SUBMITTAL TO THE BOARD OF COMMISSIONERS
HOUSING AUTHORITY
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

ITEM: 13.1
(ID # 30670)
MEETING DATE:
Tuesday, July 14, 2026

FROM : HOUSING AUTHORITY

SUBJECT: HOUSING AUTHORITY: Adoption of Resolution No. 2026-004, Approving Funding Allocation and Support for Application for Low-Income Housing Tax Credits to the California Tax Credit Allocation Committee for Tres Lagos Apartments Phase III Located in the City of Wildomar and Approval of Up to $1,200,000 from Low and Moderate Income Housing Asset Funds (LMIHAF) to Palm Communities for Tres Lagos Apartments Phase III; District 3. [$1,200,000 - 100% Low and Moderate Income Housing Asset Funds (LMIHAF)]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Adopt Resolution No. 2026-004, Approving Funding Allocation and Support for Application for Low-Income Housing Tax Credits to the California Tax Credit Allocation Committee for the Tres Lagos Apartments Phase III Located in the City of Wildomar, and Approval of up to $1,200,000 from Low and Moderate Income Housing Asset Funds (LMIHAF) to Palm Communities for the Tres Lagos Apartments Phase III; and

2. Approve up to $1,200,000 from LMIHAF to Palm Communities for the Tres Lagos Apartments Phase III, subject to the conditions set forth in Resolution No. 2026-004.

ACTION:Policy

Heidi Marshall, Director of Housing, Homelessness Prevention 6/25/2026

MINUTES OF THE BOARD OF COMMISSIONERS

On motion of Commissioner Gutierrez, seconded by Commissioner Medina and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes:	Medina, Spiegel, and Gutierrez
Nays:	None
Absent:	Washington and Perez
Date:	July 14, 2026
xc:	HA

Kimberly A. Rector
Clerk of the Board
By: ______________
Deputy

SUBMITTAL TO THE BOARD OF COMMISSIONERS HOUSING AUTHORITY COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	$1,200,000	$ 0	$1,200,000	$ 0
NET COUNTY COST	$ 0	$ 0	$ 0	$ 0
SOURCE OF FUNDS: Low- and Moderate-Income Housing Asset Funds (LMIHAF)			**Budget Adjustment:** No	
			For Fiscal Year: 2026/27	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On August 25, 2020 (Minute Order 10.3), the Board of Supervisors approved the Disposition, Development and Loan Agreement (DDLA) between the Housing Authority of the County of Riverside (HACR) and Palm Communities, a California corporation and affordable housing developer (Developer), for the sale and development of Tres Lagos Apartments in three phases containing approximately 225 affordable housing units for very low-, low- and moderate-income households. Phase I consists of 88 affordable and one manager's unit; Phase II consists of 87 affordable units and one manager's unit; and Phase III is planned to consist of 48 affordable units within two residential buildings consisting of 6 one-bedroom units, 30 two-bedroom and 12 three-bedroom units. All affordable units will be restricted to Area Median Incomes (AMIs) between 30% and 60%. Phases I and II completed construction in 2025 and are fully leased up.

Developer plans to apply for Low-Income Housing Tax Credits from the California Tax Credit Allocation Committee (TCAC) to finance Phase III of Tres Lagos Apartments. The Phase III property consists of approximately 2.95 acres of real property located at 23385 Catt Road in the City of Wildomar, currently identified as Assessor's Parcel Number (APN) 380-100-025 (formerly known as 23345 and 23365 Catt Road and previously identified as APN 380-100-012). If awarded, the low-income housing tax credits will be used to finance the costs to develop and construct Phase III. Staff have reviewed and recommends support for the Developer's TCAC application. To complete the tax credit application process, Palm Communities must provide TCAC with a resolution providing support for the application.

Developer has also submitted an application to the HACR requesting financial assistance from HACR's Low- and Moderate-Income Housing Asset Fund (LMIHAF) in the amount of $1,200,000 (HACR Loan) derived from the repayment of the HACR loan proceeds associated with Phases I and II of Tres Lagos Apartments. Developer intends to utilize the repayment of HACR loan proceeds as construction financing to pay a portion of the development and construction costs for Phase III. The proposed conditions precedent for the award of the HACR Loan is set forth in Resolution No. 2026-004, attached hereto.

