

SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



ITEM: 3.13  
(ID # 20356)

**MEETING DATE:**

Tuesday, December 13, 2022

**FROM :** HOUSING AND WORKFORCE SOLUTIONS:

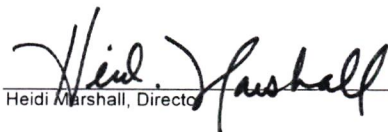
**SUBJECT:** HOUSING AND WORKFORCE SOLUTIONS (HWS): Adopt Resolution No. 2022-210, Approving Allocation of State Funds to Riverside County Pursuant to 2022-2023 California Budget Bill Jr. (Chapter 249, Statutes of 2022, AB 179) Section 19.56 for the Coachella Valley Housing Catalyst Fund (CVHCF), a Revolving Loan Fund Administered by Lift to Rise, a California Public Benefit Corporation, to be Utilized for the Creation of Affordable Housing Units throughout the Coachella Valley; and Approve the Form of Subrecipient Agreement for the Use of State Allocated Funds with Lift to Rise for a Grant Amount Not to Exceed \$15,000,000 for the Coachella Valley Housing Catalyst Fund; District 4. [\$15,000,000 – 100% State Allocated Funds]; CEQA Exempt (4/5 Vote Required)

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Find that the Subrecipient's Agreement for the Use of State Allocated Funds for the Coachella Valley Housing Catalyst Fund (Subrecipient's Agreement) does not constitute a project under California Environmental Quality Act (CEQA) and Section 15004(b) of the CEQA Guidelines in that it does not vest any development rights or result in the physical change in the environment, requires a developer to comply with CEQA and obtain all land use entitlements from the local jurisdiction as the lead agency, and does not commit the lead agency to any definite course of action or foreclose alternatives or mitigation measures that would ordinarily be part of CEQA;

Continued on page 2

**ACTION: Policy, A-30, 4/5 Vote Required**

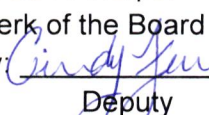
  
Heidi Marshall, Director 12/1/2022

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**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Washington, seconded by Supervisor Spiegel and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, and Hewitt  
Nays: None  
Absent: Perez  
Date: December 13, 2022  
xc: HWS, Recorder

Kecia R. Harper  
Clerk of the Board  
By:   
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,  
STATE OF CALIFORNIA**

**RECOMMENDED MOTION:** That the Board of Supervisors:

2. Adopt Resolution No. 2022-210, Approving Allocation of State Funds to Riverside County Pursuant to 2022-2023 California Budget Bill Jr. (Chapter 249, Statutes of 2022, AB 179) Section 19.56 for the Coachella Valley Housing Catalyst Fund (CVHCF), a Revolving Loan Fund Administered by Lift to Rise, a California Public Benefit Corporation, to be Utilized for the Creation of Affordable Housing Units throughout the Coachella Valley;
3. Approve the form of Subrecipient Agreement for the Use of State Allocated Funds (Subrecipient Agreement), attached hereto, with Lift to Rise for the CVHCF;
4. Authorize the Director of Housing and Workforce Solutions (HWS), or designee, on behalf of the County of Riverside, to execute a form of Subrecipient Agreement, substantially conforming in form and substance to the attached Subrecipient Agreement, subject to approval as to form by County Counsel;
5. Authorize the Director of HWS, or designee, to take all necessary steps to accept State Allocated Funds from the California Department of Housing and Community Development and implement the Subrecipient Agreement including, but not limited to, signing subsequent necessary and relevant documents, subject to approval as to form by County Counsel;
6. Direct the Clerk of the Board to file the Notice of Exemption with the County Clerk within five (5) business days of approval; and
7. Approve and direct the Auditor-Controller to make the budget adjustment as detailed in the attached Schedule A.

<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$15,000,000	\$ 0	\$15,000,000	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS:</b> State Allocated Funds pursuant to Section 19.56 of the Budget Act of 2022 from the California Department of Housing and Community Development (100%)			<b>Budget Adjustment:</b>	Yes
			<b>For Fiscal Year:</b>	2022/23

**C.E.O. RECOMMENDATION:** Approve

**BACKGROUND:**

**Summary**

On February 9, 2021, the Board of Supervisors adopted Resolution No. 2021-043 (Minute Order 3.1) in support of the We Will Lift Regional Pledge for Housing Opportunity including a partnership with Lift to Rise to promote housing stability and economic mobility for Riverside County residents in Coachella Valley.

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,  
STATE OF CALIFORNIA**

In May of 2022, the County, along with the 9 cities of the Coachella Valley, and more than 30 other community groups supported a State Budget proposal from Lift to Rise which requested \$15 million in State funding for a regional housing fund known as the Coachella Valley Housing Catalyst Fund. Due to the advocacy work of Assemblymember Eduardo Garcia, Lift to Rise and dozens of community groups, the State of California via Assembly Bill 179 approved a \$15,000,000 allocation to Riverside County for investment in the Coachella Valley Housing Catalyst Fund. The fund was established by Lift to Rise to accelerate the production of affordable housing throughout the Coachella Valley with the goal of producing 10,000 units within a 10-year period.

This allocation is a continuation of the State's current practice of awarding and disbursing local funding awards via direct allocations to counties or cities. This has previously occurred within our region with the following projects: 1) TruEvolution's Project Legacy development was allocated \$10 million by the State via a direct allocation to the City of Riverside; 2) National Community Renaissance's Las Coronas received \$8 million from the State via an allocation to the City of Corona; 3) Urban Housing Communities Veterans Village project received \$1.5 million from the State via an allocation to Cathedral City and 4) the Oasis Mobile Home Park relocation effort received a \$30 million state allocation via an allocation to the County of Riverside. Similarly, in this instance the County of Riverside is serving as a pass-through agency for the direct budget allocation to the Coachella Valley Housing Catalyst Fund.

The Coachella Valley Housing Catalyst Fund is administered by Lift to Rise and as such Lift to Rise will serve as the subrecipient of the funding agreement. Though Lift to Rise is the subrecipient of the funding, the Coachella Valley Housing Catalyst Fund (CVHCF) is administered by Lift to Rise in partnership with two experienced Community Development Financial Institutions (CDFIs): the Low-Income Investment Fund (LIIF) and Rural Communities Assistance Corporation (RCAC) who have an established track record in fund management, loan originations and grant making. The Catalyst Fund is a revolving loan fund, funding provided via the Subrecipient Agreement will be used to produce approximately 2,500 affordable housing units throughout the Coachella Valley over the next 24 months. Eligible uses of funding include pre-development, acquisition, construction and permanent financing costs. Additionally, these funds will be leveraged with private dollars already invested in the Catalyst Fund to maximize funding and unit production.

The units funded through this allocation will be subject to the State of California's Department of Housing and Community Development regulations and will be reserved for households making 80% or less of the area median income for the County of Riverside. A covenant or regulatory agreement will be recorded for each project for a term of 55 years to ensure long term affordability and use.

In its role as the recipient of funds, the County will monitor the performance of Lift to Rise against goals and performance standards outlined in the Subrecipient Agreement. As the Subrecipient, Lift to Rise, will be obligated to provide the County with adequate financial, project and performance documentation as needed for audit purposes.

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,  
STATE OF CALIFORNIA**

The Subrecipient's Agreement for the Use of State Allocated Funds for the Coachella Valley Housing Catalyst Fund does not constitute a project under California Environmental Quality Act (CEQA) and Section 15004(b) of the CEQA Guidelines in that it does not vest any development rights or result in the physical change in the environment, requires a developer to comply with CEQA and obtain all land use entitlements from the local jurisdiction as the lead agency, and does not commit the lead agency to any definite course of action or foreclose alternatives or mitigation measures that would ordinarily be part of CEQA.

Staff recommends that the Board approve Resolution No. 2022-210, Authorizing Allocation of State Funds to Riverside County for the Coachella Valley Housing Catalyst Fund, the Subrecipient Agreement, and the Covenant Agreement. County Counsel has reviewed and approved as to form the attached Subrecipient's Agreement and Covenant Agreement.

**Impact on Residents and Businesses**

Approving this item will have a positive impact on the citizens and businesses of Riverside County by providing 2,500 units of affordable housing within a 24-month period to rent burdened residents.

**SUPPLEMENTAL:**

**Additional Fiscal Information**

No impact upon the County's General Fund; the County's contribution to the Project will be fully funded with State Allocated Funds pursuant to Section 19.56 of the Budget Act of 2022 from the California Department of Housing and Community Development (100%).

