

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



ITEM: 3.34
(ID # 25218)

MEETING DATE:
Tuesday, June 25, 2024

FROM : HOUSING AND WORKFORCE SOLUTIONS

SUBJECT: HOUSING AND WORKFORCE SOLUTIONS (HWS): Adoption of Resolution No. 2024-136, Approving Funding Allocation Up to \$6,000,000 in American Rescue Plan Act (ARPA) Funds and Support for Application for Low-Income Housing Tax Credits to the California Tax Credit Allocation Committee for the Oak View Ranch Senior Apartments (formerly known as Murrieta Apartments Phase II) Multifamily Housing Project, Located in the City of Murrieta, Rescission of Resolution No. 2024-025, and Reapproval of up to \$6,000,000 from American Rescue Plan Act (ARPA) Funds to National Community Renaissance of California, or its Affiliate, for the Development of Oak View Ranch Senior Apartments Multifamily Housing Project; District 3. [\$6,000,000 – 100% American Rescue Plan (ARPA) Funds]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Adopt Resolution No. 2024-136, Approving Funding Allocation Up to \$6,000,000 in American Rescue Plan Act (ARPA) Funds and Support for Application for Low-Income Housing Tax Credits to the California Tax Credit Allocation Committee for the Oak View Ranch Senior Apartments (formerly known as Murrieta Apartments Phase II) Multifamily Housing Project, Located in the City of Murrieta;
2. Rescind Resolution No. 2024-025 for approval of updated Resolution No. 2024-136; and
3. Reapprove the allocation of \$6,000,000 from American Rescue Plan Act (ARPA) funds to National Community Renaissance of California, or its affiliate housing developer, for the Oak View Ranch Senior Apartments (formerly known as Murrieta Apartments Phase II) Multifamily Housing Project, subject to the conditions set forth in Resolution No. 2024-136.

ACTION:Policy


Heidi Marshall, Director

6/10/2024

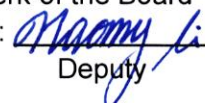

Michael Weber, Deputy Director of Housing Authority

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

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

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0	\$6,000,000	\$6,000,000	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: American Rescue Plan Act (ARPA) Funds 100%			Budget Adjustment: No	
			For Fiscal Year: 24/25	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On October 19, 2021, the Board of Supervisors allocated \$50,000,000 for the purpose of addressing homelessness through development of affordable housing and providing shelter. The \$50,000,000 allocation was further divided into five \$10,000,000 investments to each Supervisorial District. The funding allocated by the Board was the State and Local Fiscal Recovery Funds (SLFRF) allocated to the County as part of the American Rescue Plan Act (ARPA) of 2021 (Pub. L. 117-2). The ARPA funds are to focus on projects and/or programs that will increase the supply of permanent supportive housing which are critical to addressing homelessness.

On March 28, 2023 (Minute Order 3.14), the Board of Supervisors approved Resolution No. 2023-068, approving a funding allocation of up to \$6,000,000 from American Rescue Plan Act (ARPA) Funds to National Community Renaissance of California, also known as National CORE, a California nonprofit public benefit corporation and an affordable housing developer, to pay a portion of the costs to develop and construct a multi-family affordable rental housing project referred to as Oak View Ranch Senior Apartments (formerly known as Murrieta Apartments Phase II), an 81-unit affordable multi-family development (80 rentable units + 1 manager unit) constructed on 1.47 acres of the 6.22 acre site of vacant land owned by the City of Murrieta which is located at 24960 Adams Avenue (APN 906-080-018), in the City of Murrieta for low-income households at risk of homelessness and special needs (Proposed Project).

Developer was unsuccessful in obtaining funding from the oversubscribed application round for the California Tax Credit Allocation Committee in year 2023. The County ARPA funding under Resolution 2023-068 expired on December 31, 2023, so Developer requested to renew its resolution to pursue low-income housing tax credits in April of 2024.

