with Parcel 2 and will include approximately fifty-nine (59) multi-family
16 residential units within approximately 24,674 square feet of building space, a community
17 center, tot lot and courtyards. Parcel 2 is comprised of approximately .85 acres will include
18 approximately seventeen (17) multifamily residential units within approximately 6,646 square
19 feet of building space, an onsite laundry facility, and residential plaza. The entire site consists
20 of approximately four (4) gross acres of real property located at 29366 3rd Street, Lake
21 Elsinore (Parcel 1) & 29377 3rd Street, Lake Elsinore (Parcel 2), in the County of Riverside,
22 State of California, identified with Assessor’s Parcel Numbers 377-100-003 and 377-380-003
23 (the “Property”);

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

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

1 existing Project financing gap in the amount of \$4,000,000;

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

6 **WHEREAS**, TCAC allocates low-income housing tax credits to eligible affordable
7 housing projects;

8 **WHEREAS**, Developer intends to submit an application to TCAC for competitive low-
9 income housing tax credits, the sales proceeds of which will be used to finance the development
10 and construction of the Project;

11 **WHEREAS**, the application deadline to be considered for tax credits for Cambern
12 Avenue Apartments through TCAC is July 2, 2024;

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

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

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

23 **WHEREAS**, the County desires to support the Developer’s application to TCAC for an
24 allocation of low-income housing tax credit.

25 **NOW THEREFORE, BE IT RESOLVED, FOUND, DETERMINED AND**
26 **ORDERED** by the Board of Supervisors of the County of Riverside (“Board”), in regular
27 session assembled on June 25, 2024, in the meeting room of the Board of Supervisors located on
28 the 1st floor of the County Administrative Center, 4080 Lemon Street, Riverside, California, as

1 follows:

- 2 1) That the Board of Supervisors hereby finds and declares that the above recitals are true
3 and correct and incorporated as though set forth herein.
- 4 2) The Board of Supervisors continues its support of the Developer's application to TCAC
5 for an award low-income housing tax credits, the sale proceeds will be used to finance
6 proposed Project the construction of Cambern Affordable Housing Apartments, a
7 scattered site project that includes multi-family affordable rental housing consisting of
8 approximately 76 total units (75 affordable rental units and 1 residential manager unit),
9 on real property located on approximately 4 gross acres of land located at 29366 3rd
10 Street, Lake Elsinore (Parcel 1) & 29377 3rd Street, Lake Elsinore (Parcel 2), County of
11 Riverside, State of California, identified with Assessor's Parcel Numbers 377-100-003
12 and 377-380-003.
- 13 3) Subject to any restrictions on the use of PLHA funds and the Board of Supervisors
14 agrees to provide financial assistance to the Developer in the maximum amount of
15 \$4,000,000 of PLHA funds, for the construction of affordable housing and the conduct
16 of eligible activities for the Project, subject to the satisfaction of the following
17 conditions precedent:
 - 18 a. Applicant shall be the Community HousingWorks, a California nonprofit public
19 benefit corporation, which will act as the Sponsor and Developer for the purpose
20 of developing the Project. The Project will be owned, constructed, and operated
21 by a limited partnership in which Developer, or a limited liability company
22 affiliate, acts as the managing general partner;
 - 23 b. Project Name shall be Cambern Affordable Housing Apartments;
 - 24 c. PLHA Loan Amount shall not exceed Four Million Dollars (\$4,000,000);
 - 25 d. Interest shall be three percent (3%) simple interest;
 - 26 e. Affordability Period shall be 55 years from recordation of the Notice of
27 Completion in the Official Records of the County of Riverside, subject to an
28

- 1 affordability covenant agreement recorded in a senior lien position to all deeds of
2 trust;
- 3 f. PLHA Funds Loan Term shall be 55 years;
- 4 g. Repayment shall be derived from a pro-rata share of a portion of the Project's
5 residual receipts;
- 6 h. Entitlements and Governmental Approvals: Developer shall secure any and all
7 required land use entitlements, permits, and approvals which may be required for
8 construction of the Project, including, but not limited to compliance with the
9 California Environmental Quality Act;
- 10 i. Other Financing: The PLHA Funds Loan is expressly conditioned upon the
11 Developer's ability to secure sufficient equity capital or firm and binding
12 commitments for financing necessary to undertake the development and
13 construction of the Project. All financing contemplated or projected with respect
14 to the Project shall be, or have been, approved in form and substance by the Board
15 of Supervisors. Other financing sources for the Proposed Project are anticipated to
16 include Tax Credits, a Construction Loan, and a Permanent Loan;
- 17 j. Monitoring Fee: Payment of annual compliance monitoring fee to the County in
18 the amount of \$7,400. Monitoring fee to be adjusted annually, not to exceed an
19 increase in the Consumer Price Index (CPI); and
- 20 k. Successful negotiation of a loan agreement evidencing the loan of PLHA Funds in
21 the amount approved herein, approved as to form by County Counsel, approved
22 by the Board of Supervisors and executed by all required parties.
- 23 4) The Board of Supervisors' commitment to provide the PLHA Funds loan is subject to the
24 satisfaction of the conditions precedent set forth herein, is valid until July 31, 2025, and
25 shall thereafter have no force or effect, unless a PLHA Funds loan agreement related to
26 the financing of the Project (approved as to form by County Counsel) has been approved
27 and executed by the Board of Supervisors and the Developer.

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3 RESOLUTION NO. 2024-133

4 APPROVING FUNDING ALLOCATION OF PERMANENT LOCAL HOUSING
5 ALLOCATION (PLHA) FUNDS IN THE AMOUNT OF \$4,000,000 AND SUPPORT FOR
6 APPLICATION FOR LOW-INCOME HOUSING TAX CREDITS TO THE
7 CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE FOR THE CAMBERN
8 AVENUE APARTMENTS AFFORDABLE HOUSING PROJECT, LOCATED IN THE CITY
9 OF LAKE ELSINORE

10
11 ROLL CALL:

12
13 Ayes: Jeffries, Washington, Spiegel, Perez, and Gutierrez
14 Nays: None
15 Absent: None
16
17

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

21 KIMBERLY A. RECTOR, Clerk of said Board

22
23 By:  _____
24 Deputy
25