**ATTACHMENTS:**

- Resolution No. 2022-210, Authorizing Allocation of State Funds to Riverside County for the Coachella Valley Housing Catalyst Fund
- Form of the Subrecipient's Agreement for the Use of State Allocated Funds, including all exhibits and Form of the Covenant Agreement (attached)
- Notice of Exemption
- Schedule A

SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,  
STATE OF CALIFORNIA

*Heydee Koury*  
Heydee Koury, Sr Accountant - Auditor 12/6/2022

*Brianne Lontajo*  
Brianne Lontajo, Principal Management Analyst 12/7/2022

*Kristine Bell-Valdez*  
Kristine Bell-Valdez, Supervising Deputy County Counsel 12/5/2022

**RESOLUTION NO. 2022-210**

**APPROVING ALLOCATION OF STATE FUNDS TO RIVERSIDE COUNTY PURSUANT TO 2022-2023 CALIFORNIA BUDGET BILL JR. (CHAPTER 249, STATUTES OF 2022, AB 179) SECTION 19.56 FOR THE COACHELLA VALLEY HOUSING CATALYST FUND, A REVOLVING LOAN FUND ADMINISTERED BY LIFT TO RISE, A CALIFORNIA PUBLIC BENEFIT CORPORATION, TO BE UTILIZED FOR THE CREATION OF AFFORDABLE HOUSING UNITS THROUGHOUT THE COACHELLA VALLEY; AND APPROVING THE FORM OF SUBRECIPIENT AGREEMENT FOR THE USE OF STATE ALLOCATED FUNDS WITH LIFT TO RISE FOR A GRANT AMOUNT NOT TO EXCEED \$15,000,000 FOR THE COACHELLA VALLEY HOUSING CATALYST FUND**

WHEREAS, across the State of California and the Coachella Valley, there is a severe shortage of rental homes affordable and available to low-income households. Many of these households are extremely cost burdened, spending more than half of their income on housing, resulting in families having to sacrifice necessities such as healthy food and healthcare to pay rent; and

WHEREAS, on February 9, 2021, the County of Riverside Board of Supervisors (“Board”) adopted Resolution No. 2021-043 in support of the We Will Lift Regional Pledge for Housing Opportunity including a partnership with Lift to Rise, a California Public Benefit Corporation, to promote housing stability and economic mobility for County of Riverside (“County”) residents in the Coachella Valley; and

WHEREAS, on May 19, 2022, County - along with the 9 cities of the Coachella Valley and more than 30 community groups - supported a State Budget proposal from Lift to Rise requesting \$15 million in State funding for an innovative regional housing fund known as the Coachella Valley Housing Catalyst Fund (“CVHCF” or “Fund”). Lift to Rise established the Fund to accelerate the production of affordable housing throughout the Coachella Valley with the goal of producing 10,000 units within a 10-year period; and

WHEREAS, on September 6, 2022, California Assembly Bill 179 amended the Budget Act of 2022 making appropriations to support state government for the 2022–2023 fiscal year; and

WHEREAS, \$15,000,000 in State funding was allocated to Riverside County pursuant to

FORM APPROVED COUNTY COUNSEL  
BY A. PLO DATE 12/13/2022  
AMRITIB. DHULLQON

DEC 13 2022 3.13

1 2022-2023 California Budget Bill Jr. (Chapter 249, Statutes of 2022, AB 179), Section 19.56 for  
2 the CVHCF, a revolving loan fund administered by Lift to Rise as subrecipient of the funding to  
3 be utilized for the creation of approximately 2,500 affordable housing units throughout the  
4 Coachella Valley over the next 24 months. Eligible uses of the Funds include pre-development,  
5 acquisition, construction, and permanent financing costs. Additionally, these Funds will be  
6 leveraged with private dollars already invested in the CVHCF to maximize funding and unit  
7 production; and

8 WHEREAS, pursuant to Section 19.56 (a) (7) of the Budget Act of 2022, Funds shall  
9 be available for encumbrance through June 30, 2024, and expenditure until June 30, 2026; and

10 WHEREAS, the units funded through this allocation will be subject to the State of  
11 California's Department of Housing and Community Development ("HCD") regulations and will  
12 be reserved for households making 80% or less of the area median income for the County of  
13 Riverside. A covenant or regulatory agreement will be recorded for each project for a term of 55  
14 years to ensure long term affordability and use; and

15 WHEREAS, the County, in its role as the recipient of the State funds, including its  
16 Department of Housing and Workforce Solutions and Executive Office, will monitor the  
17 performance of Lift to Rise against goals and performance standards outlined in the Subrecipient  
18 Agreement;

19 WHEREAS, Lift to Rise, in its role as the Subrecipient, will be obligated to provide the  
20 County with adequate financial, project, and performance documentation as needed for audit  
21 purposes.

22 **NOW THEREFORE, BE IT RESOLVED, FOUND, DETERMINED AND**  
23 **ORDERED** by the Board of Supervisors of the County of Riverside ("Board"), in regular  
24 session assembled on December 13, 2022 at 9:30 am, in the meeting room of the Board located  
25 on the 1st floor of the County Administrative Center, 4080 Lemon Street, Riverside, California,  
26 as follows:

- 27 1) That the Board hereby finds and declares that the above recitals are true and correct and  
28 incorporated as though set forth herein.

- 1 2) The Board hereby approves the allocation of \$15,000,000 in State allocated funds  
2 (“State Funds”) pursuant to 2022-2023 California Budget Bill Jr. (Chapter 249, Statutes  
3 of 2022, AB 179), Section 19.56 for the Coachella Valley Housing Catalyst Fund with  
4 Lift to Rise through a Subrecipient Agreement with the County of Riverside Department  
5 of Housing and Workforce Solutions.
- 6 3) Subject to any restrictions on the use State Funds, the Board agree to allocate State Funds  
7 to Lift to Rise in the maximum amount of \$15,000,000 for eligible uses of funding  
8 including pre-development, acquisition, construction and permanent financing costs,  
9 subject to the satisfaction of the following conditions precedent:
- 10 a. Subrecipient shall be Lift to Rise, a nonprofit California public benefit  
11 corporation for the purpose of developing and constructing in partnership with the  
12 Low-Income Investment Fund (“LIIF”) and Rural Communities Assistance  
13 Corporation (“RCAC”), both California corporations experienced as Community  
14 Development Financial Institutions (“CDFIs”);
  - 15 b. State Funds grant amount shall not exceed Fifteen Million Dollars (\$15,000,000);
  - 16 c. Affordability Period shall be 55 years from recordation of the Notice of  
17 Completion in the official records of the County of Riverside, subject to recorded  
18 affordability covenant agreements senior to all security instruments for each  
19 project funded under CVHCF;
  - 20 d. Revolving loan funds derived from State Funds administered by Lift to Rise shall  
21 have Loan Terms of 55 years;
  - 22 e. Entitlements and Governmental Approvals: Any Developer working on a project  
23 funded under CVHCF shall secure any and all required land use entitlements,  
24 permits and approvals which may be required for construction of units, including,  
25 but not limited to compliance with the California Environmental Quality Act;
  - 26 f. The County, in its role as the recipient of the State Funds, including its  
27 Department of Housing and Workforce Solutions and Executive Office, shall  
28 monitor the performance of Lift to Rise against goals and performance standards



1 outlined in the Subrecipient Agreement and the Budget Act of 2022; and

2 g. Lift to Rise, in its role as the Subrecipient, shall be obligated to provide the  
3 County with adequate financial, project and performance documentation as  
4 needed for audit purposes. Substandard performance as determined by the County  
5 shall constitute noncompliance with the Subrecipient Agreement. If action to  
6 correct such substandard performance is not taken by the Subrecipient within a  
7 reasonable period of time after being notified by the County, contract suspension  
8 or termination procedures will be initiated.

9 4) The Board of Supervisors' commitment to provide the State Funds grant is subject to the  
10 satisfaction of conditions precedent set forth herein, is valid until December 31, 2026, and  
11 shall thereafter have no force or effect.

12  
13 ROLL CALL:

14 Ayes: Jeffries, Spiegel, Washington, and Hewitt  
15 Nays: None  
16 Absent: Perez

17  
18 The foregoing is certified to be a true copy of a resolution duly adopted by said Board of  
Supervisors on the date therein set forth.

19  
20 KECIA R. HARPER, Clerk of said Board

21 By: Bruna Smith  
Deputy

22  
23 12.13.2022 3.13  
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28



Original Negative Declaration/Notice of Determination was routed to County Clerks for posting on.

12/13/22  
Date

PM  
Initial

### Notice of Exemption

**To:**  
 Office of Planning and Research  
 For U.S Mail: Street Address:  
 P.O. Box 3044 1400 Tenth St.  
 Sacramento, CA 95812-3044 Sacramento, CA 95814

**From:**  
 Public  
 Agency: County of Riverside  
 Address: 4080 Lemon Street, Suite 400  
Riverside, CA 92501  
 Contact: Mervyn Manalo  
 Phone: (951) 955-0774

County Clerk  
 County of: Riverside  
2724 Gateway Drive  
P.O. Box 751  
 Address: Riverside, CA 92502-0751

Lead Agency (if different from above):  
 Address: \_\_\_\_\_  
 Contact: \_\_\_\_\_  
 Phone: \_\_\_\_\_

**SUBJECT: Filing of Notice of Determination in Compliance with Section 21108 or 21152 of the public Resources Code.**  
 State Clearinghouse Number (if submitted to State Clearinghouse): \_\_\_\_\_  
 Project Title: Subrecipient's Agreement for the Use of State Allocated Funds for the Coachella Valley Housing Catalyst Fund  
 Project Location (include county): County of Riverside

Project Description: Lift to Rise is proposing to utilize and administer a grant of \$15,000,000 in State Allocated Funds allocated pursuant to 2022-2023 California Budget Bill Jr. (Chapter 249, Statutes of 2022, AB 179), Section 19.56 to fund the Coachella Valley Housing Catalyst Fund, a revolving loan fund administered by Lift to Rise, a California public benefit corporation, for the pre-development, acquisition, and development of at least 2,500 affordable housing units throughout the Coachella Valley by encumbering funds by June 30, 2024. The revolving loan fund is intended to attract investment and spur the development of the balance of units. The housing units created by Funds from the CVHCF shall be reserved for households making 80% or less of Area Median Income for the County of Riverside and will be subject to California's Department of Housing and Community Development ("HCD") regulations. Each of the projects funded with the Funds shall be evidenced by a regulatory agreement or affordability covenant with a term of 55 years.

Project Sponsor: County of Riverside  
 This is to advise that the County of Riverside Board of Supervisors approved the above project on  
 Lead agency or  Responsible Agency  
December 13, 2022 and has made the following determinations regarding the above described project:  
 (tentative date)

Find that the Subrecipient's Agreement for the Use of State Allocated Funds for the Coachella Valley Housing Catalyst Fund does not constitute a project under California Environmental Quality Act (CEQA) and Section 15004(b) of the CEQA Guidelines in that it does not vest any development rights or result in the physical change in the environment, requires a developer to comply with CEQA and obtain all land use entitlements from the local jurisdiction as the lead agency, and does not commit the lead agency to any definite course of action or foreclose alternatives or mitigation measures that would ordinarily be part of CEQA.

