



Housing Authority Memorandum

City of Arts & Innovation

TO: HOUSING AUTHORITY BOARD MEMBERS DATE: MARCH 3, 2020

FROM: HOUSING AUTHORITY WARD: 6

SUBJECT: FIRST AMENDMENT TO LOAN AGREEMENT WITH RIVERSIDE CEDAR GLEN PARTNERS II LP TO REFLECT A NEW 50-UNIT CONFIGURATION AND AFFORDABILITY REQUIREMENTS PURSUANT TO THE RECEIPT OF NO PLACE LIKE HOME FUNDING AND FEDERAL LOW-INCOME HOUSING TAX CREDITS FOR AN AFFORDABLE HOUSING COMMUNITY LOCATED AT 9830 COUNTY FARM ROAD

ISSUE:

Approval of a First Amendment to Loan Agreement with Riverside Cedar Glen Partners II LP to reflect a new 50-unit configuration and affordability requirements pursuant to the receipt of No Place Like Home funding and Federal Low-Income Housing Tax Credits that have been received for the development located at 9830 County Farm Road.

RECOMMENDATION:

That the Housing Authority Board:

1. Approve a First Amendment to a Loan Agreement with Riverside Cedar Glen Partners II LP to reflect new 50-unit configuration and affordability requirements pursuant to the receipt of No Place Like Home funding and Federal Low-Income Housing Tax Credits that have been received for the development located at 9830 County Farm Road; and
2. Authorize the Executive Director, or his designee, to execute the First Amendment to a Loan Agreement with Riverside Cedar Glen Partners II LP, including making minor corrections as necessary.

BACKGROUND:

On July 2, 2018, the Housing Authority approved a Loan Agreement with Riverside Cedar Glen Partners II LP for \$600,000 to cover development costs for the second phase of the housing community which will be located at 9830 County Farm Road. As required by the Loan Agreement, the Developer applied for financing programs and was recently awarded \$3.3 million from the State No Place Like Home Program in addition to an allocation of \$1,565,636 in Federal Low-Income Housing Tax Credits.

DISCUSSION:

Receipt of State and federal funding sources have necessitated that the Developer reconfigure the Project to correspond to funding requirements. Pursuant to new funding sources, the Developer has requested that the Housing Authority's Loan Agreement be amended to reflect the new configuration of the Project.

The proposed changes include reducing the income level restrictions for the Project and remove the veterans' vouchers that have expired. The requested Project reconfiguration due to new funding sources is as follows:

1. Twenty-Four units will be restricted at 30% of Area Median Income¹ (AMI) and reserved for formally homeless individuals requiring behavioral health supportive services (No Place Like Home units) with 15 of those same units restricted by the Housing Authority at 30% AMI. The First Amendment to Loan Agreement would change the 11 restricted units at 60% of AMI to 15 units at or below 30%;
2. Twenty-Five units restricted at 60% of AMI;
3. One unrestricted managers unit; and
4. Delete the veteran restricted units as the veterans funding expired and could not be replaced.

The approved Loan Agreement with Riverside Cedar Glen Partners II LP is for a \$600,000 residual loan from the Housing Authority fund with a 3% simple interest for 55 years. The developer would repay the loan in annual payments equal to 50% of the residual receipts for the prior fiscal year.

FISCAL IMPACT:

There is no fiscal impact resulting from this action. The First Amendment to Loan Agreement does not change the \$600,000 Housing Authority loan that was previously approved by the Housing Authority Board on July 2, 2018.

Prepared by:	Michelle Davis, Housing Authority Manager
Certified as to availability of funds:	Edward Enriquez, Chief Financial Officer/City Treasurer
Approved by:	Moises Lopez, Deputy City Manager
Approved as to form:	Gary G. Geuss, City Attorney

Attachment: First Amendment to Loan Agreement

¹ One person earning at-or-below 30% of Area median Income (AMI) would be \$15,100 annually in 2019. One person earning at-or-below 60% of AMI would be \$40,250 annually in 2019.