



## **RESOLUTION No. \_\_\_\_\_**

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

#### **RESOLUTION APPROVING A LOAN AGREEMENT WITH PENN VALLEY PACIFIC ASSOCIATES, LP TO PROVIDE A HOME PROGRAM INCOME LOAN IN FURTHERANCE OF THE DEVELOPMENT OF THE PENN VALLEY LONE OAK SENIOR APARTMENT PROJECT IN THE AMOUNT OF \$304,768**

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 19-239, approved a loan commitment in furtherance of the Project, allocating the amount of \$304,768 in HOME Program Income Funds; and

WHEREAS, the approved loan commitment 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 will be made to Penn Valley Pacific Associates, LP and will comply with HOME Program regulations, secured by a loan agreement, deed of trust and promissory note in the amount of \$304,768 for a term of fifty-five (55) years from issuance of the certificate of occupancy, at an interest rate of 3% per annum, 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 Penn Valley Pacific Associates, LP authorizing the loan of HOME Program Income funds in the amount of \$304,768 with a repayment term of fifty-five (55) years from issuance of the certificate of occupancy, at an interest rate of 3% per annum with loan payments 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.

To be disbursed from 1611-50601-451-1000/522090