Signature: (Public Agency) Juan Garcia Title: Development Manager  
 Date: 12/01/22 Date received for filing at OPR: \_\_\_\_\_

DEC 13 2022 3.13

# Riverside County Clerk-Recorder

## Authorization to Bill by Journal Voucher

To be completed by submitting Agency

### COUNTY OF RIVERSIDE DEPARTMENT OF HOUSING AND WORKFORCE SOLUTIONS (HWS)

Authorization # \_\_\_\_\_

Date: 12/13/2022

Agency/Division: County of Riverside HWS - Attn: Tristan Chen x52207

Accounting String: 


	FUND	DEPT ID	ACCT
(Interfund)	EDAGRANT	- EDAGRANT	-EDA-NSP/HOME/CDBG Funds
(Non-Interfund)	<u>Fund 21210</u>	<u>Dept 5500</u>	<u>800000</u>

Project 606. ENH2100  
1210

This authorizes the "County Clerk & Recorder Office" to issue a Journal Voucher for payment of all fees for the accompanying documents.

Number of Documents Included: 1 Notice of Exemption (State Alloc \$15MM Subrecipient Agmt L2R)

Authorized by:   
Juan Garcia, Development Manager

Presented by:   
Mervyn Manalo, Supervising Development Specialist

### To be completed by County Recorder

Accepted by: \_\_\_\_\_

Date: \_\_\_\_\_

Document no(s)/invoice no(s): \_\_\_\_\_



**HWS** HOUSING AND  
WORKFORCE  
SOLUTIONS  
ENGAGE. ENCOURAGE. EQUIP.

Board Date: December 13, 2022

To: Clerk of the Board of Supervisors  
4080 Lemon St, 1st Floor, Suite 127  
Riverside CA 92501

From: Juan Garcia, Development Manager  
Department of Housing and Workforce Solutions  
County of Riverside  
3403 Tenth Street, Suite # 300  
Riverside, CA 92501

**Subject: Notice of Exemption (NOE) – Subrecipient Agreement for the Use of State  
Allocated Funds for the Coachella Valley Housing Catalyst Fund; District 4**

The Department of Housing and Workforce Solutions is requesting the Clerk of the Board of Supervisors post the attached Notice of Exemption. Authorization to bill by journal voucher is included for your posting fee.

After posting, please return the document to:

Mail Stop #1261  
Attention: Juan Garcia, Principal Development Specialist  
Department of Housing and Workforce Solutions  
County of Riverside  
3403 Tenth Street, Suite # 300  
Riverside, CA 92501

If you have any questions, please contact Juan Garcia at 951-955-8126.

Attachment

Cc: file



FILED / POSTED

County of Riverside  
Peter Aldana  
Assessor-County Clerk-Recorder

E-202201270  
12/14/2022 04:07 PM Fee: \$ 50.00  
Page 1 of 1

Removed: \_\_\_\_\_ By: \_\_\_\_\_ Deputy

**Notice of Exemption**

To:  Office of Planning and Research  
For U.S Mail: Street Address: 1400 Tenth St.  
P.O. Box 3044 Sacramento, CA 95814  
Sacramento, CA 95812-3044

From: Public  
Agency: County of Riverside  
Address: 4080 Lemon Street, Suite 400  
Riverside, CA 92501  
Contact: Mervyn Manalo  
Phone: (951) 955-0774

County Clerk  
County of: Riverside  
2724 Gateway Drive  
P.O. Box 751  
Address: Riverside, CA 92502-0751

Lead Agency (if different from above):  
Address: \_\_\_\_\_  
Contact: \_\_\_\_\_  
Phone: \_\_\_\_\_

**SUBJECT: Filing of Notice of Determination in Compliance with Section 21108 or 21152 of the public Resources Code.**

State Clearinghouse Number (if submitted to State Clearinghouse): \_\_\_\_\_

Project Title: Subrecipient's Agreement for the Use of State Allocated Funds for the Coachella Valley Housing Catalyst Fund

Project Location (include county): County of Riverside

Project Description: Lift to Rise is proposing to utilize and administer a grant of \$15,000,000 in State Allocated Funds allocated pursuant to 2022-2023 California Budget Bill Jr. (Chapter 249, Statutes of 2022, AB 179), Section 19.56 to fund the Coachella Valley Housing Catalyst Fund, a revolving loan fund administered by Lift to Rise, a California public benefit corporation, for the pre-development, acquisition, and development of at least 2,500 affordable housing units throughout the Coachella Valley by encumbering funds by June 30, 2024. The revolving loan fund is intended to attract investment and spur the development of the balance of units, the housing units created by Funds from the CVHCF shall be reserved for households making 80% or less of Area Median Income for the County of Riverside and will be subject to California's Department of Housing and Community Development ("HCD") regulations. Each of the projects funded with the Funds shall be evidenced by a regulatory agreement or affordability covenant with a term of 55 years.

Project Sponsor: County of Riverside

This is to advise that the County of Riverside Board of Supervisors approved the above project on

Lead agency or  Responsible Agency

December 13, 2022 and has made the following determinations regarding the above described project:  
(tentative date)

Find that the Subrecipient's Agreement for the Use of State Allocated Funds for the Coachella Valley Housing Catalyst Fund does not constitute a project under California Environmental Quality Act (CEQA) and Section 15004(b) of the CEQA Guidelines in that it does not vest any development rights or result in the physical change in the environment, requires a developer to comply with CEQA and obtain all land use entitlements from the local jurisdiction as the lead agency, and does not commit the lead agency to any definite course of action or foreclose alternatives or mitigation measures that would ordinarily be part of CEQA.

Signature: (Public Agency)  Title: Development Manager  
Juan Garcia

Date: 12/01/22 Date received for filing at OPR: \_\_\_\_\_

DEC 13 2022 3.13



State of California - Department of Fish and Wildlife  
**2022 ENVIRONMENTAL DOCUMENT FILING FEE**  
**CASH RECEIPT**  
 DFW 753.5a (REV. 01/01/22) Previously DFG 753.5a

RECEIPT NUMBER: <b>22-438093</b>
STATE CLEARINGHOUSE NUMBER <i>(if applicable)</i>

**SEE INSTRUCTIONS ON REVERSE. TYPE OR PRINT CLEARLY.**

LEAD AGENCY <b>COUNTY OF RIVERSIDE</b>	LEAD AGENCY EMAIL N/A	DATE 12/14/2022
COUNTY/STATE AGENCY OF FILING RIVERSIDE		DOCUMENT NUMBER E-202201270

PROJECT TITLE  
**SUBRECIPIENT'S AGREEMENT FOR THE USE OF STATE ALLOCATED FUNDS FOR THE COACHELLA VALLEY HOUSING CATALYST FUND**

PROJECT APPLICANT NAME COUNTY OF RIVERSIDE	PROJECT APPLICANT EMAIL N/A	PHONE NUMBER (951) 955-0774
PROJECT APPLICANT ADDRESS 4080 LEMON STREET SUITE 400,	CITY RIVERSIDE	STATE CA
		ZIP CODE 92501

PROJECT APPLICANT *(Check appropriate box)*

Local Public Agency   
  School District   
  Other Special District   
  State Agency   
  Private Entity

**CHECK APPLICABLE FEES:**

- Environmental Impact Report (EIR) \$3,539.25 \$ \_\_\_\_\_
- Mitigated/Negative Declaration (MND)(ND) \$2,548.00 \$ \_\_\_\_\_
- Certified Regulatory Program (CRP) document - payment due directly to CDFW \$1,203.25 \$ \_\_\_\_\_

- Exempt from fee
  - Notice of Exemption (attach)
  - CDFW No Effect Determination (attach)
- Fee previously paid (attach previously issued cash receipt copy)

- Water Right Application or Petition Fee (State Water Resources Control Board only) \$850.00 \$ \_\_\_\_\_
- County documentary handling fee \$ \_\_\_\_\_ **\$50.00**
- Other \$ \_\_\_\_\_

**PAYMENT METHOD:**

- Cash   
  Credit   
  Check   
  Other   
 TOTAL RECEIVED \$ \_\_\_\_\_ **\$50.00**

SIGNATURE <b>X</b> <i>J. Vallejo</i>	AGENCY OF FILING PRINTED NAME AND TITLE Deputy <b>J. VALLEJO</b>
---	---

# FORM

WHEN DOCUMENT IS FULLY EXECUTED RETURN

CLERK'S COPY

to Riverside County Clerk of the Board, Stop 1010

Post Office Box 1147, Riverside, Ca 92502-147

Thank you.

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## SUBRECIPIENT'S AGREEMENT FOR THE USE OF STATE ALLOCATED FUNDS FOR THE COACHELLA VALLEY HOUSING CATALYST FUND

This Subrecipient's Agreement ("Agreement") for the use of State Allocated Funds pursuant to 2022-2023 California Budget Bill Jr. (Chapter 249, Statutes of 2022, AB 179), Section 19.56, hereinafter "Budget Act of 2022", for the purpose of developing affordable housing through the Coachella Valley Housing Catalyst Fund ("CVHCF"), is made and entered into as of the Effective Date (defined herein), by and between, County of Riverside, a political subdivision of the State of California, hereinafter referred to as "COUNTY", and Lift to Rise, a California public benefit corporation, hereinafter referred to as "SUBRECIPIENT".

