

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



ITEM: 3.36
(ID # 25247)

MEETING DATE:
Tuesday, June 25, 2024

FROM : HOUSING AND WORKFORCE SOLUTIONS

SUBJECT: HOUSING AND WORKFORCE SOLUTIONS (HWS): Adoption of Resolution No. 2024-137, Approving Funding Allocation Up to \$1,500,000 from HOME Investment Partnerships Program Funds to Chelsea Investment Corporation and Support for Application for Low-Income Housing Tax Credits to the California Tax Credit Allocation Committee and to the California Debt Limit Allocation Committee for the 6th Street Senior Apartments Multifamily Housing Project, Located in the City of Coachella; District 4. [\$1,500,000 – 100% HOME Investment Partnerships Program Funds]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Adopt Resolution No. 2024-137, Approving Funding Allocation Up to \$1,500,000 from HOME Investment Partnerships Program Funds to Chelsea Investment Corporation and Support for Application for Low-Income Housing Tax Credits to the California Tax Credit Allocation Committee and to the California Debt Limit Allocation Committee for the 6th Street Senior Apartments Multifamily Housing Project, Located in the City of Coachella.

ACTION:Policy


Heidi Marshall, Director 6/11/2024

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Spiegel, seconded by Supervisor Jeffries 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	\$1,500,000	\$1,500,000	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: 100% HOME Investment Partnerships Act Funds			Budget Adjustment:	No
			For Fiscal Year:	24/25

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

Chelsea Investment Corporation, a California corporation and affordable housing developer (Developer), has applied to the County of Riverside (County) for funding in the amount of \$1,500,000 to pay a portion of the costs to develop and construct the 6th Street Senior Housing Project, an affordable multifamily low-income housing project (Proposed Project). The Proposed Project will consist of 46 one-bedroom units and 7 two-bedroom units. The Proposed Project will be located on approximately .86 acres of land at 6th Street and Date Avenue, in the City of Coachella, identified as Assessor's Parcel Numbers 778-113-001 and 778-113-002 (Property). Eleven of the units will be restricted to individuals whose incomes do not exceed 30% of the area median income for the County of Riverside. Developer will submit an application in July of 2024 to the California Tax Credit Allocation Committee (TCAC) and the California Debt Limit Allocation Committee (CDLAC) to finance a portion of the costs to develop and construct the Proposed Project.

The Proposed Project has a funding gap of \$1,500,000 and Developer has submitted an application to the County requesting assistance in the form of HOME Investment Partnerships Program (HOME) funds. The total cost of development, during the construction financing period is approximately \$33,152,743. Other Proposed Project financing sources include:

Construction Sources:	
Construction Loan	\$23,175,207
County HOME	\$1,500,000
City of Coachella CFD Loan	\$6,658,788
Federal LIHTC Equity	\$1,818,748

The expansion of affordable rental housing stock for low-income households is a high priority through the County's Five-Year Consolidated Plan. In order to complete the CDLAC/TCAC application for an allocation of tax credits, Developer must provide a resolution from the local jurisdiction providing support for the Proposed Project.

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

The attached proposed Resolution No. 2024-137 provides Board support for the Proposed Project and recommends an allocation of up to \$1,500,000 in HOME Investment Partnership 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 funds be valid until July 1, 2025.

The attached proposed Resolution 2024-137 allocates \$1,500,000 in HOME funds to the Proposed Project, subject to Developer's satisfaction of the conditions specifically set forth in the attached Resolution 2024-137, 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 of 1970 (CEQA) and the National Environmental Policy Act (NEPA);
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 to be approved by the Board of Supervisors and approved as to form by County Counsel.

Staff recommends that the Board approve Resolution No. 2024-137. County Counsel has reviewed and approved as to form the attached Resolution No. 2024-137.

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 in the Coachella Valley.

SUPPLEMENTAL:

Additional Fiscal Information

No impact upon the County's General Fund; the County's contribution will be fully funded with HOME Investment Partnership Program funds.

Attachment:

- Resolution No. 2024-137


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. 2024-137

APPROVING FUNDING ALLOCATION UP TO \$1,500,000 FROM HOME INVESTMENT PARTNERSHIPS PROGRAM FUNDS TO CHELSEA INVESTMENT CORPORATION AND SUPPORT FOR APPLICATION FOR LOW-INCOME HOUSING TAX CREDITS TO THE CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE AND TO THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE FOR THE 6TH STREET SENIOR APARTMENTS MULTIFAMILY HOUSING PROJECT, LOCATED IN THE CITY OF COAHELLA

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;

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;

WHEREAS, Chelsea Investment Corporation, 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 senior households consisting of up to fifty three (53) affordable rental units on approximately .86 acres of land located at 6th Street and Date Avenue, in the City of Coachella, County of Riverside, State of California, identified as Assessor's Parcel Numbers 778-113-001 and 778-113-002. ("Property");

WHEREAS, eleven (11) of the units will be restricted to households whose incomes do not exceed 30% of the Riverside County Area Median Income;

