



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: MAY 13, 2025
FROM: HOUSING AND HUMAN SERVICES WARD: 1

SUBJECT: UPDATED RESOLUTION AUTHORIZING A JOINT APPLICATION WITH THE CITY OF RIVERSIDE AND EDEN HOUSING, INC. AND ACCEPTANCE OF A GRANT AWARD OF \$27,974,220 FROM THE STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR A \$14,000,000 AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES LOAN FOR THE DEVELOPMENT OF THE MULBERRY GARDENS FAMILY APARTMENTS LOCATED AT 2524 MULBERRY STREET AND A \$13,974,220 GRANT FOR THE ASSOCIATED SUSTAINABLE TRANSPORTATION INFRASTRUCTURE PROJECTS – SUPPLEMENTAL APPROPRIATION

ISSUE:

Adopt an updated Resolution authorizing a joint application with the City of Riverside and Eden Housing, Inc. and acceptance of a grant award of \$27,974,220 from the State of California Department of Housing and Community Development for a \$14,000,000 Affordable Housing and Sustainable Communities loan for the development of the Mulberry Gardens Family Apartments located at 2524 Mulberry Street and a \$13,974,220 grant for the associated Sustainable Transportation Infrastructure projects.

RECOMMENDATIONS:

That the City Council:

1. Adopt a Resolution authorizing a joint application with the City of Riverside and Eden Housing, Inc. and acceptance of a grant award of \$27,974,220 from the State of California Department of Housing and Community Development for a \$14,000,000 Affordable Housing and Sustainable Communities loan for the development of the Mulberry Gardens Family Apartments located at 2524 Mulberry Street and a \$13,974,220 grant for the associated Sustainable Transportation Infrastructure projects;
2. Authorize the City Manager, or designee, to sign any documents that may be required for submittal of the Affordable Housing and Sustainable Communities application, including making minor and non-substantive changes;
3. Accept a grant award in the amount of \$13,974,220 from the State of California Affordable Housing and Sustainable Communities Grant for transportation projects awarded under the Mulberry Gardens Family Project; and

4. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record an increase in revenue and an appropriation in the amount of \$13,974,220, or the actual grant award, in the Development Grants Fund, AHSC Mulberry Gardens – Mulberry Gardens Family Project revenue and expenditure accounts.

BACKGROUND:

In March 2022 the Housing Authority received an over-the-counter funding proposal from Eden In March 2022, the Housing Authority received an over-the-counter funding proposal from Eden Housing, Inc. for the Mulberry Garden Apartments, a 209-unit family and senior affordable housing community to be located at 2524 Mulberry Street (Project). The proposed project will consist of 150 units of affordable family housing and 59 units of affordable senior housing that will be developed in two phases.

On May 5, 2022, the State of California released the Excess Sites Local Government Matching Grants (LGMG) Program Notice of Funding Availability (NOFA). LGMG allows projects selected in accordance with Executive Order N-06-19 to apply for funds for activities to enable affordable housing developments on excess state-owned property (Excess Sites).

On May 24, 2022, the City adopted a Resolution to support Eden Housing's application for LGMG funds with a soft commitment of \$3,000,000 in HOME Investment Partnerships Act-ARP (HOME-ARP) funds to support the senior units at the Mulberry Gardens Apartments.

Eden Housing was awarded \$4,362,060 in LGMG funds for the development of the two affordable housing projects at Mulberry Garden Apartments, \$3,381,640 for the senior apartments and \$980,420 for the multifamily apartments.

On January 30, 2023, the State of California released a NOFA for Affordable Housing and Sustainable Communities (AHSC) Round 7 funds and an amendment to the NOFA on March 15, 2023. The AHSC Program is administered by the California Strategic Growth Council (SGC) and the Department of Housing and Community Development (HCD) will implement the transportation, housing and infrastructure components of the AHSC Program. The AHSC Program funds land-use, housing, transportation, and land preservation projects to support infill and compact development that reduce greenhouse gas (GHG) emissions.

On March 28, 2023, City Council adopted a Resolution authorizing the joint application between the City and Eden Housing for a \$50,000,000 Affordable Housing and Sustainable Communities Grant for the Mulberry Gardens Family project and Sustainable Transportation Infrastructure (STI) projects that will include the surrounding neighborhood within a 1-mile radius with safe pedestrian access along Spruce Street, Mulberry Street, and the surrounding streets through improvements such as concrete sidewalks, high visibility crosswalks, class III bikeways, LED flashing stop signs, radar speed feedback signs, and audible pedestrian signals. The AHSC grant is meant to fund a cohesive project package that links housing density and local transit with the goal of reducing localized greenhouse gas emissions.

DISCUSSION:

On September 1, 2023, the City received a conditional award for \$27,974,220 in AHSC funds. AHSC funds are a combination of loan and grant funds, with a loan for the housing development to Eden Housing and a grant for the STI projects. The STI projects would be developed jointly by

Eden Housing and the City's Public Works Department. No City match is required for the STI projects.

| ACTIVITY | AMOUNT |
|--|---------------------|
| Sustainable Transportation Infrastructure AHSC Grant Award | \$13,974,220 |
| Affordable Housing AHSC Loan Award | \$14,000,000 |
| Total AHSC Award | \$27,974,220 |

The updated resolution reflects the AHSC award amount and authorizes the acceptance of the grant funds. Upon execution of the AHSC Standard Agreement, staff will return to City Council to consider an AHSC Implementation Agreement with Eden Housing, Inc. for the Affordable Housing AHSC Loan as the developer will be responsible for developing the Affordable Housing Project and repayment of the AHSC Loan, and an AHSC Subrecipient Agreement with Public Works for the Sustainable Transportation Infrastructure AHSC Grant.

STRATEGIC PLAN ALIGNMENT:

This item contributes to Riverside's Envision Strategic Priority 2: Community Well-Being and Goal No. 2.2: Collaborate with partner agencies to improve household resiliency and reduce the incident and duration of homelessness.

FISCAL IMPACT:

The total fiscal impact of this action is an increase of revenue and expenditure of \$13,974,220, or the amount of the grant award (excluding the loan component). Upon City Council approval and grant award receipt, an increase in revenue and an appropriation will be recorded in the amount of \$13,974,220, or the actual award amount, in the Grants and Restricted Programs Fund, AHSC Mulberry STI Project Revenue account number 9411300-334300 and expenditure account number 9411300-440220.

The developer, Eden Inc., will be responsible for all aspects of the \$14,000,000 AHSC Loan, including the development of the housing project and repayment of the AHSC loan to the State.

Prepared by: Agripina Neubauer, Housing Project Manager
 Approved by: Michelle Davis, Housing and Human Services Director
 Certified as to
 availability of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer
 Approved by: Kris Martinez, Assistant City Manager
 Approved as to form: Rebecca McKee-Reimbold, Interim City Attorney

Attachment: Resolution