Phase III will have access to laundry rooms, play areas, picnic areas, and walking circuits at Tres Lagos Apartments. Under Phase III, the HACR is also reserving funding from the U.S. Department of Housing and Urban Development (HUD) Housing Choice Voucher Program for 12 Project-Based Vouchers (PBVs) for households at or below 50% of the AMI reserved for participants who are a part of the HACR Section 8 Housing Choice Voucher Program waitlist for Phase III. Staff will return to the Board at a later date subsequent to environmental review and approvals by the County and HUD.

The attached proposed Resolution No. 2026-004 provides Board support for Phase III and recommends an allocation of up to $1,200,000 in LMIHAF funds to be used to pay a portion of the development and construction costs, 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 Phase III, 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 Phase III; and
3. Successful negotiation of a Loan Agreement for the Use of LMIHAF requiring compliance with the DDLA approved by the Board of Supervisors and approved as to form by County Counsel.

Staff recommend that the Board adopt Resolution No. 2026-004. County Counsel has reviewed and approved the attached Resolution No. 2026-004 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. Phase III is expected to generate construction 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 Low-Income Housing Tax Credits from the California Tax Credit Allocation Committee (TCAC) and Low- and Moderate-Income Housing Asset Funds (LMIHAF).

Attachment:

- Resolution No. 2026-004

Stacey Pena
Stacey Pena, EO Management Analyst 7/6/2026

Aaron Gettis
Aaron Gettis, Chief Deputy County Counsel 7/1/2026

FORM APPROVED COUNTY COUNSEL
BY: [signature] AMRIT P. DHILLON 6/23/2026 DATE

BOARD OF COMMISSIONERS **HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE**

RESOLUTION NO. 2026-004
APPROVING FUNDING ALLOCATION OF LOW AND MODERATE INCOME HOUSING ASSET FUNDS (LMIHAF) IN THE AMOUNT OF $1,200,000 AND SUPPORT FOR APPLICATION FOR LOW-INCOME HOUSING TAX CREDITS TO THE CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE AND SUPPORT FOR APPLICATION FOR AWARD OF PRIVATE ACTIVITY BONDS TO THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE FOR THE TRES LAGOS APARTMENTS PHASE III AFFORDABLE HOUSING PROJECT, LOCATED IN THE CITY OF WILDOMAR

WHEREAS, the COUNTY OF RIVERSIDE, a political subdivision of the State of California ("County"), established the HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public body corporate and politic ("HACR"), by action of the Board of Supervisors of the County of Riverside on November 23, 1942, pursuant to the California Housing Authorities Law (Health and Safety Code §§ 34200, et seq., the "Housing Authorities Law"), as a public body, corporate and politic, exercising public and essential governmental functions, and having all the powers necessary or convenient to carry out the purposes and provisions of the Housing Authorities Law;

WHEREAS, California redevelopment agencies were dissolved on February 1, 2012 such that the former Redevelopment Agency of the County of Riverside ("RDA") is now deemed a former redevelopment agency under Health and Safety Code section 34173 and AB x1 26, as modified by Assembly Bill No. 1484 (as modified to date, the "Dissolution Law"), which added Parts 1.8 and 1.85 to Division 24 of the California Community Redevelopment Law (Health and Safety Code sections 33000 et seq., the "CRL");

WHEREAS, pursuant to CRL § 34176 (a) and HACR Resolution Nos. 2012-035, all housing functions previously performed by the former RDA, including related rights, powers, duties, obligations, and housing assets (excluding unencumbered amounts in the Low and Moderate Income Housing Fund and enforceable obligations retained by the non-housing successor agency under the Dissolution Law (the "Successor Agency")) were transferred to HACR, making HACR the "Housing Successor" to the former RDA under the Dissolution Law;