On January 30, 2024 (Minute Order 3.16), the Board of Supervisors approved Resolution No. 2024-025, approving a funding allocation of up to \$6,000,000 from American Rescue Plan Act (ARPA) Funds to National Community Renaissance of California, also known as National CORE, with expiration date of December 31, 2024. Should Developer be unsuccessful in obtaining an award of tax credit funding from its first-rounds application in April 2024, Developer will proceed with 9% and 4% application in July or August 2024. Developer plans to restructure its tax credit application and has requested to extend the expiration of the resolution to July 31,

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
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2025 to comply with 9% and 4% tax credit application requirements. In order to extend the expiration of the resolution to July 31, 2025, Staff recommends the rescission of Resolution No. 2024-025 which expires on December 31, 2024, and the adoption of a new resolution which will allow the Developer to pursue low-income housing tax credits on July 2, 2024, with an award date of October 2, 2024. The Proposed Project has a competitive tiebreaker score for securing low-income housing tax credits bolstered by the financial support from the County's ARPA commitment.

The Proposed Project remains unchanged, and affordable multifamily rental housing project consisting of one building comprised of 72 one-bedroom units, 8 two-bedroom units, and 1 three-bedroom unit. The Proposed Project is Phase II of a two-phase development consisting of a total 200-unit multi-family housing development. The Oak View Ranch Family Apartments (formerly known as Murrieta Apartments Phase I) consists of 119 units and the Oak View Ranch Senior Apartments (formerly known as Murrieta Apartments Phase II) as stated herein consists of the balance of 81 units. A total of 40 units will be restricted under ARPA of which 19 units will be restricted to households whose incomes do not exceed 60% AMI, 8 units will be restricted to households whose incomes do not exceed 40% AMI, and 13 units will be restricted to households whose incomes do not exceed 30% AMI, which may have overlap with the above referenced units.

The Proposed Project will be financed using low-income housing tax credits and owned by a limited partnership to be formed by the Developer, at a later date upon award of tax credits. The Proposed Project has a funding gap of \$6,000,000 which Developer applied to the County requesting assistance in the form of ARPA funds. Other financing sources for the Proposed Project are anticipated to include \$27,532,882 in investor equity, \$3,445,927 from Bank of America Financing, City grant of \$1,500,000 in ARPA funds from City of Murrieta (including a \$1,260,000 land loan), and \$100 in General Partnership Equity. The total cost of development during the permanent financing period is approximately \$39,738,909.

In order to complete the Tax Credit Allocation Committee (TCAC) application for an allocation of low-income housing tax credits, Developer must provide resolutions from the local jurisdiction providing support for the Proposed Project and proposed funding commitment.

The attached proposed Resolution No. 2024-136 provides Board support for the Proposed Project and recommends an allocation of up to \$6,000,000 in ARPA funds (which is a reapproval) 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 ARPA funds be valid until July 31, 2025.

The proposed Resolution 2024-136 allocates up to \$6,000,000 in ARPA funds to the Proposed Projects for Phase II. The ARPA Funds shall be encumbered and spent down in compliance with all ARPA regulations subject to Developer's satisfaction of the conditions for Phase II specifically set forth in the attached Resolution 2024-136, which include, but are not limited to, the following:

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STATE OF CALIFORNIA**

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 ARPA Program approved by the Board of Supervisors and approved as to form by County Counsel.

Staff recommends that the Board adopt Resolution No. 2024-136 and rescind previously adopted Resolution No. 2024-025. County Counsel has reviewed and approved the attached Resolution No. 2024-136 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 American Rescue Plan Act (ARPA) funds.

Attachment:

- Resolution No. 2024-136


Brianna Lontajo, Principal Management Analyst 6/20/2024


Aaron Gettis, Chief of Deputy County Counsel 6/12/2024

BOARD OF SUPERVISORS

COUNTY OF RIVERSIDE

RESOLUTION NO. 2024-136

APPROVING FUNDING ALLOCATION UP TO \$6,000,000 IN AMERICAN RESCUE PLAN ACT (ARPA) FUNDS AND SUPPORT FOR APPLICATION FOR LOW-INCOME HOUSING TAX CREDITS TO THE CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE FOR THE OAK VIEW RANCH SENIOR APARTMENTS (FORMERLY KNOWN AS MURRIETA APARTMENTS PHASE II) MULTIFAMILY HOUSING PROJECT, LOCATED IN THE CITY OF MURRIETA


