

MINUTES OF THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



3.29

(MT 26891)

On motion of Supervisor Spiegel, seconded by Supervisor Perez and duly carried by unanimous vote, IT WAS ORDERED that the recommendation from Housing and Workforce Solutions regarding the Adoption of Resolution No. 2025-27 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, Rescission of Resolution No. 2024-104, and Approval of revised Loan allocation up to \$3,424,653 from HOME Investment Partnerships Act American Rescue Plan Act (HOME-ARP) Funds to Rancho Belago Developers, Inc. and its affiliates for the Linwood Rose Apartments Project, District 5, is continued to March 11, 2025 at 9:30 a.m. or as soon as possible thereafter.

Roll Call:

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

I hereby certify that the foregoing is a full true, and correct copy of an order made and entered on February 25, 2025, of Supervisors Minutes.

(seal) WITNESS my hand and the seal of the Board of Supervisors
Dated: February 25, 2025
Kimberly A. Rector, Clerk of the Board of Supervisors, in
and for the County of Riverside, State of California.

By:  Deputy

AGENDA NO.
3.29

xc: HWS

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



ITEM: 3.29
(ID # 26891)

MEETING DATE:
Tuesday, February 25, 2025

FROM : HOUSING AND WORKFORCE SOLUTIONS

SUBJECT: HOUSING AND WORKFORCE SOLUTIONS (HWS): Adoption of Resolution No. 2025-27 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, Rescission of Resolution No. 2024-104, and Approval of revised Loan allocation up to \$3,424,653 from HOME Investment Partnerships Act American Rescue Plan Act (HOME-ARP) Funds to Rancho Belago Developers, Inc. and its affiliates for the Linwood Rose Apartments Project; District 5. [\$3,424,653 - 100% HOME-ARP funds]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Adopt Resolution No. 2025-27 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;
2. Rescind Resolution No. 2024-104 to allow adoption and approval of updated Resolution No. 2025-27; and
3. Approve revised loan allocation up to \$3,424,653 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. 2025-27.

ACTION:Policy


Heidi Marshall, Director 1/22/2025

MINUTES OF THE BOARD OF SUPERVISORS

**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	\$3,424,653	\$3,424,653	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: HOME Investment Partnerships American Rescue Plan (HOME-ARP) Funds 100%			Budget Adjustment: No	
			For Fiscal Year: 25/26	

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 Act American Rescue Plan Act (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.

On May 7, 2024 (Minute Order 3.7), the Board of Supervisors approved Resolution No. 2024-104, approving a funding allocation of up to \$1,500,000 from HOME-ARP Funds to Rancho Belago Developers, Inc., a California corporation and an affordable housing developer (Developer), to pay a portion of the costs to develop and construct the Linwood Rose Apartments, an affordable multifamily low-income housing project (Proposed Project), and supporting an application for Low-Income Housing Tax Credits to the California Tax Credit Allocation Committee (CTCAC) for the Proposed Project.

Developer was unsuccessful in securing a tax credit funding award in 2024. Developer plans to restructure their tax credit application and have requested an additional \$1,924,653 in HOME ARP funds to increase the application's competitiveness for low-income housing tax credits. Without this additional funding, the project risks not securing tax credits due to the highly competitive nature of the funding. Furthermore, the additional funding offsets project cost increases since original application with a delayed start of construction in 2025. The Developer is also requesting an extension of the County's funding commitment through December 31, 2025. In order to support affordable multifamily low-income housing, staff recommends the rescission of Resolution No. 2024-104 which expires on April 30, 2025, and the adoption of a new resolution (Resolution No. 2025-27) which will allow the Developer to pursue low-income housing tax credits to the California Tax Credit Allocation Committee (TCAC) on March 18, 2025. If successful in securing tax credits the project will commence construction by fall 2025.

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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.

