



## **RESOLUTION No.**

### **OF THE BOARD OF SUPERVISORS OF THE COUNTY OF NEVADA**

**RESOLUTION APPROVING A LOAN AGREEMENT FOR THE HOME INVESTMENT PARTNERSHIP PROGRAM (HOME) (LOAN AGREEMENT NUMBER 23-HOME-16301) IN FURTHERANCE OF THE DEVELOPMENT OF THE PENN VALLEY LONE OAK PHASE II SENIOR APARTMENT PROJECT IN THE TOTAL AMOUNT OF \$11,041,628 AND DIRECTING THE AUDITOR-CONTROLLER TO AMEND THE HOUSING AND COMMUNITY SERVICES BUDGET FOR FISCAL YEAR 2025/26 (4/5 VOTE REQUIRED) (FEDERAL SUBAWARD)**

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 at 10528 Broken Oak Court 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 County has executed a similar Loan Agreement for \$2,306,128 from the Western Nevada County Regional Housing Trust Fund for the construction of this project; and

WHEREAS, the Board of Supervisors, through Resolution 24-119, authorizing the submission on the 2022/2023 Home Investment Partnership Program (HOME) application to the State of California Department of Housing and Community Development (HCD) for funding in the amount not to exceed \$12,200,000; and

WHEREAS, On March 12, 2025, the County received a commitment letter from the State Department of Housing and Community Development (HCD) outlining that the HOME Program committed \$6,844,189 to the project; and

WHEREAS, On, June 4, 2025, the County received a revised “supplemental” commitment

letter from the HOME Investment Partnerships Program, that increased the projects HOME Loan commitment by a total of \$4,030,811 (which includes \$75,000 for Project Related Soft Costs and \$125,00 for General Administration funds), bringing the revised overall award to \$10,875,000; and

WHEREAS, on November 18, 2025, the County received an “Amended Commitment Letter” from the HOME Program, as result of the developer forgoing their CDBG-DR award of \$366,628 with HCD allowing these funds to be replaced with an additional HOME award. As a result, the total HOME Program award was increased from \$10,875,000 to \$11,241,628 (which includes \$75,000 for Project Related Soft Costs and \$125,00 for General Administration funds); and

WHEREAS, the A Standard Agreement (Agreement Number 23-HOME-16301) was executed by the County with HCD in March of 2026, with a final maximum amount of HOME Loan funds at \$11,241,628 (Rental New Construction Project: \$11,041,628; State Recipient Administration: \$125,000; and Project-Related Soft Costs: \$75,000); and

WHEREAS, the HOME loan funding will be provided to the developer through cost reimbursement until the finalization of the project; and

WHEREAS, the HOME loan to Penn Valley Pacific Associates II, a California Limited Partnership, will be secured by a deed of trust attached hereto; 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 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 Director of Health and Human Services Agency and/or the Director of Housing and Community Services or his/her designee(s) to sign the Loan Agreement (Exhibit A), Senior Regulatory Agreement (Exhibit B), Junior Regulatory Agreement (Exhibit C), Replacement Reserve Agreement (Exhibit D), Promissory Note (Exhibit E) and Deed of Trust (Exhibit F) 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 \$11,041,628 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

Revenue: FD1589G / CC50601 / PG4513000 / RC46690	\$1,840,271
Expense: FD1589G / CC50601 / PG4513000 / SC22090	\$1,840,271