

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



ITEM: 3.32
(ID # 27140)

MEETING DATE:
Tuesday, February 25, 2025

FROM : HOUSING AND WORKFORCE SOLUTIONS

SUBJECT: HOUSING AND WORKFORCE SOLUTIONS (HWS): Adopt Resolution No. 2025-057, Approving Funding Allocation of Up to \$6,115,251.78 from Permanent Local Housing Allocation Funds to Abode Communities and Support for Application for Low-Income Housing Tax Credits to the California Tax Credit Allocation Committee for the Villa Verde Housing Project, Located in the City of Coachella; and Rescission of Resolution No. 2024-129; District 4. [\$6,115,252 - 100% Permanent Local Housing Allocation (PLHA) Funds]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Rescind Resolution No. 2024-129;
2. Adopt Resolution No. 2025-057, Approving Funding Allocation of Up to \$6,115,251.78 from Permanent Local Housing Allocation (PLHA) Funds to Abode Communities and Support for Application for Low-Income Housing Tax Credits to the California Tax Credit Allocation Committee for the Villa Verde Housing Project, Located in the City of Coachella; and
3. Approve up to \$6,115,251.78 from Permanent Local Housing Allocation funds to Abode Communities for the Villa Verde Housing Project in the City of Coachella, subject to the conditions set forth in Resolution No. 2025-057.


ACTION:Policy


Heidi Marshall, Director 2/10/2025

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Spiegel, seconded by Supervisor Perez and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Medina, Spiegel, Washington, Perez and Gutierrez
Nays: None
Absent: None
Date: February 25, 2025
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	\$ 6,115,252	\$ 0	\$6,115,252	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: Permanent Local Housing Allocation (PLHA) Funds (100%)			Budget Adjustment:	No
			For Fiscal Year:	2024/25

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The Building Homes and Jobs Act, included as part of Senate Bill (SB) 2 (Chapter 364, Statutes of 2017), established the PLHA Program which 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.

On June 27, 2023 (Minute Order 3.50), the Board of Supervisors approved Resolution No. 2023-154, approving a funding allocation of up to \$3,000,000 from Permanent Local Housing Allocation (PLHA) Funds to Abode Communities, an affordable housing developer (Developer), to pay a portion of the costs to develop and construct the Villa Verde Apartments, a first phase affordable multifamily low-income housing project (Proposed Project), and supported an application for Low-Income Housing Tax Credits to the California Tax Credit Allocation Committee (TCAC). The Proposed Project is to be developed on 9.25 acres located at 84824 Calle Verde, in the City of Coachella, County of Riverside, State of California, identified as Assessor's Parcel Numbers 768-350-002 and 768-400-001 (Property). The Proposed Project will consist of 150 affordable units (along with two unrestricted property manager's units), 16 one-bedrooms units, 68 two-bedroom units, and 68 three-bedroom units. Under the County's PLHA program, 32 units will be restricted to individuals whose incomes do not exceed 30% of the area median income, 36 units will be restricted to individuals whose incomes do not exceed 40% of the area median income, 82 units will be restricted to households whose incomes do not exceed 50% of the area median income for the County of Riverside.

The PLHA Funding under Resolution 2023-154 expired on January 31, 2024, so Developer requested to renew its resolution to pursue low-income housing tax credits in April of 2024. On December 12, 2023 (Minute Order 3.27), the Board of Supervisors approved Resolution No. 2023-289, approving a funding allocation of up to \$3,000,000 from PLHA Funds to Developer expiring on February 28, 2025. The developer requested additional funding to enhance the competitiveness of the application. On July 30, 2024 (Minute Order 3.42), the Board of Supervisors approved Resolution No. 2024-129, allocating up to an additional \$5,000,000 from PLHA Funds to the developer, with the allocation expiring on February 28, 2025.

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Developer was successful in obtaining an award of qualified private activity tax-exempt bonds from the California Debt Limit Allocation Committee's second-round application on December 11, 2024. The Proposed Project was submitted as a Hybrid project serving large families. The Proposed Project will be comprised of a 9% component (yet to apply) consisting of 36 units and a 4% component (CA-24-744) consisting of 116 units.

To complete the California Tax Credit Allocation Committee (TCAC) application for an allocation of tax credits on March 18, 2025, the Developer must provide a resolution from the local jurisdiction providing support for the Proposed Project. Developer has requested an updated resolution reflecting the County's PLHA Funds commitment. To date, the County has committed a total of \$8,219,892, of which \$6,115,251.78 will be derived from PLHA Funds and \$2,104,640.22 from former Coachella RDA using Taxable Housing Bonds. The Proposed Project has a competitive tiebreaker score for application bolstered by the financial support from the County's PLHA commitment.

