



RESOLUTION No. _____

OF THE BOARD OF SUPERVISORS OF THE COUNTY OF NEVADA

RESOLUTION APPROVING A LOAN AGREEMENT WITH THE REGIONAL HOUSING AUTHORITY TO PROVIDE A DEFERRED LOAN TO THE PENN VALLEY LONE OAK SENIOR APARTMENT PROJECT IN THE AMOUNT OF \$898,000 AND DIRECTS THE AUDITOR CONTROLLER TO AMEND THE FY 19-20 BUDGETS FOR THE COUNTY GENERAL FUND AND THE HOUSING – COMMUNITY SERVICES (4/5 AFFIRMATIVE VOTE REQUIRED)

WHEREAS, the Board of Supervisors established a 2019 Board Objectives A Priority 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 Penn Valley Pacific Associates, LP are co-developers of the proposed Lone Oak 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 County of Nevada was previously approached by the RHA with a request to provide loans from funds earmarked for affordable housing to the Lone Oak Senior Apartments project; and

WHEREAS, the Project will further the public purpose and Nevada County Board of Supervisors’ Objectives A Priority of addressing affordable housing needs within the County of Nevada; and

WHEREAS, on May 28, 2019, the Nevada County Board of Supervisors, per Resolution 19-238 approved a loan commitment to RHA in furtherance of the Project, allocating the amount of \$898,000 that included an original loan commitment of \$398,000 comprised of \$331,000 from property sales identified in Resolution 17-539, \$67,000 in other housing-related funding from the Health and Human Services Agency, and \$500,000 from the General Fund related to the proceeds from the sale of County property earmarked for affordable housing purposes; and

WHEREAS, the approved loan commitment to RHA in furtherance of the Project was contingent on the developer successfully securing tax credits for the Project through the competitive TCAC process; and

WHEREAS, the Developer has satisfied the condition laid out in the previous resolutions to secure award of Federal tax credits from CTCAC in order to receive the loan amounts indicated by resolution; and

WHEREAS, the loan to RHA will not be secured by a deed of trust as previously understood, as RHA is committing the funding wholly to the Project and is unable to secure the County funds through a deed of trust; and

WHEREAS, the County desires to execute the Loan Agreement and corresponding Promissory Note with RHA in the amount of \$898,000 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.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Board of Supervisors of the County of Nevada authorizes the Chair of the Board of Supervisors to sign the Loan Agreement and Promissory Note in substantially the same forms attached hereto between the County of Nevada and Regional Housing Authority in the amount of \$898,000 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 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 from the General Fund Unassigned Fund Balance in the amount of \$500,000 and to release from the Housing-Community Services Fund Balance the amount of \$380,395; and amend the budgets as follows:

	<u>Fiscal Year 2019/20</u>	
Expenditure:	1607-50601-451-5000/522090	\$398,000
	0101-10206-271-1000/522090	\$500,000
	1607-50601-451-1000/550700	(\$17,605)