



RESOLUTION No. _____

OF THE BOARD OF SUPERVISORS OF THE COUNTY OF NEVADA

RESOLUTION APPROVING COMMITMENT OF HOME PROGRAM INCOME FUNDS TO AN AGREEMENT WITH THE REGIONAL HOUSING AUTHORITY TO PROVIDE A DEFERRED LOAN TO THE PENN VALLEY LONE OAK SENIOR APARTMENT PROJECT IN THE AMOUNT OF \$304,768

WHEREAS, the Regional Housing Authority (RHA) and Penn Valley Pacific Associates, LP are co-developers for the proposed Lone Oak Senior Apartment project, a thirty-one unit senior affordable housing project located in Penn Valley, CA; and

WHEREAS, the Board of Supervisors has as a 2018 Board Objective A priority to “Leverage County resources to expand opportunities to address housing affordability issues for all target populations in Nevada County through partnerships with other jurisdictions, potential developers and the housing authority”; 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 it is expected that the loan commitment from the County of Nevada will provide the public leverage needed to be more competitive for a tax credit allocation; and

WHEREAS, the proposed units will satisfy State requirement to provide affordable housing and that the subject project will credit the State requirements as defined by the California Housing and Community Development Department (HCD); and

WHEREAS, RHA applied for tax credits in the March 2018 and March 2019 rounds and was unsuccessful due to other competitive projects scoring higher to receive the limited tax credit dollars, and RHA, in order to be more competitive, has requested the County to provide a \$304,768 loan commitment from HOME Program Income fund; and

WHEREAS, the County has identified that the County of Nevada Housing and Community Services has a balance of \$304,768 from County HOME loan repayments available for this loan; and

WHEREAS, if the Developer receives an award of Federal tax credits from CTCAC and all other necessary financing to make the project feasible in the 2019 funding round, then a loan agreement will be brought before the Board of Supervisors for approval, with the following terms: the term of the loan shall be fifty-five (55) years; the interest rate shall be 3%; the loan shall be paid from residual cash flow from the project, which shall be secured by a deed of trust and promissory note.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Board of Supervisors of the County of Nevada, State of California, authorizes the County Executive Officer to sign a letter of commitment for a Deferred Loan Agreement in the amount of \$304,768.