



COUNTY OF NEVADA HEALTH & HUMAN SERVICES AGENCY

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NEVADA COUNTY BOARD OF SUPERVISORS Board Agenda Memo

MEETING April 13, 2021

TO: Board of Supervisors

FROM: **Mike Dent, Director of Child Support, Collections, Housing and Community Services**

SUBJECT: Resolution authorizing a loan to Affordable Housing Development Corporation through Nevada City Cashin's Field, a Limited Partnership in the amount of \$1,575,000 to be used for "Cashin's Field," a 51-unit low-income multi-family housing project ("Project") and authorizing and directing the Auditor-Controller to make a temporary cash advance from the County general fund to the Western Nevada County Regional Trust Fund ("WNCRHTF") for the purpose of paying invoices related to this loan.

RECOMMENDATION: Approve the attached Resolution.

FUNDING: On July 14, 2020, this Board approved entering into a contract with the City of Nevada City and the City of Grass Valley for the purpose of establishing the WNCRHTF, to be administered by the County. For this item, the County will be loaning the developer \$1,575,000 of the WNCRHTF funds, which are comprised of Permanent Local Housing Allocation ("PLHA") funds, Local Housing Trust Fund ("LHTF") matching award from the State Department of Housing and Community Development, and County general fund monies that were previously authorized for this purpose. Additionally, County general fund is authorized for use as a temporary cash advance for the purpose of funding the loan until State funds are received. Once the State funds are received, the general fund cash advance will be repaid. There are no additional general fund dollars required.

BACKGROUND: In 2018, Proposition 1 was approved by California voters and created Health and Safety Code Sections 50842.1, 50842.2, 50843.5 and Section 54006(f), which govern the LHTF program, which granted the California Department of Housing and Community Development authority to provide matching grants to LHTFs established by cities and counties, Native American tribes, and/or incorporated 501(c)(3) nonprofit organizations. Funds may be used

for construction loans and/or permanent financing loans to pay for predevelopment costs, acquisition costs, and other costs associated with development or rehabilitation of affordable rental housing projects, emergency shelters, permanent supportive housing, transitional housing, or affordable homebuyer/homeowner projects, including assistance to income-eligible households to purchase for-sale units. Funds may also be used for the construction, conversion, repair, reconstruction or rehabilitation of accessory dwelling units.

The LHTF matching fund application was authorized on July 14, 2020, in Resolution 20-317. This followed the Board's acceptance of the Permanent Local Housing Allocation Plan (Resolution 20-315) and the agreement between Nevada City, Grass Valley and the County to form the WNCRHTF (Resolution 20-316) for the purposes of qualifying for the State's LHTF matching funds program and pooling resources to increase the availability of affordable housing in western Nevada County. On July 14th, 2020 the Board authorized a deposit of \$500,000 of general fund monies to be added to the WNCRHTF for affordable housing project funding (Resolution 20-317).

On February 3, 2021, HHSR received a notice of funding award for the LHTF program in the amount of \$1,345,692. These funds will be resources for the WNCRHTF, which is administered by the County as the lead agency, to provide funding to eligible housing projects in the region.

On February 12, 2021, the County of Nevada Purchasing Agent issued a Request for Proposals for an affordable housing project ("RFP") funded through the WNCRHTF. The RFP window closed on March 16, 2021, with one proposal received. Scoring of the proposal(s) was done following Purchasing Agent protocol by a scoring committee comprised of representatives from each jurisdiction.

Affordable Housing Development Corporation through Nevada City Cashin's Field, a Limited Partnership, from Clovis, California, was selected as the most qualified applicant based on experience and demonstrated ability to deliver an affordable housing project in the required expedited timelines outlined in the RFP. The Cashin's Field project is fully entitled and within the city limits of Nevada City, and, with the proposed award of WNCRHTF funding, can commence construction activities by the required deadline of July 1, 2021. The regulatory agreement, loan agreement, and deed of trust will be executed by the County once the forms are finalized and will follow California Department of Housing and Community Development protocols to meet the LHTF regulations.

To eliminate problems due to the developer needing these funds prior to funds being received into the WNCRHTF from the State, this item also authorizes the Auditor Controller to make temporary cash advances from the County General Fund, as necessary, to the WNCRHTF for the purpose of funding the loan in an amount not to exceed \$1,575,000. The General Fund shall be reimbursed without interest upon receipt of State funds.

Also on this date, April 13, 2021, in another related Board Item, the Board of Supervisors will consider accepting the funding award from the California Department Housing and Community Development's LHTF program in the amount of \$1,345,692 for Fiscal Year 20/21 to be used to match part of the RFP for investment into this affordable housing project.

Item Initiated and Approved by: Mike Dent, Director, Child Support, Collections,
Housing and Community Services