The Developer applied to the County requesting assistance in the form of HOME-ARP funds in an amount not to exceed \$3,424,653. Other construction financing sources for the Proposed Project are anticipated to include \$4,063,377 in tax credit proceeds, \$2,063,000 in City HOME ARP, waived fees in \$649,146, \$575,000 in CoC Builds, \$12,416,480 in construction loan, and \$2,498,430 in deferred costs. The total cost of development is approximately \$25,190,433.

In order to complete the CTCAC application for award of tax credits, the Developer must provide a resolution from the local jurisdiction providing support for the Proposed Project. The Proposed Project has a competitive tiebreaker score bolstered by the financial support from the County's HOME-ARP commitment

The attached proposed Resolution No. 2025-27 provides Board support for the Proposed Project and recommends an allocation of up to \$3,424,653 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 December 31, 2025.

The attached proposed Resolution 2025-27 allocates up to \$3,424,653 in HOME-ARP funds to the Proposed Project, subject to Developer's satisfaction of the conditions specifically set forth in Resolution 2025-27, 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) and 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 requiring compliance with the HOME-ARP Program approved by the Board of Supervisors and approved as to form by County Counsel.

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

Staff recommends that the Board adopt Resolution No. 2025-27. County Counsel has reviewed and approved the attached Resolution No. 2025-27 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. 2025-27


Brianna Lontajo, Principal Management Analyst 2/14/2025


Aaron Gettis, Chief of Deputy County Counsel 2/11/2025

BOARD OF SUPERVISORS

COUNTY OF RIVERSIDE

RESOLUTION NO. 2025-27

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE APPROVING HOME INVESTMENT PARTNERSHIP ACT AMERICAN RESCUE PLAN ACT FUNDING ALLOCATION IN AN AMOUNT NOT TO EXCEED \$3,424,653, 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 2024-2029 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 2025-27
The Linwood Rose Apartments*

FORM APPROVED COUNTY COUNSEL
BY: PAULA S. SALCIDO
DATE: 2-11-2025

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**, On May 7, 2024 (Minute Order 3.7), the Board of Supervisors approved
4 Resolution No. 2024-104, approving a funding allocation of up to \$1,500,000 from HOME-ARP
5 Funds to Developer, to pay a portion of the costs to develop and construct the Linwood Rose
6 Apartments, an affordable multifamily low-income housing project (Proposed Project), and
7 supporting an application for Low-Income Housing Tax Credits to the California Tax Credit
8 Allocation Committee (CTCAC) for the Proposed Project; and

9 **WHEREAS**, Developer was unsuccessful in obtaining an award of tax credit funding in
10 2024. Developer plans to restructure its tax credit application and has requested to extend the
11 County commitment of funding and support to December 31, 2025, to comply with first round
12 tax credit application requirements; and

13 **WHEREAS**, Developer has submitted an application to County requesting financial
14 assistance in a new loan amount of \$3,424,653 in HOME ARP funds ("County Allocation") to
15 develop Proposed Project. The County Allocation is needed to fill an existing financing gap in
16 the amount of \$3,424,653 for the Project; and

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

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

23 **WHEREAS**, Linwood Rose, L.P., is a California limited partnership collectively
24 managed by KDI Linwood Rose LLC, a California limited liability company as its Managing
25 General Partner, and RBD Linwood Rose, LLC, a California limited liability company as its
26 Administrative General Partner. Rancho Belago Developers, Inc., a California corporation is the
27 Limited Partner and sole member and manager of RBD Linwood Rose, LLC, Kingdom
28 Development, Inc., a California nonprofit public benefit corporation, is the managing member of

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The Linwood Rose Apartments*

1 KDI Linwood Rose LLC, for the specific purpose of selling tax credits for be used to finance the
2 development and construction of the Project; The Linwood Rose Apartments; and

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

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

7 **WHEREAS**, the County desires to rescind Resolution No. 2024-104 and adopts
8 Resolution No. 2025-27 approving an allocation of funding in the amount not to exceed
9 \$3,424,653 of HOME ARP 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 as set forth below 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.