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WHEREAS, on November 24, 2014 (Minute Order 10.1), HACR and PALM COMMUNITIES, a California corporation ("Developer"), entered into a Termination and Property Transfer Agreement with Joint Escrow Instructions for Tres Lagos Senior Apartments in the City of Wildomar ("Termination Agreement") pursuant to which HACR purchased the property previously subject to redevelopment in the City of Wildomar from Developer for One Million Six Hundred Thousand Dollars ($1,600,000) with funds borrowed from the County of Riverside;

WHEREAS, pursuant to the Termination Agreement, HACR is the legal owner of record of the real property commonly known as on approximately 2.95 acres of vacant land located at 23385 Catt Road, in the City of Wildomar, in the County of Riverside, State of California, identified with Assessor's Parcel Number 380-100-025 ("Property");

WHEREAS, there is an unmet need for affordable housing within the County of Riverside, California;

WHEREAS, in furtherance of the affordable housing goals and objectives of the HACR, HACR and Developer entered into that certain Disposition, Development and Loan Agreement dated September 15, 2020 (Minute Order 10.3) (the "DDLA") and recorded in the Office of the Recorder of the County of Riverside as Document No. 2020-0549856, relating to, among other things, the sale of the certain real property by HACR to Developer, or its assigns, and the construction and development on certain parcels of land, including the Property, in up to three (3) phases of an approximately two hundred sixty five (265) unit multifamily affordable rental housing development, with a community center, related infrastructure and parking, as more specifically described in the DDLA;

WHEREAS, Phase I consists of 88 affordable and one manager's unit; Phase II consists of 87 affordable units and one manager's unit; and Phase III is planned to consist of 48 affordable units within two residential buildings consisting of 6 one-bedroom units, 30 two-bedroom and 12 three-bedroom units. All affordable units will be restricted to Area Median Incomes (AMIs) between 30% and 60%. Phases I and II completed construction in 2025 and are fully leased up;

WHEREAS, Developer proposes to develop and construct the third phase of the project contemplated in the DDLA as a multi-family affordable housing rental project for low-income family households consisting of forty-eight (48) affordable rental units ("Project") on the Property;

WHEREAS, pursuant to the DDLA and in furtherance of the housing functions transferred to HACR pursuant to the Dissolution Law, Developer is required to restrict the use and occupancy of forty-nine percent (49%) of the rental units in the Project to occupancy by Very Low Income Households at an Affordable Rent for a period of fifty-five (55) years from the date of recordation of a Notice of Completion for the last building within the Project;

WHEREAS, Developer submitted an application to County requesting financial assistance in the amount of $1,200,000 in LMIHAF. The LMIHAF are needed to fill an existing Project financing gap in the amount of $1,200,000;

WHEREAS, in furtherance of the housing functions transferred to the HACR pursuant to the Dissolution Law and public purposes set forth in the Housing Authorities Law, and in order to facilitate the Project, HACR desires to provide a loan to Developer (or its assignee as owner of the Project) for the development and construction of the Project in the amount of $1,2000,000 of LMIHAF Funds;

WHEREAS, the California Tax Credit Allocation Committee ("TCAC") allocates low-income housing tax credits to eligible affordable housing projects that receive an award of bond authority from California Debt Limit Allocation Committee ("CDLAC") to raise project equity through the sale of tax benefits to investors;

WHEREAS, Developer intends to submit an application to CDLAC for bond authority and the right to apply for non-competitive low-income housing tax credits, the sales proceeds of which will be used to finance the development and construction of the Project;

WHEREAS, CDLAC was created to set and allocate California's annual debt ceiling, and administer the State's tax-exempt bond program to issue the debt;

WHEREAS, TCAC facilitates the investment of private capital into the development of affordable rental housing for low-income households through the allocation of federal and state tax credits to affordable housing developers;

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

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

WHEREAS, the application deadline to be considered for bond authority through CDLAC for right to apply for allocation of tax credits through TCAC is September 8, 2026;

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

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

WHEREAS, the County desires to reapprove an allocation of funding in the approximate amount of $1,200,000 LMIHAF funds, to be used to pay a portion of the costs to develop and construct the proposed Project on the Property, subject to Developer's satisfaction of certain conditions precedent for the benefit of the County; and

WHEREAS, the County desires to support the Developer's application to TCAC and CDLAC for an allocation of low-income housing tax credit.