WHEREAS, on March 11, 2021, the American Rescue Plan Act (Pub. L. 117-2) (Title VI of the Social Security Act Section 602 et seq.), hereinafter "ARPA", was signed into law providing federal funding relief for American workers, families, industries, and state and local governments;

WHEREAS, on October 19, 2021, via Minute Order 3.5, the Board of Supervisors of the County of Riverside allocated \$50,000,000 in ARPA funds to increase shelter capacity, permanent supportive housing units, and affordable housing to help address homelessness;

WHEREAS, on October 4, 2022 (Minute Order 3.44), the Board approved the second installment allocation of ARPA funds to focus on projects and programs that serve as a pathway to create affordable housing with necessary supporting infrastructure to assist low-income communities disproportionately affected by the COVID-19 pandemic;

WHEREAS, National Community Renaissance of California, a California nonprofit public benefit corporation and an affordable housing developer ("Developer"), proposes to develop and construct a multi-family affordable rental housing project currently referred to as Oak View Ranch Family Apartments (formerly known as Murrieta Apartments Phase I), as well as a senior housing project, Oak View Ranch Senior Apartments (formerly known as Murrieta Apartments Phase II), for low-income family households. Oak View Ranch Senior Apartments is expected to be financed with 9% or 4% Low-Income Housing Tax Credits ("LIHTC"). The proposed project, Oak View Ranch Senior Apartments, will consist of a total of eighty one (81) affordable rental units (one of which is a set-aside manager unit); of those, forty (40) units will be set aside for the at-risk senior population (homeless/special needs) that is to be developed and constructed on 1.47-acres of the 6.22-acre site of the entire project. The site is currently owned

*RESOLUTION NUMBER 2024-136
Murrieta Apartments Phase II*

FORM APPROVED COUNTY COUNSEL
BY:  AMBER DILLION
DATE: 6/11/24

1 by the Murrieta Housing Authority and is located at 24960 Adams Avenue in the City of
2 Murrieta, County of Riverside, State of California, identified as Assessor's Parcel Number 906-
3 080-018 ("Property"). Following subdivision of the Property, the City will ground lease portions
4 of the Property for each phase or subphase;

5 **WHEREAS**, in connection with this award of ARPA funds, 19 of the total units will be
6 restricted to households whose incomes do not exceed 60% of the Riverside County Area
7 Median Income, and 8 of the total units will be restricted to households whose incomes do not
8 exceed 40% of the Riverside County Area Median Income, and 13 of the total units will be
9 restricted to households whose incomes do not exceed 30% of the Riverside County Area
10 Median Income and which may have overlap with the above referenced units;

11 **WHEREAS**, Developer has submitted an application to the County requesting financial
12 assistance in the amount of \$6,000,000 in ARPA funds ("County Allocation") to develop Oak
13 View Ranch Senior Apartments. The County Allocation is needed to fill an existing financing
14 gap in the amount of \$6,000,000 for Oak View Ranch Senior Apartments;

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

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

23 **WHEREAS**, Developer intends to submit an application to TCAC for an allocation of
24 low-income housing tax credits and the proceeds from the sale of such tax credits will be used to
25 finance project costs;

26 **WHEREAS**, the application deadline to be considered for a 2024 allocation of tax credits
27 through TCAC is anticipated in July or August 2024;

28

1 **WHEREAS**, to complete the TCAC application process, the Developer must provide a
2 resolution from the local jurisdictions, including the County, supporting the project;

3 **WHEREAS**, the Developer has successfully completed several affordable housing
4 complexes in the County;

5 **WHEREAS**, the County desires to reapprove an allocation of funding in the approximate
6 amount of \$6,000,000 in ARPA funds, to be used to pay a portion of the costs to develop and
7 construct the Oak View Ranch Senior Apartments of the proposed project on the Property,
8 subject to Developer's satisfaction of certain conditions precedent for the benefit of the County;
9 and