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 February 25, 2025, in the meeting room of the Board of Supervisors
17 located on the 1st floor of the County Administrative Center, 4080 Lemon Street, Riverside,
18 California, as 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 rescinds Resolution No. 2024-104 and adopts Resolution No.
22 2025-27.
- 23 3) The Board of Supervisors supports Linwood Rose, L.P.'s and its affiliates applications
24 to TCAC for an award and allocation of low-income housing tax credits, the sale
25 proceeds which will be used to finance proposed Project to construct up to 35 affordable
26 rental units, plus one residential manager's unit, on real property located on
27 approximately 0.91 acres of land located at 24108 and 24124 Fir Avenue, in the City of
28 Moreno Valley, County of Riverside, State of California, identified respectively as

RESOLUTION NUMBER 2025-27
The Linwood Rose Apartments

Assessor Parcel Number 481-130-023 and 481-130-022.

- 4) The Board of Supervisors subject to any restrictions on the use HOME ARP funds agrees to provide financial assistance to the Developer and its affiliates in loan amount not to exceed \$3,424,653 of HOME ARP funds, for construction of eligible activities on the Project, subject to the satisfaction of the following conditions precedent:

- a. Borrower shall be Linwood Rose, L.P., a California limited partnership collectively managed by KDI Linwood Rose LLC, a California limited liability company as its Managing General Partner, and RBD Linwood Rose, LLC, a California limited liability company as its Administrative General Partner. Whereas Rancho Belago Developers, Inc., a California corporation is the Limited Partner and sole member and manager of RBD Linwood Rose, LLC, Kingdom Development, Inc., a California nonprofit public benefit corporation, is the managing member of KDI Linwood Rose LLC, for the specific purpose of selling tax credits and developing, constructing, and owning the Project; Project Name: The Linwood Rose Apartments;
- b. HOME ARP Loan Amount: Not to exceed Three Million Four Hundred Twenty-Four Thousand Six Hundred fifty-three Dollars (\$3,424,653);
- c. Interest: One percent (1%) simple interest;
- d. Affordability Period: 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 monetary deeds of trust;
- e. HOME ARP Loan Term: 55 years;
- f. Repayment: Loan payments derived from the Project's residual receipts;
- g. Entitlements and Governmental Approvals: 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 and the National Environmental Policy Act;

*RESOLUTION NUMBER 2025-27
The Linwood Rose Apartments*

1 h. Other Financing: the HOME ARP loan is expressly conditioned upon the
2 Developer's ability to secure sufficient equity capital or firm and binding
3 commitments for financing necessary to undertake the development and
4 construction of the Project. All financing contemplated or projected with respect
5 to the Project shall be, or have been, approved in form and substance by the Board
6 of Supervisors. Other Project permanent financing sources may include
7 \$4,063,377 in tax credit proceeds, \$2,063,000 in City HOME ARP, waived fees in
8 \$649,146, \$575,000 in CoC Builds, \$12,416,480 in construction loan, and
9 \$2,498,430 in deferred costs. The total cost of development is approximately
10 \$25,190,433;

11 i. Monitoring Fee: Payment of annual compliance monitoring fee to the County of
12 Riverside Department of Housing and Workforce Solutions (HWS) in the amount
13 of \$3,600. Monitoring Fee shall increase annually by an amount equal to the
14 increase of the Consumer Price Index for the San Bernardino-Riverside-Ontario,
15 CA area ("CPI"), but in no event to exceed 5% annually. In the event of a
16 decrease in the CPI, the Monitoring Fee currently in effect shall remain the same
17 and shall not decrease; and

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

21 5) The Board of Supervisors' commitment to provide the HOME ARP loan is subject to the
22 satisfaction of the conditions precedent set forth herein, is valid until December 30, 2025,
23 and shall thereafter have no force or effect, unless a HOME ARP loan agreement related
24 to the financing of the Project (approved as to form by County Counsel) has been
25 executed by the Board of Supervisors and the Borrower.

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