

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

**June 9, 2020**

**FROM**

**GARY HALLEN, Director, Community Development and Housing**

**SUBJECT**

Adopt Funding Resolution for Redlands Supportive Housing, L.P. for the Liberty Lane Housing Project

**RECOMMENDATION(S)**

1. Adopt a Resolution committing up to \$5,442,510 to develop a total of 80 affordable housing units for Redlands Supportive Housing, L.P. for the Liberty Lane Housing Project, as detailed below:
  - a. \$1,305,000 of HOME Investment Partnerships Program funds
  - b. \$1,050,000 of Special Needs Housing Program funds
  - c. \$1,050,000 of Redevelopment Agency Loan Repayment funds
  - d. \$1,437,510 of County Housing Monies
  - e. \$600,000 in Neighborhood Initiative Program funds.
2. Authorize the Chief Executive Officer or Deputy Executive Officer, upon consultation with County Counsel, to make necessary non-substantive modifications, approve, and execute all required certificates, letters, and related ancillary documents to enable the execution of funding applications for the Liberty Lane project.
3. Direct the Community Development and Housing Department Director to transmit all documents to the Clerk of the Board within 30 days of execution.  
(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). The total construction cost for the 80-unit Liberty Lane Affordable Housing Development (Project) is estimated to be \$39,747,097 of which the County of San Bernardino's (County) contribution is up to \$5,442,510 as detailed in the chart below. In anticipation of the Project successfully securing 9% Low Income Housing Tax Credits (LIHTC) resources, Community Development and Housing (CDH) will include the \$5,442,510 of housing sources in their 2020-21 recommended budget. The proposed County Project sources are as follows:

<b>Sources</b>	<b>Amount</b>
HOME Investment Partnership Program (HOME)	\$1,305,000
Redevelopment Agency (RDA) Loan Repayment	\$1,050,000
Special Needs Housing Program (SNHP)	\$1,050,000
County Housing Monies	\$1,437,510
Neighborhood Initiative Program (NIP)	\$600,000

Sources	Amount
Total:	\$5,442,510

### **BACKGROUND INFORMATION**

On December 17, 2019, the Board of Supervisors (Board) approved a Resolution (No. 2019-185) committing the allocation of up to ~~\$5,442,510~~ \$6,700,000 to the Project to primarily support the developer, A Community of Friends (ACOF), and the County's joint application for the No Place Like Home (NPLH) competitive funding program. Consequently, the Resolution called for the expiration of the funding commitment in the event the developer did not apply for LIHTC funding by July 1, 2020. Unfortunately, the Project was not successful in securing a NPLH funding award, forcing ACOF to secure alternate funding. The Board's approval of this resolution will extend the County's funding commitment to July 30, 2021 to allow ACOF sufficient time to identify and apply for alternate funding sources and LIHTC financing. Specifically, ACOF will be applying to the California Department of Housing and Community Development Housing for a Healthy California funding program, which has an application deadline due to the State on June 25, 2020.

The proposed Project, located at the southwest corner of Texas Street and Lugonia Avenue in Redlands, will provide 80 units of affordable housing, including 62 permanent supportive housing (PSH) units. It is anticipated that 23 units will be targeted to veterans who are homeless, 29 units reserved for homeless individuals that qualify for Department of Behavioral Health (DBH) services, and ten units provided for homeless families that qualify for DBH services. The remaining 18 affordable units will be targeted toward low income individuals and families, with a preference for veterans. This development will assist the County in moving closer to the goal of ending homelessness, particularly veteran homelessness, and providing housing for low-income households.

The total construction cost of the Project is estimated to be \$39,747,097 which equals an overall per unit cost of \$496,839 for 80 units. Of the cost per unit, the County's contribution is \$68,031 or approximately 13.7%. The per unit cost for the Project, which contains 62 PSH units requires several different funding resources in order to remain financially stable to meet both LIHTC and regulatory requirements. The County's proposed commitment of up to \$5,442,510 allows the Project to leverage an additional \$34,304,587 in state and third-party financing to construct and operate the Project.

Financial Sources	Amount	Cost per Unit	Percent of Total
Tax Credit Equity	\$20,994,269	\$262,428	52.8%
Non-County Financial Assistance	\$13,310,318	\$166,379	33.5%
County Assistance	\$5,442,510	\$68,031	13.7%
<b>Total:</b>	<b>\$39,747,097</b>	<b>\$496,839</b>	<b>100%</b>

### **PROCUREMENT**

The County has been working to construct an affordable housing project in the City of Redlands for several years and in 2018, after a Notice of Funding Availability process, ACOF's (General Partner with Redlands Supportive Housing, L.P.) Liberty Lane project was selected as the project used to apply for the second round of the Competitive NPLH Program. The Project was selected from three (3) proposals received.

### **REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Suzanne Bryant, Deputy County Counsel, 387-8979) on May 22, 2020; Finance (Kathleen Gonzalez, Administrative Analyst, 387-5412) on May 28, 2020; and County Finance and Administration (Robert Saldana, Deputy Executive Officer, 387-5423) on May 28, 2020.