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

12 **NOW THEREFORE, BE IT RESOLVED, FOUND, DETERMINED AND**
13 **ORDERED** by the Board of Supervisors of the County of Riverside ("Board"), in regular
14 session assembled on June 25, 2024 at 9:30 a.m., in the meeting room of the Board of
15 Supervisors located on the 1st floor of the County Administrative Center, 4080 Lemon Street,
16 Riverside, California, as follows:

- 17 1) The Board of Supervisors hereby finds and declares that the above recitals are true and
18 correct and incorporated as though set forth herein.
- 19 2) The Board of Supervisors supports the Developer's application to TCAC for an
20 allocation of low-income housing tax credits, the sale proceeds of which will be used to
21 finance the Oak View Ranch Senior Apartments of the proposed project to construct 81
22 affordable rental units, on real property located on a to-be-subdivided portion of
23 approximately 6.22 acres of land located at 24960 Adams Avenue, in the City of
24 Murrieta, County of Riverside, State of California, identified as Assessor's Parcel
25 Number 906-080-018.
- 26 3) Subject to any restrictions on the use of ARPA funds and U.S. Department of Treasury
27 regulations, the Board of Supervisors agrees to provide financial assistance to the
28 Developer in the maximum amount of \$6,000,000 of ARPA funds, for construction of

1 affordable housing and the conduct of eligible activities on the Oak View Ranch Senior
2 Apartments of the project, subject to the satisfaction of the following conditions
3 precedent:

- 4 a. Applicant shall be National Community Renaissance of California, a nonprofit
5 public benefit corporation and an affordable housing developer, or a limited
6 partnership controlled by National Community Renaissance of California, for the
7 specific purpose of attracting investor equity and developing, constructing, and
8 owning the project where National Community Renaissance of California, or a
9 single purpose entity affiliate of National Community Renaissance of California,
10 is the general partner/managing member;
- 11 b. Project Name shall be: Oak View Ranch Senior Apartments;
- 12 c. ARPA Loan Amount: Not to exceed Six Million Dollars (\$6,000,000);
- 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. ARPA Loan Term: 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 and the National Environmental Policy
25 Act;
- 26 i. Other Financing: The ARPA Funds Loan is expressly conditioned upon the
27 Developer's ability to secure sufficient equity capital or firm and binding
28 commitments for financing necessary to undertake the development and

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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 project permanent financing sources in addition to the ARPA funds are expected to include \$27,532,882 in investor equity, \$3,445,927 of Bank of America Financing, City grant of \$1,500,000 in ARPA funds from City of Murrieta (including a \$1,260,000 land loan), and \$100 in National Community Renaissance of California General Partnership Equity; provided, however, that these numbers are estimates subject to ongoing underwriting as well as an evolving cost environment. The total cost of development, during the permanent financing period, is currently projected to be approximately \$39,738,909;

j. Monitoring Fee: Payment of annual compliance monitoring fee to the County in the amount of \$8,100. Monitoring Fee shall increase annually by an amount equal to the increase of the Consumer Price Index for the San Bernardino-Riverside-Ontario, CA area ("CPI"), but in no event to exceed 5% annually. In the event of a decrease in the CPI, the Monitoring Fee currently in effect shall remain the same and shall not decrease; and

k. Successful negotiation of a loan agreement evidencing the loan of the ARPA 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 ARPA Funds Loan is subject to the satisfaction of the conditions precedent set forth herein, is valid until July 31, 2025, and shall thereafter have no force or effect, unless a ARPA 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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3 RESOLUTION NO. 2024-136


4 APPROVING FUNDING ALLOCATION UP TO \$6,000,000 IN AMERICAN RESCUE
5 PLAN ACT (ARPA) FUNDS AND SUPPORT FOR APPLICATION FOR LOW-INCOME
6 HOUSING TAX CREDITS TO THE CALIFORNIA TAX CREDIT ALLOCATION
7 COMMITTEE FOR THE OAK VIEW RANCH SENIOR APARTMENTS (FORMERLY
8 KNOWN AS MURRIETA APARTMENTS PHASE II) MULTIFAMILY HOUSING
9 PROJECT, LOCATED IN THE CITY OF MURRIETA

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