



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: MAY 24, 2022**

FROM: OFFICE OF HOMELESS SOLUTIONS **WARD: 1**

SUBJECT: RESOLUTION SUPPORTING THE MULBERRY GARDEN APARTMENTS, A 209-UNIT FAMILY AND SENIOR AFFORDABLE HOUSING COMMUNITY LOCATED AT 2524 MULBERRY STREET, AND EDEN HOUSING, INC'S FUNDING APPLICATIONS TO THE STATE OF CALIFORNIA EXCESS SITES LOCAL GOVERNMENT MATCHING GRANTS PROGRAM, THE CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE, AND TO THE CITY OF RIVERSIDE FOR \$3,000,000 IN FY 2021/2022 HOME INVESTMENT PARTNERSHIPS ACT-ARP FUNDS

ISSUE:

Adoption of a Resolution supporting the Mulberry Garden Apartments, a 209-unit family and senior affordable housing community located at 2524 Mulberry Street and Eden Housing Inc's funding applications to the State of California Excess Sites Local Government Matching Grants Program, the California Tax Credit Allocation Committee, and to the City of Riverside for \$3,000,000 in FY 2021/2022 HOME Investment Partnerships ACT-ARP funds.

RECOMMENDATIONS:

That the City Council adopt the attached Resolution supporting the Mulberry Garden Apartments, a 209-unit family and senior affordable housing community located at 2524 Mulberry Street and Eden Housing Inc's funding applications to the State of California Excess Sites Local Government Matching Grants Program, the California Tax Credit Allocation Committee, and to the City of Riverside for \$3,000,000 in FY 2021/2022 HOME Investment Partnerships ACT-ARP funds.

BACKGROUND:

In March 2022, the Housing Authority received an over-the-counter funding proposal from Eden Housing Corporation, a California nonprofit corporation, for the Mulberry Garden Apartments, a 209-unit family and senior affordable housing community to be located at 2524 Mulberry Street. The proposed project will consist of 150 units of affordable family housing and 50 units of affordable senior housing.



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). Applications are due on May 25, 2022. The state-owned property located at 2524 Mulberry is an eligible Excess Site in accordance with Executive Order N-06-19. The maximum amount of LGMG funds available in the NOFA is \$30 million and developers are limited to an award of no more than \$10 million. Award announcements will be made on or before June 28, 2022.

The State of California released a Request for Qualifications and Request for Proposals for the development of 2524 Mulberry Street. The State selected Eden Housing, Inc. (Eden) as the most qualified responder to develop a 209-unit family and senior affordable housing community.

The State of California and Eden Housing, Inc. have collectively held two community meetings with the Downtown Area Neighborhood Alliance to provide information on the disposition of the state-owned property, developer selection process, and input on the Mulberry Garden Apartments.

DISCUSSION:

Eden has contacted to the City for assistance with the LGMG program application threshold requirement of obtaining a local government contribution through a resolution, which must be submitted with the application by May 25, 2022.

Eden is also submitting a California Tax Credit Allocation Committee application, which is due on June 30, 2022.

Staff is requesting a Resolution that will make a preliminary City commitment of FY 2021/2022 HOME Investment Partnerships (HOME) ACT-ARP funds to the Mulberry Garden Apartments project. The final funding commitments would be contingent upon completion of all Project financing, including obtaining all funding award letters, receipt of the LGMG grant award from the State of California, and approval of City Loan Agreements by the City Council (anticipated in Summer 2022). A Resolution as an interim step, is being requesting to meet the immediate funding application deadline that the developer is trying to meet in order to obtain a major source of funding required for the development of the project. Total project development costs for the Mulberry Garden Apartments is estimated at \$91,373,955.

STRATEGIC PLAN ALIGNMENT:

Adoption of this Resolution to support the Eden Housing Corporation's funding applications for the Mulberry Garden Apartments Affordable Housing Project aligns with **Strategic Priority 2 – Community Well-Being** and **goal 2.1**, facilitate the development of a quality and diverse housing supply that is available and affordable to a wide range of income levels.

Adoption of this Resolution aligns with each of the Cross-Cutting Threads as follows:

1. **Community Trust** – The City of Riverside has identified the need for affordable housing as a priority need in the City's Housing Element process. The Housing Element outreach process gathered information from specific focus groups and interviews with various organizations and service providers in the housing and community development field, as well as residents of the city.
2. **Equity** – Pursuant to the Housing Community Act of 1974, the U.S. Department of HUD provides critical priority for the funding to ensure all eligible persons receive equitable access to services and are served with dignity, respect, and compassion regardless of the circumstances, ability, or identity.
3. **Fiscal Responsibility** – There is no fiscal impact to the City General Fund associated with this item. This item allows the City to leverage Federal Grants with other state and local funds to increase the stock of affordable housing in the City.
4. **Innovation** – This item will allow the City to capitalize on federal funding to meet ongoing and changing housing needs of very low- to low-income members of the community.
5. **Sustainability & Resiliency** – Riverside is committed to using HUD entitlement funds to promote sustainable community and economic development and projects to encourage community engagement and resiliency.

FISCAL IMPACT:

There is no fiscal impact to the City's General Fund. Staff will request City Council to appropriate \$3 million of HOME-ARP funding in the Summer 2022 when the funding documents are presented to City Council for their consideration.

Prepared by:	Michelle Davis, Housing Authority Manager
Certified as to availability of funds:	Edward Enriquez, Chief Financial Officer/Treasurer
Approved by:	Edward Enriquez, Interim Assistant City Manager
Approved as to form:	Phaedra A. Norton, City Attorney

Attachments:

1. Resolution
2. Presentation