

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

June 11, 2024

FROM

CARRIE HARMON, Director, Community Development and Housing Department

SUBJECT

Resolution to Commit Funding and Support for the Application for Low-Income Housing Tax Credits to the California Tax Credit Allocation Committee for the Development of the U.S. VETS - E Street Affordable Housing Development Project

RECOMMENDATION(S)

Adopt **Resolution No. 2024-73** committing Housing Development Grant funding, in an amount not to exceed \$5,000,000, and support of an application for Low-Income Housing Tax Credits to the California Tax Credit Allocation Committee for the construction of the U.S. VETS - E Street Affordable Housing Development Project, a multifamily affordable housing apartment community to be located in the City of San Bernardino.
(Presenter: Carrie Harmon, Director, 382-3983)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Promote the Countywide Vision.

Create, Maintain and Grow Jobs and Economic Value in the County.

Ensure Development of a Well-Planned, Balanced, and Sustainable County.

Provide for the Safety, Health and Social Service Needs of County Residents.

Pursue County Goals and Objectives by Working with Other Agencies and Stakeholders.

FINANCIAL IMPACT

Approval of this item will not result in the use of additional Discretionary General Funding (Net County Cost). The proposed Resolution commits up to \$5,000,000 from the San Bernardino County Housing Development Grant Fund (HDGF) to assist U.S. VETS Housing Corporation (Grantee) for the development of the U.S. VETS - E Street Affordable Housing Development Project (Project). Budget adjustments are not requested at this time but will be included in a future item if an agreement is presented to the Board of Supervisors (Board).

BACKGROUND INFORMATION

On March 28, 2023 (Item No. 21), the Board approved the County Homeless Initiatives Spending Plan that advances the goals and objectives of the 2022 Homeless Strategic Action Plan. This approval included funding to establish the HDGF to support the development of city and locally sponsored projects which expand sheltering and housing capacity countywide. The HDGF is also designed to foster collaboration and shared goals with local agencies to further regional efforts to address and reduce homelessness.

The Grantee, a California corporation and an affordable housing developer, has applied to the County for up to \$5,000,000 from the HDGF to pay a portion of the costs to develop and

**Resolution to Commit Funding and Support for the Application for
Low-Income Housing Tax Credits to the California Tax Credit
Allocation Committee for the Development of the U.S. VETS - E Street
Affordable Housing Development Project
June 11, 2024**

construct the Project, an affordable multifamily low-income housing project including supportive services, leveraging up to \$11,000,000 of Low-Income Tax Credits. This amounts to a per unit cost of \$172,414 of County investment toward addressing veteran homelessness. The Project will be developed on approximately .76 acres of land located at 1351 North E Street in the City of San Bernardino, identified as Assessor's Parcel Number 0145-211-55-0-000. The Project will be a 30-unit apartment community comprised of three-story walk-up buildings with a total of 21 one-bedroom units, five two-bedroom units, three three-bedroom units, and one four-bedroom unit serving households with incomes ranging from 30 to 60 percent of the Area Median Income (AMI). The units will be restricted to the following income levels: 13 units for households at no more than 30 percent of AMI, nine units for households at 31 to 50 percent of AMI, and seven units for households at 51 to 60 percent of AMI, with one one-bedroom unit designated as a manager's unit.

The Community Development and Housing Department (CDH) will assist with facilitating this Project, including working with the Grantee, and completing various due diligence activities to include financing plan review and approval, review of physical site assessments, labor compliance review, and title review. CDH will also assist with coordinating other activities necessary for this Project.

The total cost to complete the proposed Project is \$21,132,552. The Grantee has received a \$4,426,369 award through the California Department of Housing and Community Development Veterans Housing and Homeless Prevention Program, a donation of \$500,000 from the Home Depot Foundation, and land donated by the Jewish National Fund Inc., valued at \$363,000.

To complete the California Tax Credit Allocation Committee application for an allocation of low-income housing tax credits in July 2024, the Grantee must provide support from the local jurisdiction for the Project. The Project has a competitive score for low-income housing tax credits strengthened by the financial support from the County's HDGF commitment.

Approval of the proposed Resolution provides Board support for the Project and commits an amount not to exceed \$5,000,000 from the HDGF to be used for the development and construction costs for the Project contingent on conditions specifically set forth in the Resolution, which include, but are not limited to, the following:

1. Securing any and all land use entitlements, permits, approvals which may be required for development and construction of the Project, including compliance with the California Environmental Quality Act;
2. Obtaining sufficient equity capital or firm and binding commitments for construction and permanent financing necessary to undertake the development and completion of the Project; and
3. Successful negotiation of a Revocable Grant Agreement requiring compliance with the HDGF Program approved by the Board.

The Resolution would be valid through July 31, 2025.

PROCUREMENT

In early August 2023, CDH released a Fund Request Form (FRF) with guidelines for the HDGF for projects supporting housing for the homeless residents of the County. The goal of the FRF is to help identify projects that the County can assist with gap funding to expand housing capacity.

**Resolution to Commit Funding and Support for the Application for
Low-Income Housing Tax Credits to the California Tax Credit
Allocation Committee for the Development of the U.S. VETS - E Street
Affordable Housing Development Project
June 11, 2024**

In December 2023, the Grantee applied for funding from the HDGF. Proposals are evaluated on a variety of criteria to ensure that the proposed project meets the County's requirements and goals. The Project meets established benchmarks for financial feasibility, impact, project readiness, and operational sustainability. The Project was also evaluated for consistency with the Housing Development Guidelines that were approved by the Board on January 23, 2024 (Item No. 29) and was found to meet return on investment, project proforma, and to fulfill gaps in permanent supportive housing for veterans.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Suzanne Bryant, Deputy County Counsel, 387-5455) on May 31, 2024; Purchasing (Leo Gomez, Purchasing Manager, 387-2063) on May 31, 2024; Finance (Paul Garcia, Administrative Analyst, 386-8392) on May 31, 2024; and County Finance and Administration (Cheryl Adams, Deputy Executive Officer, 388-0238) on May 31, 2024.

**Resolution to Commit Funding and Support for the Application for
Low-Income Housing Tax Credits to the California Tax Credit
Allocation Committee for the Development of the U.S. VETS - E Street
Affordable Housing Development Project
June 11, 2024**

Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Joe Baca, Jr. Seconded: Curt Hagman
Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: June 11, 2024



cc: File - Community Development & Housing w/resolution
CCM 06/13/2024