



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: AUGUST 19, 2025**

FROM: HOUSING AND HUMAN SERVICES **WARD: 1**

SUBJECT: HOME INVESTMENT PARTNERSHIPS PROGRAM LOAN AGREEMENT BY AND BETWEEN THE CITY OF RIVERSIDE AND MULBERRY GARDENS FAMILY, L.P. IN THE AMOUNT OF \$1,550,442.63 FOR THE DEVELOPMENT OF 11 AFFORDABLE HOUSING UNITS AS PART OF THE MULBERRY GARDENS FAMILY HOUSING PROJECT, A 150-UNIT AFFORDABLE HOUSING PROJECT LOCATED AT 2560 MULBERRY STREET

ISSUE:

Approval of a HOME Investment Partnerships Program Agreement with Mulberry Gardens L.P. for \$1,550,442.63 in HOME Investment Partnerships Program funds to be used for the creation of 11 affordable housing units as part of the Mulberry Gardens Family Project, a 150-unit affordable housing project located at 2560 Mulberry Street.

RECOMMENDATIONS:

That the City Council:

1. Approve a HOME Investment Partnerships Program Loan Agreement with Mulberry Gardens Family, L.P. for \$1,550,442.63 in HOME Investment Partnerships Program funds to be used for the creation of 11 affordable housing units as part of the Mulberry Gardens Family Project, a 150-unit affordable housing project located at 2560 Mulberry Street; and
2. Authorize the City Manager, or his designee, to execute the HOME Investment Partnerships Program Loan Agreement with Mulberry Gardens Family, L.P., including making minor and non-substantive changes.

BACKGROUND:

On June 15, 2020, the State of California released a Request for Qualifications (RFQ) for the redevelopment of the former CalFire site located at 2508, 2524 and 2580 Mulberry Street. The 3.55 acre site was identified for an affordable housing project as part of the State's efforts to activate surplus land for housing. to develop an affordable housing project on 3.55 acres.

As part of the community engagement process, the City of Riverside and California Department of General Services hosted a community meeting on May 6, 2021 to gather input on:

1. The greatest need in this part of Downtown/Northside;

2. Recommendations for the forthcoming Request for Proposals (RFP); and
3. Strategies for a meaningful public engagement in the State-led project.

Following this outreach, the State released an RFP and received two proposals. Eden Housing, Inc. was selected as the developer to construct a 209-unit affordable housing community known as Mulberry Gardens Apartments, to be developed in two phases:

- Phase I: 59 units of affordable senior housing
- Phase II: 150 units of affordable family housing

In March 2022, the Housing Authority received an over-the-counter funding proposal from Eden Housing, Inc. for the project.

On May 5, 2022, the State of California issued a Notice of Funding Availability (NOFA) for the Excess Sites Local Government Matching Grants (LGMG) Program, aimed at supporting affordable housing on excess state-owned land under Executive Order N-06-19.

Subsequently, on May 24, 2022, the City adopted a Resolution supporting Eden Housing's application for LGMG funds and provided a soft commitment of \$3,000,000 in HOME Investment Partnerships Act-ARP (HOME-ARP) funds for Phase I of the Project.

Eden Housing was later awarded \$4,362,060 in LGMG funds, allocated as follows:

- \$3,381,640 for Phase I
- \$980,420 for Phase II

On January 30, 2023, the State released a NOFA for Affordable Housing and Sustainable Communities (AHSC) Round 7 funds, with a program amendment issued on March 15, 2023. Administered by the California Strategic Growth Council (SGC) and the State of California Department of Housing and Community Development (HCD), the AHSC program funds housing, transportation, and infrastructure projects that support infill development and reduce greenhouse gas (GHG) emissions.

On March 28, 2023, City Council adopted a Resolution authorizing the joint AHSC application between the City and Eden Housing for a \$50,000,000 AHSC Grant. The request included funds for Phase II of Mulberry Gardens Apartments and accompanying Sustainable Transportation Infrastructure (STI) projects within a 1-mile radius. These improvements include:

- Sidewalks
- High-visibility crosswalks
- Class III bikeways
- LED flashing stop signs
- Radar speed feedback signs
- Audible pedestrian signals

On June 27, 2023, the City Council adopted a Resolution supporting Eden Housing's application to the HCD Multifamily Finance Super NOFA for both phases and authorized a City loan of up to \$3,000,000 in FY 2021/2022 HOME-ARP funds.

In 2023, the City of Riverside was designated as a Prohousing community by HCD and was awarded Prohousing Incentive Pilot (PIP) Program funds to advance affordable housing development.

On March 11, 2025, City Council approved a \$1,000,000 PIP loan agreement to support the development of 118 affordable housing units Phase II.

On May 13, 2025, City Council approved an updated Resolution authorizing a joint AHSC application with Eden Housing for \$27,974,220 in grant funding and acceptance of these grant funds. The allocation includes:

The allocation includes:

- \$14,000,000 for Phase II housing development
- \$13,974,220 for the associated sustainable transportation infrastructure projects.

DISCUSSION:

In accordance with federal regulations governing the HOME Program, staff must obtain evidence of all committed funding sources, typically in the form of award letters, before underwriting a project for HOME assistance. Staff has received all required funding award letters from Mulberry Gardens Apartments Phase II from Mulberry Gardens Family L.P. and has completed the underwriting process for the requested HOME funding.

As a result, staff is now prepared to present a proposed HOME Loan Agreement to the City Council for consideration.

The proposed HOME Loan Agreement will provide \$1,550,442.63 in HOME funds to Mulberry Gardens Family, L.P. for the development of 11 HOME-assisted affordable housing units. These units will be subject to a 55-year affordability period and include:

- Eight (8) low-income units restricted to households earning at or below 60% of area median income (AMI) (\$47,040 annually for a one-person household)
- Three (3) very low income units restricted to households earning at or below 50% of AMI (\$39,200 annually for a one-person household)

The total development cost for the Mulberry Gardens Family Project is estimated at \$95,428,269.

The following is a breakdown of the funding sources

Source	Amount
First Mortgage	\$ 8,146,000
HCD AHSC	\$14,000,000
HCD IIG Sponsor Loan	\$ 8,746,488
City HOME	\$ 1,550,443
City PIP	\$ 1,000,000

County HOME	\$ 2,000,0
HCD LGMG	\$ 8,100,000
AHP	\$ 2,000,000
Deferred Developer Fee	\$ 6,000,000
Partner Equity	\$43,797,905
Accrued Interest	\$ 87,433
Total	\$95,428,269

The following is a breakdown of the Project's Uses.

Activity	Amount
Land Acquisition Related Costs	\$ 1,974,249
New Construction	\$62,892,938
Architect Fees	\$ 2,670,000
Construction Interest & Fees	\$ 8,286,163
Permanent Financing	\$ 472,413
Legal Fees	\$ 241,000
Reserves	\$ 1,084,202
Other	\$ 8,946,196
Developer Costs	\$ 8,500,000
Syndication Costs	\$ 361,108
Total	\$95,428,269

FISCAL IMPACT:

The fiscal impact to the Home Investments Partnerships Program Fund of the loan is \$1,550,442.63. Sufficient funds are available in the Home Investments Partnerships Program Fund, Home Projects, Mulberry Gardens Family Housing Account 2520300-453235.

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: HOME Loan Agreement