The attached proposed Resolution No. 2025-057 provides Board support for the Proposed Project and recommends an allocation of up to \$6,115,251.78 in PLHA 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 PLHA funds be valid until December 31, 2025.

The attached proposed Resolution 2025-057 allocates up to \$6,115,251.78 in PLHA funds to the Proposed Project, subject to Developer's satisfaction of the conditions specifically set forth in the attached Resolution 2025-057, 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 PLHA Program approved by the Board of Supervisors and approved as to form by County Counsel.

Staff recommends that the Board adopt Resolution No. 2025-057 and rescind Resolution No. 2024-129. County Counsel has reviewed and approved the attached Resolution No. 2025-057 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

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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.

Additional Fiscal Information

No impact upon the County's General Fund; the County's contribution will be fully funded with Permanent Local Housing Allocation (PLHA) funds.

Attachment

- Resolution No. 2025-057


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. 2025-057

APPROVING FUNDING ALLOCATION OF UP TO \$6,115,251.78 FROM PERMANENT LOCAL HOUSING ALLOCATION (PLHA) FUNDS TO ABODE COMMUNITIES AND SUPPORT FOR APPLICATION FOR LOW-INCOME HOUSING TAX CREDITS TO THE CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE FOR THE VILLA VERDE HOUSING PROJECT, LOCATED IN THE CITY OF COACHELLA

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 & 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;

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 NO. 2025-057
Villa Verde Affordable Housing Project

FORM APPROVED COUNTY COUNSEL
BY AMY D. DILLON
DATE 2.11.2025

1 certain Standard Agreement dated June 17th, 2021, including Exhibits A, B, D, C 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, the Guidelines, the NOFA, PLHA Standard Agreement
6 for County's Allocation, PLHA Standard Agreement for City's Allocation, County and City
7 PLHA Agreement and all applicable rules and regulations imposed by HCD on PLHA funding
8 recipients shall collectively be referred to herein as the "PLHA Program"; and

9 **WHEREAS**, Abode Communities, a nonprofit public benefit
10 corporation and an affordable housing developer ("Developer"), proposes to develop and
11 construct a multi-family affordable rental housing project, Villa Verde Apartments, for low-
12 income family households consisting of one hundred fifty (150) affordable rental units and two
13 (2) property manager's units ("Project") on approximately 9.25 acres of vacant land located at
14 the northeast corner of 84824 Calle Verde, in the City of Coachella, County of Riverside, State
15 of California, more specifically identified as Assessor's Parcel Numbers 768-350-002 and 768-
16 400-001 ("Property");

17 **WHEREAS**, a total of one hundred fifty (150) units will be restricted under the PLHA
18 Program of which 32 units will be restricted to individuals whose incomes do not exceed 30% of
19 the area median income, 36 units will be restricted to individuals whose incomes do not exceed
20 40% of the area median income, 82 units will be restricted to households whose incomes do not
21 exceed 50% of the area median income for the County of Riverside along with two (2)
22 unrestricted manager units;

23 **WHEREAS**, Developer submitted an application to County requesting financial
24 assistance in the amount of \$6,115,251.78 in PLHA funds ("County Allocation"). The County
25 Allocation is needed to fill an existing Project financing gap in the amount of \$6,115,251.78;

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

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**, the application deadline to be considered for a 2025 allocation of tax credits
5 through TCAC is March 18, 2025;

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

8 **WHEREAS**, the Developer has successfully completed several affordable housing
9 complexes in California;

10 **WHEREAS**, the County desires to approve an allocation of funding in the approximate
11 amount of \$6,115,251.78 PLHA funds, to be used to pay a portion of the costs to develop and
12 construct the Project on the Property, subject to Developer's satisfaction of certain conditions
13 precedent for the benefit of the County; and

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

16 **NOW THEREFORE, BE IT RESOLVED, FOUND, DETERMINED, AND**
17 **ORDERED** by the Board of Supervisors of the County of Riverside ("Board"), in regular
18 session assembled on February 25, 2025, at 9:30 am, in the meeting room of the Board of
19 Supervisors located on the 1st floor of the County Administrative Center, 4080 Lemon Street,
20 Riverside, California, as follows:

- 21 1) That the Board hereby finds and declares that the above recitals are true and correct and
22 incorporated as though set forth herein.
- 23 2) That the Board hereby rescinds Resolution No. 2024-129.
- 24 3) The Board supports the Developer's application to TCAC for an allocation of low-
25 income housing tax credits, the sale proceeds of which will be used to finance the
26 development and construction of a multi-family affordable rental housing project
27 consisting of one hundred fifty (150) affordable rental units and two (2) residential
28 manager's unit, on real property located on approximately 9.25 acres of vacant land

1 located at the northeast corner of 84824 Calle Verde, in the City of Coachella, County of
2 Riverside, State of California, more specifically identified as Assessor's Parcel Numbers
3 768-350-002 and 768-400-001.

4 4) Subject to any restrictions on the use PLHA funds, the Board agree to provide financial
5 assistance to the Developer in the maximum amount of \$6,115,251.78 of PLHA funds,
6 for construction of eligible activities on the Project, subject to the satisfaction of the
7 following conditions precedent:

- 8 a. Borrower: a to-be-formed limited partnership in which Abode
9 Communities, or a single purpose entity affiliate of Abode Communities,
10 is a general partner, formed for developing, constructing, and owning the
11 Project for the specific purpose of selling tax credits and developing,
12 constructing, and owning the Project;
- 13 b. Project Name shall be Villa Verde Apartments;
- 14 c. PLHA Loan Amount shall not to exceed Six Million One Hundred Fifteen
15 Thousand Two Hundred Fifty-One Dollars and Seventy-Eight Cents
16 (\$6,115,251.78);
- 17 d. Interest shall be three percent (3%) simple interest;
- 18 e. Affordability Period shall be 55 years from recordation of the Notice of
19 Completion in the official records of the County of Riverside, subject to
20 an affordability covenant agreement in a senior position to all deeds of
21 trusts;
- 22 f. PLHA Loan Term shall be 55 years;
- 23 g. Repayment shall be from loan payments derived from the Project's
24 residual receipts;
- 25 h. Entitlements and Governmental Approvals: Developer shall secure any
26 and all required land use entitlements, permits, and approvals which may
27 be required for construction of the Project, including, but not limited to
28 compliance with the California Environmental Quality Act;

- 1 i. Other Financing: The PLHA 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 permanent financing contemplated or
5 projected with respect to the Project shall be, or have been, approved in
6 form and substance by the Board. Other financing sources for the Project
7 are anticipated to include \$1,411,842 in land contribution from Housing
8 Authority of the County of Riverside ("HACR"), \$450,000
9 predevelopment loan from the HACR, \$35,725,518 in tax credit equity,
10 \$2,104,640.22 loan by the HACR as Housing Successor to the former
11 Coachella Redevelopment Agency ("Coachella RDA"), \$16,938,000 tax-
12 exempt permanent loan from California Community Reinvestment
13 Corporation, \$476,158 in deferred interests, \$8,305,195 in deferred
14 Developer fee, \$11,279,429 National Housing Trust Fund ("NHTF") loan
15 from the California Department of Housing and Community Development
16 ("HCD"), \$11,274,429 No Place Like Home ("NPLH") funds from HCD,
17 and eighty-seven (87) project-based vouchers from HACR. The projected
18 total cost of development during the permanent financing period is
19 approximately \$82,806,134;
- 20 j. Monitoring Fee: Payment of annual compliance monitoring fee to the
21 County in the amount of \$15,000. Monitoring fee to be adjusted annually,
22 not to exceed an increase in the National Consumer Price Index ("CPI")
23 published on or about July 1st annually; and
- 24 k. Successful negotiation of loan agreements evidencing the loan of the
25 PLHA funds in the amounts approved herein, approved as to form by
26 County Counsel, approved by the Board and executed by all required
27 parties.
28

1 5) The Board's commitment to provide the PLHA loan is subject to the satisfaction of the
2 conditions precedent set forth herein, is valid until December 31, 2025, and shall
3 thereafter have no force or effect, unless a PLHA loan agreement related to the financing
4 of the Project (approved as to form by County Counsel) has been approved and executed
5 by the Board and the Developer.

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9 ROLL CALL:

10 Ayes: Medina, Spiegel, Washington, Perez, and Gutierrez

11 Nays: None

12 Absent: None

13
14 The foregoing is certified to be a true copy of a resolution duly adopted by said
15 Board of Supervisors on the date therein set forth.

16 KIMBERLY A. RECTOR, Clerk of said Board

17
18 By:  _____

19 Deputy
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