NOW THEREFORE, BE IT RESOLVED, FOUND, DETERMINED AND ORDERED by the Board of Commissioners of the Housing Authority of the County of Riverside ("Board"), in regular session assembled on July 14, 2026, in the meeting room of the Board of Supervisors located on the 1st floor of the County Administrative Center, 4080 Lemon Street, Riverside, California, as follows:

1) That the Board of Commissioners hereby finds and declares that the above recitals are true and correct and incorporated as though set forth herein.

2) The Board of Commissioners continues its support of the Developer's application to TCAC for an award low-income housing tax credits, the sale proceeds will be used to finance proposed Project the construction of Tres Lagos Apartments Phase III, a multi-family affordable rental housing consisting of forty eight (48) affordable rental units on approximately 2.95 acres of vacant land located at 23385 Catt Road, in the City of Wildomar, in the County of Riverside, State of California, identified with Assessor's Parcel Number 380-100-025.

3) Subject to any restrictions on the use of LMIHAF and the Board of Commissioners, HACR agrees to provide financial assistance to the Developer in the maximum amount of $1,200,000 of LMIHAF, for the construction of affordable housing and the conduct of eligible activities for the Project, subject to the satisfaction of the following conditions precedent:

a. Applicant shall be Palm Communities, a California corporation and an affordable housing developer, which will act as the Sponsor and Developer for the purpose of developing the Project. The Project will be owned, constructed, and operated by a limited partnership in which Developer, or a limited liability company affiliate, acts as the administrative general partner;

b. Project Name shall be Tres Lagos Apartments Phase III;

c. LMIHAF Loan Amount shall not exceed One Million Two Hundred Thousand Dollars ($1,200,000);

d. Interest shall be three percent (3%) simple interest;

e. Under the LMIHAF Program, twenty-three (23) units will be restricted for very low-income households whose incomes do not exceed 50% of the area median income;

f. Affordability Period shall be 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 deeds of trust;

g. LMIHAF Loan Term shall be 55 years;

h. Repayment shall be derived from a pro-rata share of a portion of the Project's residual receipts;

i. Entitlements and Governmental Approvals: Developer shall 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;

j. Other Financing: The LMIHAF Loan is expressly conditioned upon the Developer's ability to secure sufficient equity capital or firm and binding commitments for financing necessary to undertake the development and 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 Commissioners. Other financing sources for the Proposed Project are anticipated to include Tax Credits, a Construction Loan, and a Permanent Loan;

k. Monitoring Fee: Payment of annual compliance monitoring fee to the County in the amount of $4,800.00. Monitoring fee to be adjusted annually, not to exceed an increase in the Consumer Price Index ("CPI"); and

l. Successful negotiation of a loan agreement evidencing the loan of LMIHAF in the amount approved herein, approved as to form by County Counsel, approved by the Board of Commissioners and executed by all required parties.

4) The Board of Commissioner's commitment to provide the LMIHAF loan is subject to the satisfaction of the conditions precedent set forth herein, is valid until December 31, 2026, and shall thereafter have no force or effect, unless a LMIHAF 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 Commissioners and the Developer.

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BOARD OF COMMISSIONERS **HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE**

RESOLUTION NO. 2026-004

APPROVING FUNDING ALLOCATION OF LOW AND MODERATE INCOME HOUSING ASSET FUNDS (LMIHAF) IN THE AMOUNT OF $1,200,000 AND SUPPORT FOR APPLICATION FOR LOW-COME HOUSING TAX CREDITS TO THE CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE AND SUPPORT FOR APPLICATION FOR AWARD OF PRIVATE ACTIVITY BONDS TO THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE FOR THE TRES LAGOS APARTMENTS PHASE III AFFORDABLE HOUSING PROJECT, LOCATED IN THE CITY OF WILDOMAR

ROLL CALL:

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