

The County of Yuba

Community Development and Services Agency



TO: Board of Supervisors

FROM: Community Development and Services Agency, Kevin Perkins

SUBJECT: Adopt resolution committing to an agreement with the Regional Housing Authority to provide a deferred loan to the River Oaks 48-unit Family Housing Project for \$248,136 and authorizing any future letters of support for the project.

DATE: September 8, 2020

NUMBER: 456/2020

Recommendation

Adopt the attached resolution committing to an agreement with the Regional Housing Authority to provide a deferred loan to the River Oaks 48-unit Family Housing Project for \$248,136 and authorizing future letters of support for the project.

Background/Discussion

The Regional Housing Authority (RHA) and Pacific West Communities have recently secured land control of a 9.03-acre parcel in the community of Plumas Lake that they intend to construct an affordable apartment project. The 9.03 acre parcel (APN: 016-040-105) is located northeast of the intersection of River Boulevard and Algodon Road in the Ross Ranch subdivision. At the time of the adoption of the Plumas Lake Specific Plan (PLSP), the proposed project site was set aside as the PLSP's only affordable housing site.

RHA and Pacific West Communities intends to develop the project site in phases with the first phase consisting of roughly 3-acres in size and a 48-unit family apartment project named the River Oaks Family Housing Project. The 48-unit apartments would be located on the southern end of the property, which is the area closest to the intersection of River Oaks Boulevard and Algodon Road.

RHA and Pacific West Communities is currently working to submit an application for project funding with the California Department of Housing and Community Development (HCD) Multi-Family Housing Program (MHP) for the 48-unit River Oaks Family Housing Project. The MHP provides deferred payment loans to help assist in the new construction and rehabilitation of permanent and transitional affordable rental housing. The MHP funding is very competitive and the program encourages local

governments to provide financial assistance to aid in the development and construction of low-income rental housing.

CDSA staff has been approached by RHA with a request to provide a deferred loan for project related development impact and building permit fees for the 48-unit River Oaks Family Housing Project in the amount of \$248,136 and to provide a letter of project support for various future project funding applications.

At this time and as part of the MHP application submittal process, RHA and Pacific West Communities is only seeking a commitment resolution that the Board will defer the project related development impact and building impact fees. If the 48-unit River Oaks Family Housing Project is awarded project funding, a loan agreement will be brought back before the Board for approval with the following terms: the term of the loan shall be 55 years; the interest rate shall be 3%; the loan shall be paid from residual cash from residual cash flow from the project and shall be secured by a deed of trust and promissory note.

Committee Action

Due to time constraints, this item is being presented directly to the full Board for consideration. The MHP application is due by September 15, 2020.

Budget

General Fund - None
Non-General Fund- The collection of development impact and building permit fees for \$248,136 would be deferred, with 3% interest for a period of 55 years.

Although there is no direct impact to the General Fund, development impact fees that are usually collected before the issuance of final occupancy of a new project would be collected over the course of 55 years and with 3% interest. Development impact fees are intended to cover the increase in County related services because of impacts from a new project. Additionally, CDSA time related to services provided for building permit plan review and construction related inspections would not be immediately collected.

Attachments

457/2020: Resolution for River Oaks Family Housing Project deferral of fees and authorizing future letters of support
457/2020: RHA Request Letter