### RECITALS

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12  
13  
14  
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WHEREAS, across the State of California and the Coachella Valley, there is a severe shortage of rental homes affordable and available to low-income households. Many of these households are extremely cost burdened, spending more than half of their income on housing, resulting in families having to sacrifice necessities such as healthy food and healthcare to pay rent; and

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WHEREAS, on February 9, 2021, the County of Riverside Board of Supervisors ("Board") adopted Resolution No. 2021-043 in support of the We Will Lift Regional Pledge for Housing Opportunity including a partnership with SUBRECIPIENT to promote housing stability and economic mobility for COUNTY residents in the Coachella Valley; and

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WHEREAS, on May 19, 2022, COUNTY - along with the 9 cities of the Coachella Valley and more than 30 community groups - supported a State Budget proposal from SUBRECIPIENT requesting \$15 million in State funding for an innovative regional housing fund known as the Coachella Valley Housing Catalyst Fund ("CVHCF"). SUBRECIPIENT established the CVHCF to accelerate the production of affordable housing throughout the Coachella Valley with the goal of producing 10,000 units within a 10-year period as more specifically described in Exhibit C; and

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WHEREAS, on September 6, 2022, California Assembly Bill 179 amended the Budget Act of 2022 making appropriations to support state government for the 2022-2023 fiscal year; and

1 WHEREAS, \$15,000,000 in State funding was allocated to COUNTY pursuant the Budget  
2 Act of 2022 for the CVHCF (“Funds”), more specifically a revolving loan fund administered by  
3 SUBRECIPIENT to develop approximately 2,500 affordable housing units throughout the  
4 Coachella Valley over the next 24 months. Eligible uses of the Funds include pre-development,  
5 acquisition, construction, and permanent financing costs. Additionally, these Funds will be  
6 leveraged with private dollars already invested in the CVHCF to maximize funding and unit  
7 production; and

8 WHEREAS, pursuant to Section 19.56 (a) (7) of the Budget Act of 2022, Funds shall be  
9 available for encumbrance through June 30, 2024, and expenditure until June 30, 2026; and

10 WHEREAS, SUBRECIPIENT shall encumber Funds through written agreements by  
11 June 30, 2024 and expend Funds by June 30, 2026; and

12 WHEREAS, SUBRECIPIENT shall deposit the Funds into the CVHCF to support the  
13 revolving loan fund for the pre-development, acquisition and/or development of approximately  
14 2,500 affordable housing units within the Coachella Valley with potential housing units in the  
15 pipeline located in Coachella (346), Thermal (480), Indian Wells (100), Indio (299), Palm  
16 Desert (362), Palm Springs (85), Desert Hot Springs (140), Mecca (80), Indian Wells (100), and  
17 Rancho Mirage (110). The revolving loan fund is intended to attract investment and spur further  
18 development; and

19 WHEREAS, the housing units created by Funds from the CVHCF shall be reserved for  
20 households making 80% or less of Area Median Income for the County of Riverside and will  
21 be subject to California’s Department of Housing and Community Development (“HCD”)   
22 regulations. Each of the projects funded with the Funds shall be evidenced by a regulatory  
23 agreement or affordability covenant with a term of fifty-five (55) recorded in the Official  
24 Records of the County of Riverside that substantially conforms to the Covenant Agreement  
25 attached hereto as Exhibit B and incorporated herein by the reference; and

26 WHEREAS, the COUNTY, in its role as the recipient of the Funds, including its  
27 Department of Housing and Workforce Solutions (“HWS”) and Executive Office, will monitor the  
performance of SUBRECIPIENT against goals and performance standards outlined in the



1 Subrecipient Agreement; and

2 WHEREAS, SUBRECIPIENT, will be obligated to provide COUNTY with adequate  
3 financial, project, and performance documentation as needed for audit purposes.

4 NOW, THEREFORE, the COUNTY and SUBRECIPIENT mutually agree as follows:

5 1. PURPOSE AND USE OF FUNDS. The aforementioned Recitals are true and  
6 correct and incorporated herein by this reference. COUNTY has agreed to allocate to the  
7 SUBRECIPIENT a maximum total amount of Fifteen Million Dollars (\$15,000,000) to the  
8 CVHCF ("Funds"). SUBRECIPIENT promises and agrees to undertake to support and spur  
9 development of 2,500 units of affordable housing in the Coachella Valley by utilizing the sum  
10 of \$15,000,000 of the Funds to support the revolving loan fund, as set forth in this Agreement  
11 and in in Exhibit A, which is attached hereto and incorporated herein by this reference.

12 The Funds to the CVHCF shall be used for pre-development, acquisition and/or  
13 development by the SUBRECIPIENT between March 3, 2021 and June 30, 2026.  
14 SUBRECIPIENT shall demonstrate to the COUNTY, at the COUNTY's sole and absolute  
15 discretion, that the money derived from the Funds is deemed fully expended.

16 2. TERM OF AGREEMENT. This Agreement shall become effective upon the  
17 Effective Date, as defined in Section 32 below, and unless terminated earlier pursuant to the  
18 terms hereof, shall continue in full force and effect until **June 30, 2026**.

19 3. PERFORMANCE AND OUTCOMES. SUBRECIPIENT shall proceed  
20 consistent with Section II as set forth in Exhibit A.

21 4. EXTENSION OF TIME. COUNTY may grant an extension, in its sole and  
22 absolute discretion, to the completion schedule for the purpose of completing  
23 SUBRECIPIENT's activities which are underway and cannot be completed during the term of  
24 this Agreement. SUBRECIPIENT shall request said extension in writing, stating the reasons  
25 therefore, and may be granted only by receiving written approval from COUNTY. Every term,  
26 condition, covenant and requirement of this Agreement shall continue in full force and effect  
27 during the period of any such extension.

1           5.    RESERVED.

2           6.    NOTICES. Each notice, request, demand, consent, approval or other  
3 communication (hereinafter in this Section referred to collectively as “notices” and referred to  
4 singly as a “notice”) which the COUNTY or SUBRECIPIENT is required or permitted to give  
5 to the other party pursuant to this Agreement shall be in writing and shall be deemed to have  
6 been duly and sufficiently given if: (a) personally delivered with proof of delivery thereof (any  
7 notice so delivered shall be deemed to have been received at the time so delivered); or (b) sent  
8 by Federal Express (or other similar national overnight courier) designating early morning  
9 delivery (any notice so delivered shall be deemed to have been received on the next business  
10 day following receipt by the courier); or (c) sent by United States registered or certified mail,  
11 return receipt requested, postage prepaid, at a post office regularly maintained by the United  
12 States Postal Service (any notice so sent shall be deemed to have been received two days after  
13 mailing in the United States), addressed to the respective parties as follows:

<u>COUNTY</u>	<u>SUBRECIPIENT</u>
Heidi Marshall, Director _____	Heather Vaikona, President & CEO _____
County of Riverside HWS _____	Lift To Rise _____
3403 Tenth Street, Suite 300 _____	73-710 Fred Waring Drive, Suite 100 _____
Riverside, CA 92501 _____	Palm Desert, CA 92260 _____

19           7.    DISBURSEMENT OF FUNDS. COUNTY’S Board of Supervisors shall  
20 determine the final disbursement and distribution of all Funds received by COUNTY to support  
21 the CVHCF consistent with the provisions of Sections 1 and 2 of this Agreement. COUNTY,  
22 through HWS shall: (1) make payments of the Funds to SUBRECIPIENT as set forth in Exhibit  
23 A and (2) monitor CVHCF-funded activities to ensure compliance with applicable state rules  
24 and regulations, and the terms of this Agreement.

25           8.    PAYMENT OF FUNDS. The COUNTY shall pay to the SUBRECIPIENT the  
26 sum specified in Section 1 as a one-time lump-sum payment. In addition to the more specific  
27 reporting requirements set forth in the Agreement and Exhibit A, the SUBRECIPIENT shall

1 submit to the Director of HWS, on or about the 26<sup>th</sup> of each third month, in writing, a certified  
2 statement, in a format acceptable to the COUNTY, that sets forth in detail the total estimated  
3 expenditures to be made from the Funds, including but not limited to, payments to affordable  
4 housing developers.

5 9. RECORDS AND INSPECTIONS.

6 a. SUBRECIPIENT shall establish and maintain financial, programmatic,  
7 statistical, and other supporting records of its operations and financial activities. Said records  
8 shall be retained for a period of five (5) years from the date that the activity or program funded  
9 with the Funds is closed out by the COUNTY and reported as complete to the Board of  
10 Supervisors. Exceptions to the five-year retention period requirement if any litigation, claim,  
11 or audit is started prior to the expiration of the three (3) period.

12 b. SUBRECIPIENT shall maintain a separate account for Funds received.

13 c. SUBRECIPIENT shall obtain an external audit in accordance with the  
14 Uniform Administrative Requirements, Cost Principles, and Audit Requirements. Audits shall  
15 usually be performed annually but not less frequently than every two years. Nonprofit  
16 institutions and government agencies that expend less than \$750,000 a year are exempt from  
17 audit requirements, but records must be available for review by appropriate officials of the  
18 grantor agency or subgranting entity. The audit report shall be submitted to the COUNTY  
19 within 180 days after the end of the COUNTY'S fiscal year.

20 d. SUBRECIPIENT shall, during normal business hours make available to  
21 COUNTY for examination and copying all of its records and other materials with respect to  
22 matters covered by this Agreement.