WHEREAS, Developer has submitted an application to County requesting financial assistance in the amount of \$1,500,000 in HOME funds ("County Allocation") to develop 6th Street Senior Apartments ("Project"). The County Allocation is needed to fill an existing financing gap in the amount of \$1,500,000 for the Project;

WHEREAS, the California Tax Credit Allocation Committee ("TCAC") allocates low-income housing tax credits to eligible affordable housing projects to raise project equity through the sale of tax benefits to investors;

*RESOLUTION NUMBER 2024-137
6th Street Senior Apartments*

FORM APPROVED COUNTY COUNSEL
BY AMBIT S. DILLON
DATE 6/11/24

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

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

6 **WHEREAS**, the Developer has successfully completed several affordable housing
7 complexes in the County;

8 **WHEREAS**, the County desires to approve an allocation of funding in the approximate
9 amount of \$1,500,000 HOME funds, to be used to pay a portion of the costs to develop and
10 construct 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, respectively.

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

- 19 1) That the Board of Supervisors hereby finds and declares that the above recitals are true
20 and correct and incorporated as though set forth herein.
- 21 2) The Board of Supervisors supports the Developer's applications to TCAC for an
22 allocation of low-income housing tax credits, the sale proceeds of which will be used to
23 finance proposed Project to construct up to 52 affordable rental units, plus one (1)
24 residential manager's unit, on real property located on approximately .86 acres of land
25 located at 6th Street and Date Avenue, in the City of Coachella, County of Riverside,
26 State of California, identified as Assessor's Parcel Numbers 778-113-001 and 778-113-
27 002.
- 28 3) Subject to any restrictions on the use HOME funds, the Board of Supervisors agrees to

1 provide financial assistance to the Developer the maximum amount of \$1,500,000 of
2 HOME funds, for construction of eligible activities on the Project, subject to the
3 satisfaction of the following conditions precedent:

- 4 a. Borrower: 6th Street Seniors CIC, LP, a California limited partnership, in which
5 Chelsea Investment Corporation, a California corporation, or a single purpose
6 entity affiliate of Chelsea Investment Corporation, is a general partner, formed for
7 developing, constructing, and owning the Project;
- 8 b. Project Name: 6th Street Senior Apartments;
- 9 c. HOME Loan Amount: Not to exceed One Million Five Hundred Thousand
10 Dollars (\$1,500,000);
- 11 d. Interest: Three percent (3%) simple interest;
- 12 e. Affordability Period: 55 years from recordation of the Notice of Completion in
13 the official records of the County of Riverside, subject to a Covenant Agreement
14 recorded in a senior position;
- 15 f. HOME Loan Term: 55 years;
- 16 g. Repayment: Loan payments derived from the Project's residual receipts;
- 17 h. Entitlements and Governmental Approvals: Secure any and all required land use
18 entitlements, permits and approvals which may be required for construction of the
19 Project, including but not limited to, compliance with the California
20 Environmental Quality Act and the National Environmental Policy Act;
- 21 i. Other Financing: the HOME loan is expressly conditioned upon the Developer's
22 ability to secure sufficient equity capital or firm and binding commitments for
23 financing necessary to undertake the development and construction of the Project.
24 All financing contemplated or projected with respect to the Project shall be, or
25 have been, approved in form and substance by the Board of Supervisors. Other
26 Project financing sources may include a construction loan in the amount of
27 \$23,175,207, Investor Tax Credit Equity in the amount of \$1,818,748, and a City
28 of Coachella CFD Loan \$6,658,788;

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j. Monitoring Fee: Payment of annual compliance monitoring fee to the County of Riverside Department of Housing and Workforce Solutions (HWS) in the amount of \$5,300. Monitoring fee to be adjusted annually, not to exceed an increase in the Consumer Price Index ("CPI"); and

k. Successful negotiation of loan agreements evidencing the loan of the HOME funds in the amounts 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 HOME loan is subject to the satisfaction of the conditions precedent set forth herein, is valid until June 30, 2025, and shall thereafter have no force or effect, unless a HOME loan agreement related to the financing of the Project (approved as to form by County Counsel) has been 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: 
Deputy

FY 2023-2024

RMS BASE COST

County and Contract City % of RMS base cost (outside agency use is 2.90% of base cost)

