



RESOLUTION No. _____

OF THE BOARD OF SUPERVISORS OF THE COUNTY OF NEVADA

RESOLUTION APPROVING A LOAN AGREEMENT FROM THE WESTERN NEVADA COUNTY REGIONAL HOUSING TRUST FUND IN FURTHERANCE OF THE DEVELOPMENT OF THE PENN VALLEY LONE OAK PHASE II SENIOR APARTMENT PROJECT IN THE TOTAL AMOUNT OF \$2,306,128 AND DIRECTING THE AUDITOR-CONTROLLER TO RELEASE FUND BALANCE AND TO AMEND THE HOUSING AND COMMUNITY SERVICES BUDGET FOR FISCAL YEAR 2025/26 (4/5 AFFIRMATIVE VOTE REQUIRED)

WHEREAS, the Board of Supervisors has established an ongoing housing objective to, “Coordinate with local jurisdictions, developers and other partners to maximize leveraging opportunities with new state funding for affordable and workforce housing development;” and

WHEREAS, the Regional Housing Authority (RHA) and Pacific West Communities, dba Penn Valley Pacific Associates II, a California Limited Partnership are co-developers of the proposed Lone Oak Phase II Senior Apartment project, a thirty-one-unit senior affordable housing project located in Penn Valley, CA (“Project”); and

WHEREAS, the Federal Low-Income Tax Credit program was established by the Tax Reform Act of 1986 to encourage the construction and rehabilitation of low-income rental housing, and the California Tax Credit Allocation Committee (CTCAC) is responsible for allocating tax credits to owners of qualifying residential rental housing projects; and

WHEREAS, CTCAC encourages local government agencies to provide financial assistance to aid in the development and construction of low-income rental housing; and

WHEREAS, the project received an award for 4% tax credits from the CTCAC on December 10, 2026; and

WHEREAS, the Board of Supervisors, through Resolution 20-316, approved the formation of the Western Nevada County Regional Housing Trust Fund (WNCRHTF) in collaboration with the City of Nevada City and the City of Grass Valley to leverage matching funds from the Local Housing Trust Fund (LHTF) for the purpose of increasing the supply of affordable housing; and

WHEREAS, the County Department of Housing and Community Services released two Request for Proposals (RFP), the first on January 23, 2023 (WNCRHTF Round 3) and on March 26, 2024 the Board authorized the release of a subsequent RFP via Resolution 24-121 (WNCRHTF Round 4) to solicit proposals for the development of affordable housing; and

WHEREAS, the Board of Supervisors, through Resolution No. 23-227 (\$1,024,775) and Resolution No. 25-167 (\$1,281,373) committed a total of \$2,306,128 of WNCRHTF dollars to the Lone Oak Phase II, senior housing project consisting of 31-units of affordable senior housing; and

WHEREAS, the loan to Penn Valley Pacific Associates II, a California Limited Partnership, will be secured by a deed of trust attached hereto; and

WHEREAS, the County desires to execute the Loan Agreement and corresponding Promissory Note with Penn Valley Pacific Associates II, a California Limited Partnership in the amount of \$2,306,128 for a term of fifty-five (55) years from the issuance of the certificate of occupancy at an interest rate of 3% per annum, with the loan principal and interest repaid from residual cash flow from the Project for the construction of the Lone Oak Phase II senior apartments a 31-unit senior housing rental project; and

WHEREAS, the Lone Oak Phase II Senior Apartments projects will further the public purpose and the Board of Supervisors' housing objective of addressing affordable housing needs with the County of Nevada, and that such projects are in the public interest and for the public benefit.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Board of Supervisors of the County of Nevada authorizes the Health and Human Services Agency Director or his/her designee(s) to sign the Loan Agreement (Exhibit A), Promissory Note (Exhibit B) and Deed of Trust (Exhibit C) in substantively the forms attached hereto between the County of Nevada and Penn Valley Pacific Associates II, a California Limited Partnership in the amount of \$2,306,128 with a repayment term of fifty-five (55) years at an interest rate of 3% per annum, with loan repayments made from residual cash flow from the project.

BE IT FURTHER RESOLVED, that the Board of Supervisors finds that such actions are in the public interest and for the public benefit.

BE IT FURTHER RESOLVED, that the Health and Human Services Agency Director or his/her designee(s) is authorized to sign any/all amendments to the Loan Agreement and/or other documents necessary to complete the loan transaction.

BE IT FURTHER RESOLVED, that the Chair of the Board of Supervisors directs the Auditor-Controller to release fund balance and amend the Housing and Community Services Budget for Fiscal Year 25/26 as follows:

Fiscal Year 2025/26

Expense: FD1632 / CC50601 / PG4516311 / SC22090 \$1,024,756