23 10. COMPLIANCE WITH LAWS AND REGULATIONS. The SUBRECIPIENT  
24 shall comply with all applicable federal, state and local laws, regulations and ordinances. By  
25 executing this Agreement, the SUBRECIPIENT hereby certifies that it will adhere to and  
26 comply with the following as they may be applicable to a SUBRECIPIENT of the Funds  
27 allocated and shall pass down these requirements to all tiers of subcontractors, consultants, and

1 subconsultants working under this Agreement:

2 a. The SUBRECIPIENT will not discriminate against any employee or applicant for  
3 employment because of race, color, religion, sex, or national origin. SUBRECIPIENT  
4 shall ensure that all qualified applicants will receive consideration for employment  
5 without regard to race, color, religion, sex or national origin. The SUBRECIPIENT will  
6 take affirmative action to ensure that applicants are employed and the employees are  
7 treated during employment, without regard to their race color, religion, sex, or national  
8 origin. Such actions shall include, but are not limited to, the following: employment, up-  
9 grading, demotion, or transfer; recruitment or recruitment advertising; rates of pay or  
10 other forms of compensation; and selection for training, including apprenticeship. The  
11 SUBRECIPIENT agrees to post in a conspicuous place, available to employees and  
12 applicants for employment, notices to be provided by the County setting forth the  
13 provisions of this non-discrimination clause;

14 b. *Access to Records and Records Retention:* The SUBRECIPIENT or Contractor, and any  
15 subconsultants or subcontractors, shall allow all duly authorized Federal, State, and/or  
16 County officials or authorized representatives access to the work area, as well as all  
17 books, documents, applications for assistance, materials, papers, and records of the  
18 SUBRECIPIENT or Contractor, and any subconsultants or subcontractors, that are  
19 directly pertinent to a specific program for the purpose of making audits, examinations,  
20 excerpts, and transcriptions. The SUBRECIPIENT or Contractor, and any subconsultants  
21 or subcontractors, further agree to maintain and keep such books, documents,  
22 applications for assistance, materials, papers, and records, on a current basis, recording  
23 all transactions pertaining to this agreement in a form in accordance with generally  
24 acceptable accounting principles. All such books and records shall be retained for such  
25 periods of time as required by law, provided, however, notwithstanding any shorter  
26 periods of retention, all books, records, and supporting detail shall be retained for a period  
27 of at least three (3) years after the expiration of the term of this Agreement.

1 c. *Prevailing Wages*: SUBRECIPIENT shall comply with any applicable labor regulations  
2 and all other State laws in connection with the work which compromise the Project,  
3 including if applicable, requirements relating to prevailing wages. SUBRECIPIENT  
4 agrees and acknowledges that it is the responsibility of the SUBRECIPIENT to obtain a  
5 legal determination, at SUBRECIPIENT's sole cost and expenses as to whether  
6 prevailing wages must be paid for during the work. SUBRECIPIENT agrees to  
7 indemnify, defend, and hold COUNTY harmless from and against any and all liability  
8 arising out of and related to SUBRECIPIENT's failure to comply with any and all  
9 applicable prevailing wage requirements. The indemnification obligations set forth  
10 herein shall survive the termination and expiration of this Agreement

11 11. ENVIRONMENTAL CLEARANCES. SUBRECIPIENT shall be responsible  
12 for obtaining any and all approvals, subsequent approvals, permits, environmental clearances  
13 in connection with any project funded with the Funds, in compliance with the California  
14 Environmental Quality Act, and including but not limited to, any and all applicable federal and  
15 state environmental laws and regulations.

16 12. HOLD HARMLESS AND INDEMNIFICATION. SUBRECIPIENT shall  
17 indemnify and hold harmless the County of Riverside, its Agencies, Districts, Special Districts  
18 and Departments, their respective directors, officers, Board of Supervisors, elected and  
19 appointed officials, employees, agents and representatives from any liability whatsoever, based  
20 or asserted upon any services of SUBRECIPIENT, its officers, employees, subcontractors,  
21 agents or representatives arising out of or in any way relating to this Agreement, including but  
22 not limited to property damage, bodily injury, or death or any other element of any kind or  
23 nature whatsoever arising from the performance of SUBRECIPIENT, its officers, agents,  
24 employees, subcontractors, or representatives from this Agreement. SUBRECIPIENT shall  
25 defend, at its sole expense, all costs and fees including, but not limited, to attorney fees, cost  
26 of investigation, defense and settlements or awards, the Indemnitees in any claim or action  
27 based upon such alleged acts or omissions.

1 With respect to any action or claim subject to indemnification herein by  
2 SUBRECIPIENT, SUBRECIPIENT shall, at their sole cost, have the right to use counsel of  
3 their own choice and shall have the right to adjust, settle, or compromise any such action or  
4 claim without the prior consent of COUNTY; provided, however, that any such adjustment,  
5 settlement or compromise in no manner whatsoever limits or circumscribes  
6 SUBRECIPIENT'S indemnification to COUNTY as set forth herein.

7 SUBRECIPIENT'S obligation hereunder shall be satisfied when SUBRECIPIENT has  
8 provided to COUNTY the appropriate form of dismissal relieving COUNTY from any liability  
9 for the action or claim involved.

10 The specified insurance limits required in this Agreement shall in no way limit or  
11 circumscribe SUBRECIPIENT'S obligations to indemnify and hold harmless the COUNTY  
12 herein from third party claims. The hold harmless and indemnification obligations set forth  
13 herein shall survive the termination and expiration of this Agreement.

14 13. INSURANCE. Without limiting or diminishing the SUBRECIPIENT'S  
15 obligation to indemnify or hold the COUNTY harmless, SUBRECIPIENT shall procure and  
16 maintain or cause to be maintained, at its sole cost and expense, the following insurance  
17 coverage's during the term of this Agreement.

18 a. Workers' Compensation:

19 If the SUBRECIPIENT has employees as defined by the State of California, the  
20 SUBRECIPIENT shall maintain statutory Workers' Compensation Insurance (Coverage A) as  
21 prescribed by the laws of the State of California. Policy shall include Employers' Liability  
22 (Coverage B) including Occupational Disease with limits not less than \$1,000,000 per person  
23 per accident. The policy shall be endorsed to waive subrogation in favor of the County of  
24 Riverside.

25 b. Commercial General Liability:

26 Commercial General Liability insurance coverage, including but not limited to,  
27 premises liability, contractual liability, products and completed operations liability, personal

1 and advertising injury, and cross liability coverage, covering claims which may arise from or  
2 out of SUBRECIPIENT'S performance of its obligations hereunder. Policy shall name the  
3 County of Riverside as Additional Insured. Policy's limit of liability shall not be less than  
4 \$1,000,000 per occurrence combined single limit. If such insurance contains a general  
5 aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the  
6 occurrence limit.

7 c. Vehicle Liability:

8 If vehicles or mobile equipment are used in the performance of the obligations under this  
9 Agreement, then SUBRECIPIENT shall maintain liability insurance for all owned, non-owned  
10 or hired vehicles so used in an amount not less than \$1,000,000 per occurrence combined single  
11 limit. If such insurance contains a general aggregate limit, it shall apply separately to this  
12 agreement or be no less than two (2) times the occurrence limit. Policy shall name the County  
13 of Riverside as Additional Insured.

14 d. General Insurance Provisions - All lines:

15 (i). Any insurance carrier providing insurance coverage hereunder shall be  
16 admitted to the State of California and have an A M BEST rating of not less than A: VIII (A:8)  
17 unless such requirements are waived, in writing, by the County Risk Manager. If the County's  
18 Risk Manager waives a requirement for a particular insurer such waiver is only valid for that  
19 specific insurer and only for one policy term.

20 (ii). The SUBRECIPIENT'S insurance carrier(s) must declare its insurance  
21 self-insured retentions. If such self-insured retentions exceed \$500,000 per occurrence such  
22 retentions shall have the prior written consent of the County Risk Manager before the  
23 commencement of operations under this Agreement. Upon notification of self-insured  
24 retention unacceptable to the COUNTY, and at the election of the Country's Risk Manager,  
25 SUBRECIPIENT'S carriers shall either; 1) reduce or eliminate such self-insured retention as  
26 respects this Agreement with the COUNTY, or 2) procure a bond which guarantees payment  
27 of losses and related investigations, claims administration, and defense costs and expenses.

1 (iii). SUBRECIPIENT shall cause SUBRECIPIENT'S insurance carrier(s) to  
2 furnish the County of Riverside with either 1) a properly executed original Certificate(s) of  
3 Insurance and certified original copies of Endorsements effecting coverage as required herein,  
4 and 2) if requested to do so orally or in writing by the County Risk Manager, provide original  
5 Certified copies of policies including all Endorsements and all attachments thereto, showing  
6 such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance  
7 shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall  
8 be given to the County of Riverside prior to any material modification, cancellation, expiration  
9 or reduction in coverage of such insurance. In the event of a material modification,  
10 cancellation, expiration, or reduction in coverage, this Agreement shall terminate forthwith,  
11 unless the County of Riverside receives, prior to such effective date, another properly executed  
12 original Certificate of Insurance and original copies of endorsements or certified original  
13 policies, including all endorsements and attachments thereto evidencing coverage's set forth  
14 herein and the insurance required herein is in full force and effect. *SUBRECIPIENT shall not*  
15 *commence operations until the COUNTY has been furnished original Certificate (s) of*  
16 *Insurance and certified original copies of endorsements and if requested, certified original*  
17 *policies of insurance including all endorsements and any and all other attachments as required*  
18 *in this Section. An individual authorized by the insurance carrier to do so on its behalf shall*  
19 *sign the original endorsements for each policy and the Certificate of Insurance.*

20 (iv). It is understood and agreed to by the parties hereto that the  
21 SUBRECIPIENT'S insurance shall be construed as primary insurance, and the COUNTY'S  
22 insurance and/or deductibles and/or self-insured retention's or self-insured programs shall not  
23 be construed as contributory.

24 (v). If, during the term of this Agreement or any extension thereof, there is a  
25 material change in the scope of services; or, there is a material change in the equipment to be  
26 used in the performance of the scope of or, the term of this Agreement, including any  
27 extensions thereof, exceeds three (3) years, the COUNTY reserves the right to adjust the types



1 of insurance required under this Agreement and the monetary limits of liability for the  
2 insurance coverage's currently required herein, if; in the County Risk Manager's reasonable  
3 judgment, the amount or type of insurance carried by the SUBRECIPIENT has become  
4 inadequate.

5 (vi). SUBRECIPIENT shall pass down the insurance obligations contained  
6 herein to all tiers of subcontractors working under this Agreement.

