

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

June 22, 2021

FROM

GARY HALLEN, Director, Community Development and Housing

SUBJECT

HOME Investment Partnership Program Funds Resolution with Rialto Metrolink South Housing Partners, L.P. a California Limited Partnership for the Rialto Metrolink South Affordable Housing Development in the City of Rialto

RECOMMENDATION(S)

Adopt a **Resolution No. 2021-110** committing up to \$2,250,000 of HOME Investment Partnership Program funds with Rialto Metrolink South Housing Partners, L.P. to develop the Rialto Metrolink South project, a 55-unit affordable housing apartment project located in the City of Rialto.

(Presenter: Gary Hallen, Director, 387-4411)

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.

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). This action would commit up to \$2,250,000 of County HOME Investment Partnership Program (HOME) funds. The total cost for the 55-unit Rialto Metrolink South Affordable Housing Development (Project) is \$28,026,078, of which the County of San Bernardino's action would commit up to \$2,250,000 in County HOME funds, and the remaining cost would be funded with non-County funds. Sufficient appropriation and revenue for the maximum amount of \$2,250,000 of County housing HOME funds are available in the Community Development and Housing (CDH) 2020-21 budget and have been included in the 2021-22 budget.

BACKGROUND INFORMATION

The proposed Project is located on the north side of Bonnie View Avenue, adjacent to the Rialto Metrolink Station, in the City of Rialto. The Development partnership includes The Related Companies of California, La Barge Industries, and National Community Renaissance of California, who collectively make up the Rialto Metrolink South Housing Partners, L.P. (Developer). Approval of this item will provide a commitment of funding from the County to the Project, so it can compete in an upcoming State Tax Credit Round application. The Project will provide 55 affordable housing units targeted towards moderate to low-income individuals and families for an affordable period of 55 years.

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The County's proposed commitment of up to \$2,250,000 would equate to \$40,909 per unit. The total project cost is estimated to be \$28,026,078, which equals an overall per unit cost of \$509,565. The total Project sources are as follows:

Permanent Source	Amount	Cost Per Unit	Percentage of Total
Non-County Funds			
State Tax Credit Equity	\$16,585,078	\$301,547	59%
City of Rialto Funds	\$7,580,000	\$137,818	27%
Developer Permanent Loan	\$1,611,000	\$29,291	6%
County Funds			
County HOME	\$2,250,000	\$40,909	8%
Total	\$28,026,078	\$509,565	100%

Adoption of this Resolution would commit up to \$2,250,000 of HOME funds to the Project. If the County HOME funds are committed, the financing plan includes applying for State 9% Low Income Housing Tax Credit (LIHTC) resources. If the Project is successful in securing funding, an action will be brought back to the Board of Supervisors for approval of the required County HOME Loan documents in early 2022. The County is prohibited from entering into a loan agreement until the LIHTC funding is secured for the Project.

In March 2021, the Developer applied for Round 1 LIHTC funds; however, was unsuccessful in securing funds. The Developer will reapply in July 2021 and the County's contribution will make the project more competitive when applying for 9% LIHTC resources. If all funding is secured, the Project would commence construction in March 2022 and construction completion is projected for March 2024. This meets the County and Chief Executive Officer Goals and Objectives to provide for the safety, health and social service needs of County residents, to build more affordable housing in the County, and partner with cities within the County with entitled projects and provides a financial commitment from our City partners to provide additional units within the County. The resolution will provide a commitment of County funds for two rounds of LIHTC with one in July 2021, and if unsuccessful, a second round in March 2022; after that time, it will be determined whether the County can continue with this commitment to the Project.

On December 8, 2020, the City of Rialto City Council approved its commitment of City funds in support of the Rialto Metrolink South project and the City plans to reaffirm that commitment again on June 22, 2021 by bringing it back to their City Council.

PROCUREMENT

In March 2021, CDH released a Request for Interest (RFI) for proposed projects. The goal of the RFI is to help identify projects in Cities and unincorporated areas that the County can assist to help build a housing investment strategy aimed at expanding the County's affordable housing pipeline. The focus of the RFI was to find projects that are more shovel ready, had City support, currently have site control and/or entitlements or that are concepts that can be developed over the next several years. In April 2021, the City of Rialto, in partnership with the Developer, responded with a complete proposal. The Project was selected to move forward as it is fully entitled, has City funding and support, the experience of a development team to have a financing model completed, and is a shovel ready project. Other projects submitted in the RFI

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process are still under evaluation and will be brought back to the Board upon completeness and readiness to apply to future funding opportunities.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Suzanne Bryant, Deputy County Counsel, 387-5455) on June 1, 2021; Finance (Kathleen Gonzalez, Administrative Analyst, 387-5412) on June 2, 2021; and County Finance and Administration (Robert Saldana, Deputy Executive Officer, 387-5423) on June 7, 2021.

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Record of Action of the Board of Supervisors
County of San Bernardino

APPROVED (CONSENT CALENDAR)

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

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: June 22, 2021



cc: W/RESOLUTION
File- Community Development and Housing
LA 06/23/2021