\$2,068,518

\$2,008,523

Attachment A

	FY21/22 Calls	RMS Amount	FY22/23 Calls	FY22/23 %	County Amount	Contract City %	Contract City Amt	Change from FY21/22
Colorado River	9,802	\$ 25,422	9,004	1.0590%	\$21,271			\$ (4,151)
Cabazon	8,724	22,626	9,505	1.1180%	\$22,454			(172)
Smith Corrections	1,245	3,229	1,539	0.1810%	\$3,636			407
Blythe Corrections	101	262	68	0.0080%	\$161			(101)
Indio (Thermal County)	13,605	35,285	14,787	1.7392%	\$34,932			(353)
Court Services-East	1,235	3,203	5,054	0.5944%	\$11,939			8,736
Riverside Community College	-	-	1,948		\$0	0.2291%	\$4,602	4,602
Calimesa	6,231	16,160	7,118		\$0	0.8372%	\$16,815	655
Canyon Lake	4,324	11,214	4,404		\$0	0.5180%	\$10,404	(811)
Court Services-Central	2,736	7,096	8,613	1.0130%	\$20,347			13,251
Coachella Valley Narc Task Force	251	651	440	0.0518%	\$1,039			388
Court Services-West	2,194	5,690	9,988	1.1748%	\$23,595			17,905
Hemet	26,758	69,398	27,048	3.1813%	\$63,897			(5,500)
Riverside (Jurupa Valley County)	13,750	35,661	12,824	1.5083%	\$30,295			(5,366)
Emergency Operations Division	-	-	357	0.0420%	\$843			843
SECP	-	-	-	0.0000%	\$0			-
SEB	2,671	6,927	2,301	0.2706%	\$5,436			(1,492)
Eastvale	27,925	72,424	27,663		\$0	3.2537%	\$65,350	(7,074)
Elsinore (County)	13,855	35,933	11,346	1.3345%	\$26,803			(9,130)
Norco	18,078	46,886	16,983		\$0	1.9975%	\$40,120	(6,766)
Gang Task Force	1,031	2,674	1,012	0.1190%	\$2,391			(283)
Hazardous Device Team	447	1,159	438	0.0515%	\$1,035			(125)
Homeless Outreach Team	645	1,673	966	0.1136%	\$2,282			609
San Jacinto	41,590	107,865	38,563		\$0	4.5357%	\$91,100	(16,765)
Indio Corrections	532	1,380	464	0.0546%	\$1,096			(284)
Indian Wells	11,985	31,083	12,620		\$0	1.4843%	\$29,813	(1,270)
Jurupa Valley City	66,235	171,782	63,629		\$0	7.4839%	\$150,315	(21,467)
Elsinore (City)	47,621	123,507	45,005		\$0	5.2934%	\$106,319	(17,188)
La Quinta	28,056	72,764	28,715		\$0	3.3774%	\$67,836	(4,929)
Lake Mathews	-	-	7,395		\$0	0.8698%	\$17,470	17,470
Major Crimes Bureau	-	-	93	0.0109%	\$220			220
Moreno Valley (County)	1,435	3,722	1,126	0.1324%	\$2,660			(1,062)
Menifee	75	195	-		\$0	0.0000%	\$0	(195)
Menifee (follow up calls)	-	-	-		\$0	0.0000%	\$0	-
Morongo	2,463	6,388	3,754		\$0	0.4415%	\$8,868	2,480
Moreno March	2,238	5,804	1,815	0.2135%	\$4,288			(1,517)
Moreno Valley PD	135,093	350,368	129,058		\$0	15.1795%	\$304,883	(45,485)
Palm Desert (County)	14,021	36,364	14,531	1.7091%	\$34,328			(2,036)
Perris (County)	36,722	95,240	35,311	4.1532%	\$83,418			(11,822)
Perris (City)	53,236	138,069	53,071		\$0	6.2421%	\$125,374	(12,696)
SIB	2,186	5,669	2,296	0.2700%	\$5,424			(245)
RASP	7,195	18,660	9,579	1.1267%	\$22,629			3,969
Riverside Corrections	1,071	2,778	1,262	0.1484%	\$2,981			204
SIB	-	-	-	0%	\$0			-
SIB Southwest	-	-	-	0%	\$0			-
SIB West	-	-	-	0%	\$0			-
Rancho Mirage	21,698	56,274	19,500		\$0	2.2935%	\$46,066	(10,208)
SAFE Task Force	86	223	105	0.0123%	\$248			25
Soboba Reservation	3,482	9,031	3,132		\$0	0.3684%	\$7,399	(1,632)
Southwest Corrections	787	2,041	913	0.1074%	\$2,157			116
Mt San Jacinto College	387	1,004	703	0.0827%	\$1,661			657
Southwest	20,114	52,166	18,398	2.1639%	\$43,463			(8,703)
Palm Desert (City)	48,747	126,427	50,478		\$0	5.9371%	\$119,248	(7,179)
Temecula	83,341	216,147	75,710		\$0	8.9048%	\$178,855	(37,292)
TRU	9,626	24,965	16,276	1.9143%	\$38,450			13,485
Val Verde School PD	-	-	442		\$0	0.0520%	\$1,044	1,044
Wildomar	17,669	45,825	16,443		\$0	1.9340%	\$38,845	(6,981)
Coachella	18,704	48,509	20,328		\$0	2.3909%	\$48,022	(487)
Raid Task Force	1,219	3,162	1,359	0.1598%	\$3,210			49
Corrections Other	440	1,141	850	0.1000%	\$2,008			867
Other	3,069	7,960	3,884	0.4568%	\$9,175			1,216
TOTALS	836,731	\$ 2,170,087	850,214					\$ (161,565)
PERCENTAGE SPLIT				26.38%		73.62%		
TOTAL PERCENTAGE					100.00%			
RMS BASE COST					\$529,774		\$1,478,749	\$2,008,523