7 (vii). The insurance requirements contained in this Agreement may be met with  
8 a program(s) of self-insurance acceptable to the COUNTY.

9 (viii). SUBRECIPIENT agrees to notify COUNTY of any claim by a third party  
10 or any incident or event that may give rise to a claim arising from the performance of this  
11 Agreement.

12 14. RESERVED.

13 15. PROGRAM INCOME. COUNTY may approve, at its sole and discretion, any  
14 request from SUBRECIPIENT to retain program income.

15 16. INDEPENDENT CAPACITY. The SUBRECIPIENT is, for purposes relating to  
16 this Agreement, an independent contractor and shall not be deemed an employee, officer, or  
17 agent of the COUNTY. It is expressly understood and agreed that the SUBRECIPIENT  
18 (including its employees, agents and subcontractor's) shall in no event be entitled to any  
19 benefits to which the COUNTY employees are entitled, including but not limited to overtime,  
20 any retirement benefits, worker's compensation benefits, and injury leave or other leave  
21 benefits. There shall be no employer-employee relationship between the parties; and the  
22 SUBRECIPIENT shall hold the COUNTY harmless from any and all claims that may be made  
23 against the COUNTY based upon any contention by a third party that an employer-employee  
24 relationship exists by reason of this Agreement. It is further understood and agreed by the  
25 Parties that the SUBRECIPIENT in the performance of this Agreement is subject to the control  
26 or direction of the COUNTY merely as to the results to be accomplished and not as to the  
27 means and methods for accomplishing the results.

1 17. NONDISCRIMINATION. SUBRECIPIENT agrees to abide by and include in  
2 any subcontracts, subgrants, contracts, loans, or cooperative agreements to perform work under  
3 this Agreement, the following clause:

4 "During the performance of this Agreement SUBRECIPIENT and its subcontractors  
5 shall not unlawfully discriminate against any employee or applicant for employment  
6 because of race, religion, color, national origin, ancestry, physical disability, medical  
7 condition, marital status, age (over 40) or sex. SUBRECIPIENT and subcontractors shall  
8 insure that the evaluation and treatment of their employees and applicants for  
9 employment are free of such discrimination. SUBRECIPIENT and subcontractors shall  
10 comply with the provisions of the Fair Employment and Housing Act (California  
11 Government Code Section 12900 et seq.). The applicable regulations of the Fair  
12 Employment and Housing Commission implementing California Government Code  
13 Section 12990 et seq., set forth in Chapter 1 of Division 4.1 of Title 2 of the California  
14 Administrative Code are incorporated into this Agreement by reference and made a part  
15 hereof as if set forth in full. SUBRECIPIENT and its subcontractors shall give written  
16 notice of their obligations under this clause to labor organizations with which they have  
17 a collective bargaining or other agreement."

18 18. PROHIBITION AGAINST CONFLICTS OF INTEREST.

19 a. SUBRECIPIENT and its assigns, employees, officers, agents,  
20 consultants, officers, subcontractors and appointed officials shall become familiar with and  
21 shall comply with the Uniform Administrative Requirements, Cost Principles, and Audit  
22 Requirements.

23 b. The Subrecipient shall maintain a written code or standards of conduct  
24 that shall govern the performance of its officers, employees or agents engaged in the award  
25 and administration of contracts supported by State funds.

26 c. No employee, officer or agent of the Subrecipient shall participate in the  
27 selection, or in the award, or administration of, a contract supported by State funds if a conflict

1 of interest, real or apparent, would be involved.

2 d. No covered persons who exercise or have exercised any functions or  
3 responsibilities with respect to the CVHCF-funded activities, or who are in a position to  
4 participate in a decision-making process or gain inside information with regard to such  
5 activities, may obtain a financial interest in any contract, or have a financial interest in any  
6 contract, subcontract, or agreement with respect to activities assisted with Funds, or with  
7 respect to the proceeds from activities assisted with the Funds, either for themselves or those  
8 with whom they have business or immediate family ties, during their tenure or for a period of  
9 one (1) year thereafter. For purposes of this paragraph, a "covered person" includes any person  
10 who is an employee, agent, consultant, officer, or elected or appointed official of the Grantee,  
11 the Subrecipient, or any designated public agency.

12 e. SUBRECIPIENT understands and agrees that no waiver or exception can  
13 be granted to the prohibition against conflict of interest except upon written approval of  
14 COUNTY.

15 f. Prior to any funding under this Agreement, SUBRECIPIENT shall  
16 provide COUNTY with a list of all employees, agents, consultants, officers and elected and  
17 appointed officials who are in a position to participate in a decision-making process, exercise  
18 any functions or responsibilities, or gain inside information with respect to the CVHCF-funded  
19 activities funded under this Agreement. SUBRECIPIENT shall also promptly disclose to  
20 COUNTY any potential conflict, including even the appearance of conflict, that may arise with  
21 respect to the activities funded under this Agreement.

22 g. Any violation of this section shall be deemed a material breach of this  
23 Agreement, and the Agreement shall be immediately terminated by the COUNTY.

24 19. RESERVED.

25 20. TERMINATION.

26 a. SUBRECIPIENT. SUBRECIPIENT may not terminate this Agreement  
27 except upon express written consent of COUNTY.

1           b.     COUNTY. Notwithstanding the provisions of Paragraph 20a, COUNTY  
2 may suspend or terminate this Agreement upon written notice to SUBRECIPIENT of the action  
3 being taken and the reason for such actions including but not limited to the following reasons:

4                     (1)     In the event SUBRECIPIENT fails to perform the covenants  
5 herein contained at such times and in such manner as provided in this Agreement; or

6                     (2)     In the event there is a conflict with any federal, state or local law,  
7 ordinance, regulation or rule rendering any of the provisions of this Agreement invalid or  
8 untenable; or

9                     (3)     In the event the Funds are terminated or otherwise becomes  
10 unavailable.

11                    (4)     If by September 24, 2024, SUBRECIPIENT does not expend the  
12 Funds, this Agreement shall self-terminate and any Funds drawn shall be returned within thirty  
13 (30) calendar days. Upon such termination, this Agreement shall become null and void, except  
14 for the provisions that survive the termination if this Agreement.

15           c.     This Agreement may be terminated and/or funding suspended, in whole  
16 or in part, for cause in accordance with the Uniform Administrative Requirements, Cost  
17 Principles, and Audit Requirements. Cause shall be based on the failure of the  
18 SUBRECIPIENT to materially comply with either the terms or conditions of this Agreement.  
19 Upon suspension of funding, the SUBRECIPIENT agrees not to incur any costs related thereto,  
20 or connected with, any area of conflict from which the COUNTY has determined that  
21 suspension of funds is necessary.

22           d.     Upon expiration of this Agreement, the SUBRECIPIENT shall transfer to  
23 the COUNTY any Funds on hand at the time of expiration of the Agreement as well as any  
24 accounts receivable held by SUBRECIPIENT which are attributable to the use of the Funds  
25 awarded pursuant to this Agreement.

26           21.    PUBLICITY. Any publicity generated by SUBRECIPIENT for the project  
27 funded pursuant to this Agreement, during the term of this Agreement, will make reference to

1 the COUNTY'S allocation of the CVHCF.

2 22. PROGRAM MONITORING AND EVALUATION. SUBRECIPIENT shall be  
3 monitored and evaluated in terms of its effectiveness and timely compliance with the provisions  
4 of this Agreement and the effective and efficient achievement of the goals of the Funds, as set  
5 forth in Exhibit A. SUBRECIPIENT shall be monitored and evaluated in terms of its  
6 effectiveness and timely compliance with the provisions of this Agreement. Monthly reports  
7 shall be due on the twentieth (20<sup>th</sup>) day of each third month. The quarterly written reports shall  
8 include, but shall not be limited to, the following data elements:

9 a. Title of program, listing of components, description of  
10 activities/operations. The description shall include a statement on how each project funded  
11 under the Funds.

12 b. The projected cost of the loan through maturity, projected goals, indicated  
13 numerically, and also the goals achieved (for each report period). In addition, identify by  
14 percentage and description, the progress achieved towards meeting the specified goals;  
15 additionally, identify any problems encountered in meeting goals.

16 c. The total number of affordable housing units that are assisted with the  
17 Funds;

18 d. Total number of affordable housing units spurred;

19 e. The location of affordable housing units supported or spurred by city or  
20 unincorporated community;

21 f. Where the projects are in the development process;

22 g. Anticipated construction start date; and

23 h. Funding received to date from all sources.

24 23. ENTIRE AGREEMENT. This Agreement, including any attachments or exhibits  
25 hereto constitutes the entire Agreement of the parties with respect to its subject matter and  
26 supersedes all prior and contemporaneous representations, proposals, discussions and  
27 communications, whether oral or in writing. No oral understanding or agreement not

1 incorporated herein shall be binding on any of the parties hereto. Each of the attachments and  
2 exhibits attached hereto is incorporated herein by this reference.

3 24. SEVERABILITY. Each paragraph and provision of this Agreement is severable  
4 from each other provision, and if any provision or part thereof is declared invalid, the  
5 remaining provisions shall nevertheless remain in full force and effect.

6 25. MINISTERIAL ACTS. The Director of the COUNTY's HWS or designee(s) are  
7 authorized to take such ministerial actions as may be necessary or appropriate to implement  
8 the terms, provisions, and conditions of this Agreement as it may be amended from time to  
9 time by COUNTY.

10 26. SOURCE OF FUNDING. SUBRECIPIENT acknowledges that the source of  
11 funding pursuant to this Agreement is through the Budget Act of 2022.

12 27. ASSIGNMENT. The SUBRECIPIENT shall not make any assignment or transfer  
13 in any other form with respect to this Agreement, without prior written approval of the  
14 COUNTY.

