



COUNTY OF NEVADA HEALTH & HUMAN SERVICES AGENCY

950 Maidu Ave.
Nevada City, California
95959

*HHSA Agency Director
Ryan Gruver*

Telephone (530) 265-1627
Fax (530) 265-2295

Department Directors
Phebe Bell, Behavioral Health
Jill Blake, MPA, Public Health
Mike Dent, MPA, Child Support Services/Collections and
Housing & Community Services
Mali Dyck, Interim Social Services

NEVADA COUNTY BOARD OF SUPERVISORS Board Agenda Memo

MEETING DATE: June 9, 2020

TO: Board of Supervisors

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

SUBJECT: Letter of Commitment of Capital Funds for Cashin's Field Affordable Housing Development located at 170 Ridge Road, Nevada City CA to expand affordable Housing in Nevada County.

RECOMMENDATION: Approve and authorize the Chair to sign the Letter of Commitment of Capital Funds for the Cashin's Field Affordable Housing Development located at 170 Ridge Road, Nevada City CA.

FUNDING: \$650,000 of Nevada County's forthcoming Permanent Local Housing Allocation (PLHA) from the State. The loan is expected to occur in the Winter of 2020 and is conditioned upon the developer receiving an award of Federal tax credits from the California Tax Credit Allocation Committee (TCAC). When the loan is approved, funding will impact the Housing and Community Development budget in the amount of \$650,000 and a budget amendment would be sought at that time. At present, there is no impact to the County General Fund and no budget amendment is needed at this time.

BACKGROUND:

The purpose of this item is to provide a Capital Funds commitment Letter for the Cashin's Field Affordable Housing Project located at 170 Gold Flat Road in Nevada City for the purposes of submission of the Tax Credit Allocation Committee application that is due by the developer on July 1, 2020. This project is a partnership between the City of Nevada City, County of Nevada and Regional Housing Authority in partnership with housing developer Central California Housing Corporation.

The proposed development is a multi-family apartment community located at the corner of Ridge Road and Zion Street, historically known as Cashin's Field. The project has been submitted to the Nevada City Community Development Division for immediate consideration as a 56-unit low-income affordable housing project serving income qualified residents in Nevada City and the surrounding areas. The proposed development will include 11 one-bedroom, 30 two-bedroom, and 15 three-bedroom units as well as a manager's unit. Also included on site would be a community building with managerial/leasing offices, multi-purpose lounge, kitchenette, and outdoor gathering spaces. 100% of the units will be rent restricted for qualified residents with income ranging from 30% to 60% of the area medium income for a 55-year affordability period.

The project supports five of the County's 2020 Objectives that reflect the top priorities of the surrounding community by promoting affordable housing, preventing homelessness, supporting local economic development, creating defensible space to reduce the risk of wildfire, and advancing community resiliency through energy efficiency.

Like other counties in California, Nevada County has seen an increase in homelessness in recent years. The loss of housing to wildfires compounds the issue with wide sweeping impacts on schools, rental markets, and availability of single-family homes that are felt throughout the community.

Moreover, the County has recently been made aware of Disaster Recovery Tax Credit Allocation Committee credits designated for use by the 13 California counties devastated by the 2017 and 2018 wildfires as passed by Congress in Public Law 116-94 under the Robert T. Stafford Disaster Relief and Emergency Assistance Act in which Nevada County is listed as one of the affected California Counties. Per the proposed regulations under consideration by the California Tax Credit Association Committee (TCAC), Nevada County may be eligible for funding of up to \$3.5 Million. The County has submitted a Letter of Support to TCAC for the allocation and anticipates exploring the opportunity of using a portion of funds for the Project, should they be allocated.

In early support of the project, the Board adopted Resolution 20-165 on May 12, 2020 approving an agreement with the Regional Housing Authority (RHA) to provide RHA an unsecured loan in the amount of \$50,000 of Homeless Mentally-Ill Outreach and Treatment (HMIOT) Program funds to secure the Project which will be forgiven, principle and interest, upon the Developer fulfilling the commitment to provide the agreed upon affordable housing unit for at least five years from the date of occupancy.

The Permanent Local Housing Allocation (PLHA) is an allocation of SB2 funds (\$75 dollar recording fee on real estate transactions) made to all California jurisdictions- Cities and Counties. The County of Nevada will receive a yearly allocation of PLHA dollars over the next five years totaling \$1,530,000 (\$306,319 per year beginning with FY 19/20). The application period for this allocation is currently open with applications due on July 27, 2020. Further information on this allocation will be forthcoming in a subsequent Board Item.

The capital commitment of funds will ultimately be in the form of loan in the amount of \$650,000. These funds will be used to facilitate the financing of the development project. Loan terms will include a simple interest rate not to exceed 3% annual interest, a 55-year term, and

payments based on residual rental receipts generated by the project, and the loan will be secured by a deed of trust and promissory note.

This loan commitment is expressly conditioned upon successful application for low-income housing tax credits and all other necessary financing to make the project feasible in the 2020 and 2021, 9% California Tax Credit Allocation Committee competitive funding rounds. If the developer receives an award of Federal tax credits from TCAC and all other necessary financing to make the project feasible in the 2020 funding round, then a loan agreement will be brought before the Board of Supervisors for approval.

Therefore, please approve and authorize the Chair to sign and submit the attached Letter of Commitment of Capital Funding for the collaborative efforts to advance the Cashin's Field Affordable Housing Development located at 170 Ridge Road, Nevada City CA. The Regional Housing Authority and the Developer will incorporate the letter into their July TCAC application as proof of a local commitment of funding, boosting the projects competitive score for tax credit consideration.

Item Initiated and Approved by: Mike Dent, Director – Housing and Community Services