15 28. INTERPRETATION AND GOVERNING LAW. This Agreement and any  
16 dispute arising hereunder shall be governed by and interpreted in accordance with the laws of  
17 the State of California. This Agreement shall be construed as a whole according to its fair  
18 language and common meaning to achieve the objectives and purposes of the parties hereto,  
19 and the rule of construction to the effect that ambiguities are to be resolved against the drafting  
20 party shall not be employed in interpreting this Agreement, all parties having been represented  
21 by counsel in the negotiation and preparation hereof.

22 29. WAIVER. Failure by a party to insist upon the strict performance of any of the  
23 provisions of this Agreement by the other party, or the failure by a party to exercise its rights  
24 upon the default of the other party, shall not constitute a waiver of such party's right to insist  
25 and demand strict compliance by the other party with the terms of this Agreement thereafter.

26 30. JURISDICTION AND VENUE. Any action at law or in equity arising under this  
27 Agreement or brought by a party hereto for the purpose of enforcing, construing or determining

1 the validity of any provision of this Agreement shall be filed only in the Superior Court of the  
2 State of California, located in Riverside, California, and the parties hereto waive all provisions  
3 of law providing for the filing, removal or change of venue to any other court or jurisdiction.

4 31. AUTHORITY TO EXECUTE. The persons executing this Agreement or exhibits  
5 attached hereto on behalf of the parties to this Agreement hereby warrant and represent that  
6 they have the authority to execute this Agreement and warrant and represent that they have the  
7 authority to bind the respective parties to this Agreement to the performance of its obligations  
8 hereunder.

9 32. EFFECTIVE DATE. The effective date of this Agreement is the date the parties  
10 sign the Agreement (the "Effective Date"). If the parties sign the Agreement on more than one  
11 date, then the last date the Agreement is signed by a party shall be the Effective Date.

12 33. COUNTERPARTS. This Agreement may be signed by the different parties  
13 hereto in counterparts, each of which shall be an original but all of which together shall constitute  
14 one and the same agreement.

15 34. FORCE MAJEURE.

16 a. Performance by either party hereunder shall not be deemed to be in default where  
17 delays or defaults are due to war, insurrection, strikes, lock-outs, riots, floods, earthquakes, fires,  
18 casualties, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight  
19 embargoes, lack of transportation, governmental restrictions or priority, litigation, unusually  
20 severe weather, inability to secure necessary labor, material or tools, delays of any contractor,  
21 sub-contractor or supplier, acts of the other party, acts or failure to act of a public or  
22 governmental agency or entity, or any causes beyond the control or without the fault of the party  
23 claiming an extension of time to perform.

24 b. An extension of time for any such cause (a "Force Majeure Delay") shall be for  
25 the period of the enforced delay and shall commence to run from the time of the commencement  
26 of the cause, if notice by the party claiming such extension is sent to the other party within thirty  
27 (30) calendar days of knowledge of the commencement of the cause. Notwithstanding the

1 foregoing, none of the foregoing events shall constitute a Force Majeure Delay unless and until  
2 the party claiming such delay and interference delivers to the other party written notice  
3 describing the event, its cause, when and how such party obtained knowledge, the date the event  
4 commenced, and the estimated delay resulting therefrom. Any party claiming a Force Majeure  
5 Delay shall deliver such written notice within thirty (30) calendar days after it obtains  
6 knowledge of the event.

7 35. BINDING ON SUCCESSORS. SUBRECIPIENT, its heirs, assigns and  
8 successors in interest, shall be bound by all the provisions contained in this Agreement, and all  
9 of the parties thereto shall be jointly and severally liable hereunder.

10 36. MODIFICATION OF AGREEMENT. This Agreement may be modified or  
11 amended only by a writing signed by the duly authorized and empowered representatives of  
12 COUNTY and SUBRECIPIENT, respectively.

13  
14 (SIGNATURES ON THE NEXT PAGE)  
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27



1 IN WITNESS WHEREOF, the Parties have executed this Agreement as of the dates set  
2 forth below.

3 COUNTY OF RIVERSIDE,  
4 a political subdivision of the  
5 State of California

LIFT TO RISE,  
a California public benefit corporation

6 BY: \_\_\_\_\_

BY: \_\_\_\_\_

7 Name: Heidi Marshall  
8 Title: Director HWS

Name: Heather Vaikona  
Title: President & CEO

9 Date: \_\_\_\_\_

Date: \_\_\_\_\_

10  
11 APPROVED AS TO FORM:  
12 Minh C. Tran  
13 County Counsel

14 By:  \_\_\_\_\_  
15 Amrit P. Dhillon,  
16 Deputy County Counsel

17  
18 **FORM**  
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**EXHIBIT A**

**ALLOCATION OF STATE FUNDS TO RIVERSIDE COUNTY  
PURSUANT TO 2022-2023 CALIFORNIA BUDGET BILL JR. (CHAPTER 249,  
STATUTES OF 2022, AB 179) SECTION 19.56 FOR  
THE COACHELLA VALLEY HOUSING CATALYST FUND**

**SUBRECIPIENT’S AGREEMENT SCOPE OF WORK**

**I. GENERAL INFORMATION**

**SUBRECIPIENT NAME:** Lift to Rise **DUNS #:**04-838-7269

**ADDRESS:** 73-710 Fred Waring Drive, Suite 100  
Palm Desert, CA 92260

**PROGRAM CONTACTS:** Heather Vaikona, President & CEO

**PHONE:** (760) 349-8013 **FAX:**

**E-MAIL:** [heather@lifttorise.org](mailto:heather@lifttorise.org)

**PROJECT NAME:** Coachella Valley Housing Catalyst Fund (CVHCF)

**PROJECT LOCATION:** San Gorgonio Pass and Eastern Desert Region

**PROJECT FUNDING SUMMARY:** \$ 15,000,000

**II. SCOPE OF SERVICE**

**A. Activities**

County has agreed to allocate to the Subrecipient a maximum total amount of Fifteen Million Dollars (\$15,000,000) to the CVHCF (“Funds”). Subrecipient has executed a Subrecipient’s Agreement for the use of State Allocated Funds for the Coachella Valley Housing Catalyst Fund (the “Agreement”). Pursuant to Section 19.56 (a) (7) of the Budget Act of 2022, Funds shall be available for encumbrance through June 30, 2024, and expenditure until June 30, 2026; therefore, Subrecipient shall encumber Funds through written agreements by June 30, 2024 and expend Funds by June 30, 2026. Subrecipient shall deposit the Funds into the CVHCF to support the revolving loan fund for the pre-development, acquisition and/or development of approximately 2,500 affordable housing units within the Coachella Valley with potential housing units in the pipeline located in Coachella (346), Thermal (480), Indian Wells (100), Indio (299), Palm Desert (362), Palm Springs (85), Desert Hot Springs (140), Mecca (80), Indian Wells (100), and Rancho Mirage (110). The revolving loan fund is intended to attract investment and spur the development of the balance of units.

## **EXHIBIT A**

the housing units created by Funds from the CVHCF shall be reserved for households making 80% or less of Area Median Income for the County of Riverside and will be subject to California's Department of Housing and Community Development ("HCD") regulations. Each of the projects funded with the Funds shall be evidenced by a regulatory agreement or affordability covenant with a term of fifty-five (55) recorded in the Official Records of the County of Riverside that substantially conforms to the Covenant Agreement attached hereto as Exhibit B behind this exhibit.

The Funds to the CVHCF shall be used for pre-development, acquisition and/or development by the Subrecipient between March 3, 2021 and June 30, 2026. Subrecipient shall demonstrate to the County, in the County's sole and absolute discretion, that the money derived from the Funds is deemed fully expended, in compliance with the California's Department of Housing and Community Development ("HCD") regulations that relate to loans.

### **B. Levels of Accomplishment – Goals and Performance Measures**

Subrecipient anticipates supporting and spurring the development of at least 2,500 affordable housing units as described in the Lift To Rise, We Lift: Coachella Valley's Housing Catalyst Fund background, project pipeline list, and budget proposal to governor attached hereto as Exhibit C behind this exhibit.

### **C. Subrecipient Capacity**

By executing this Agreement, the Subrecipient certifies that it has the appropriate number of trained and knowledgeable staff, adequate facilities, proper equipment, required licensing and permitting, and sufficient amount of financial resources necessary to implement and carry out the activities funded with the Funds. Subrecipient shall immediately notify County of any significant changes in organizational management, assigned staff, change in facilities, loss or change in matching funds, or any other event that could potentially impact Subrecipient's performance under this Agreement. Any changes in the above items are subject to the prior approval of the County.

### **D. Performance Monitoring**

The County of Riverside will monitor the performance of the Subrecipient against goals and performance standards as stated above and in the Agreement. Substandard performance as determined by the County shall constitute noncompliance with this Agreement. If action to correct such substandard performance is not taken by the Subrecipient within a reasonable period of time after being notified by the County, contract suspension or termination procedures will be initiated.

### **E. Program Budget**

It is expressly agreed and understood that the total amount to be paid by the County under this Agreement shall not exceed **\$15,000,000**. Payments may be contingent upon certification of the Subrecipient's financial management system in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

The County may require more detailed budget information, and Subrecipient shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the County. Any amendments to the budget must be approved in writing by County.

**EXHIBIT A**

<b>EXPENSE CATEGORY</b>	<b>BUDGET</b>
Riverside County Allocation to the CVHCF Fund	\$ <u>15,000,000</u>
<b>TOTAL BUDGET</b>	<b>\$ <u>15,000,000</u></b>

**The County will provide Subrecipient a one-time lump sum payment grant that will be used for all eligible expenses incurred on or after March 3, 2021.**

**III. ADMINISTRATIVE REQUIREMENTS****A. Accounting Standards**

The Subrecipient agrees to comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200), and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

**B. Cost Principles**

The Subrecipient shall administer its program in conformance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200). These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

**C. Documentation and Record Keeping****1. Records to be Maintained**

The Subrecipient shall maintain all records that are pertinent to the activities to be funded under this Agreement as set forth in this Exhibit A and in the Agreement. Such records shall include, but not be limited to:

- i. Projected cost of any loans through maturity made to affordable housing projects utilizing the Funds;
- ii. Records providing a full description of each activity undertaken;
- ;
- iii. Records demonstrating that each activity undertaken complies with the HCD regulations; and
- iv. Financial records as described in the Agreement.

**2. Records Retention**

The Subrecipient shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Agreement for a period of five (5) years. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the five-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the five-year period, whichever occurs later.

**EXHIBIT A**3. Reserved.4. Close-outs

The Subrecipient's obligation to the County shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the County), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over the Funds, including program income.

5. Audits & Inspections

All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the County, the Controller General of the United States, or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within thirty (30) days after receipt by the Subrecipient. Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments. The Subrecipient hereby agrees to have an annual agency audit conducted in accordance with current County policy concerning subrecipient audits, the Single Audit Act, and Uniform Administrative Requirements, Costs Principles, and Audit Requirements.

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# **EXHIBIT B**

Form of Covenant Agreement

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# FORM

1 NO FEE FOR RECORDING PURSUANT  
TO GOVERNMENT CODE SECTION 6103

2 Order No.

Escrow No.

3 Loan No.

4 RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

5  
6 County of Riverside  
Housing and Workforce Solutions  
7 3403 10<sup>th</sup> Street, Suite 300  
Riverside, CA 92501  
8 Attn. Mervyn Manalo

SPACE ABOVE THIS LINE FOR RECORDERS USE

## 9 COVENANT AGREEMENT

10  
11 This Covenant Agreement (this "Covenant") is made and entered into as of the \_\_\_\_ day  
12 of \_\_\_\_\_, 202\_\_ by and between the COUNTY OF RIVERSIDE, a  
13 political subdivision of the State of California ("COUNTY"), and <OWNER/DEVELOPER>, a  
14 California public benefit corporation ("OWNER").

## 15 RECITALS

16 WHEREAS, OWNER owns that certain real property located at \_\_\_\_\_  
17 in the County of Riverside, also identified as APN \_\_\_\_\_ more specifically described  
18 in the legal description attached hereto as **Exhibit A** and incorporated herein by this reference (the  
19 "Property"); and

20 WHEREAS, on \_\_\_\_\_, 2022 COUNTY and Lift to Rise entered into that certain  
21 Subrecipient's Agreement for the use of State Allocated Funds for the Coachella Valley Housing  
22 Catalyst Fund dated \_\_\_\_\_, 2022 (the "Subrecipient's Agreement" or  
23 "Agreement") which provides grant funding for the support of a revolving loan fund to respond to  
24 the severe shortage of rental homes affordable and available to low-income households to develop  
25 approximately 2,500 affordable housing units throughout the Coachella Valley; and

26 WHEREAS, through the Subrecipient's Agreement, Lift to Rise is the administrator of the

1 Coachella Valley Housing Catalyst Fund; and

2 WHEREAS, OWNER will offer \_\_\_\_\_ (XX) units restricted as (“State-Assisted  
3 Units”) for occupancy by \_\_\_\_\_ whose incomes are at or below 80% of  
4 the area median income for the County of Riverside (collectively, the “Project”). <additional  
5 Project details>; and

6 WHEREAS, COUNTY is providing funding pursuant to 2022-2023 California Budget Bill  
7 Jr. (Chapter 249, Statutes of 2022, AB 179), Section 19.56, hereinafter “Budget Act of 2022”, for  
8 the purpose of developing affordable housing through the Coachella Valley Housing Catalyst Fund  
9 (“CVHCF”); and

10 WHEREAS, \$15,000,000 in State funding was allocated to COUNTY pursuant the Budget  
11 Act of 2022 for the CVHCF (“Funds”), more specifically a revolving loan fund administered by  
12 SUBRECIPIENT to develop approximately 2,500 affordable housing units throughout the  
13 Coachella Valley; and

14 WHEREAS, pursuant to the Subrecipient’s Agreement, eligible uses of the Funds include,  
15 but are not limited to, pre-development, acquisition, construction, and permanent financing costs;

16 WHEREAS, pursuant to the Subrecipient’s Agreement, OWNER has agreed to develop  
17 the Project on the Property and ensure the units are occupied by households whose incomes are at  
18 or below 80% of the area median income for the County of Riverside.

19 NOW, THEREFORE, in consideration of the mutual covenants and agreements, and for  
20 other good and valuable consideration, the receipt and sufficiency of which are hereby  
21 acknowledged, OWNER, on behalf of itself and its successors, assigns, and each successor in  
22 interest to the Property or any part thereof, hereby declares as follows:

23 1) RESTRICTIONS. The recitals set forth above are true and correct and incorporated  
24 herein. This Covenant shall continue in full force and effect for the later of (i) fifty-five (55) years  
25 from the recordation of the Covenant for the last building for which construction is completed for  
26 the Project on the Property, or (ii) \_\_\_\_\_ (“Term” or “Affordability Period”). For the



1 duration of the Term, the Property shall be held, sold and conveyed, subject to the following  
2 covenants, conditions, and restrictions:

3 a) The State-Assisted Units shall be made available only to incomes are at or  
4 below 80% of the area median income for the County of Riverside, at the time of initial occupancy  
5 as set forth above. Rent for the State-Assisted Units including utilities shall not exceed 30% of the  
6 household income.

7 b) OWNER shall comply with the terms of HCD regulations, Subrecipient's  
8 Agreement, and any other instrument secured against the Property.

9 2) SENIOR PRIORITY. Notwithstanding anything to the contrary contained in the  
10 Subrecipient's Agreement, including any of its attachments, this Covenant shall be in a   
11 priority lien position and senior to all other security instruments.

12 3) COMPLIANCE WITH LAWS AND REGULATIONS. During the Term of this  
13 Covenant, OWNER, for itself and on behalf of its successors and assigns, shall adhere to and  
14 comply with all federal, state and local laws, regulations and ordinances.

15 4) MAINTENANCE OF THE IMPROVEMENTS. OWNER, on behalf of itself and  
16 its successors, assigns, and each successor in interest to the Property and Project or any part thereof  
17 hereby covenants to and shall protect, maintain, and preserve the Property in compliance with all  
18 applicable federal and state law and regulations and local ordinances. In addition, OWNER, its  
19 successors and assigns, shall maintain the improvements on the Property in the same aesthetic and  
20 sound condition (or better) as the condition of the Property at the time of the recordation of the  
21 Covenant for the Project, reasonable wear and tear excepted. This standard for the quality of  
22 maintenance of the Property shall be met whether or not a specific item of maintenance is listed  
23 below. However, representative items of maintenance shall include frequent and regular inspection  
24 for graffiti or damage or deterioration or failure, and immediate repainting or repair or replacement  
25 of all surfaces, fencing, walls, equipment, etc., as necessary; emptying of trash receptacles and  
26 removal of litter; sweeping of public sidewalks adjacent to the Property, on-site walks and paved

1 areas and washing-down as necessary to maintain clean surfaces; maintenance of all landscaping  
2 in a healthy and attractive condition, including trimming, fertilizing and replacing vegetation as  
3 necessary; cleaning windows on a regular basis; painting the buildings on a regular program and  
4 prior to the deterioration of the painted surfaces; conducting a roof inspection on a regular basis  
5 and maintaining the roof in a leak-free and weather-tight condition; maintaining security devices  
6 in good working order. In the event OWNER, its successors or assigns fails to maintain the  
7 Property in accordance with the standard for the quality of maintenance, COUNTY or its designee  
8 shall have the right but not the obligation to enter the Property upon reasonable notice to OWNER,  
9 correct any violation, and hold OWNER, or such successors or assigns responsible for the cost  
10 thereof, and such cost, until paid, shall constitute a lien on the Property.

11 5) NONDISCRIMINATION. OWNER shall not discriminate on the basis of race,  
12 gender, religion, national origin, ethnicity, sexual orientation, age or disability in the solicitation,  
13 selection, hiring or treatment of any contractors or consultants, to participate in  
14 subcontracting/subconsulting opportunities. OWNER understands and agrees that violation of this  
15 clause shall be considered a material breach of this Covenant and may result in termination,  
16 debarment or other sanctions. This language shall be incorporated into all contracts between  
17 OWNER and any contractor, consultant, subcontractor, subconsultants, vendors and suppliers.  
18 OWNER shall comply with the provisions of the California Fair Employment and Housing Act  
19 (Government Code Sections 12900 et seq.), the Federal Civil Rights Act of 1964 (P.L. 88-352), as  
20 amended, and all Administrative Rules and Regulations issued pursuant to said Acts and Orders  
21 with respect to its use of the Property.

22 6) OWNER herein covenants by and for itself, its successors and assigns, and all  
23 persons claiming under or through them, that this Covenant is made and accepted upon and subject  
24 to the following conditions: There shall be no discrimination against or segregation of any person  
25 or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the  
26 Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and

1 paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code,  
2 in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property, nor shall  
3 the transferee itself or any person claiming under or through him or her, establish or permit any  
4 such practice or practices of discrimination or segregation with reference to the selection, location,  
5 number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the Property.

6 7) OWNER, its successors and assigns, shall refrain from restricting the rental, sale,  
7 or lease of the Property or any portion thereof, on the basis of race, color, creed, religion, sex,  
8 sexual orientation, marital status, national origin, or ancestry of any person. Every deed, lease, and  
9 contract entered into with respect to the Property, or any portion thereof, after the date of this  
10 Covenant shall contain or be subject to substantially the following nondiscrimination or  
11 nonsegregation clauses:

12 a) In deeds: "The grantee herein covenants by and for himself or herself, his or her  
13 heirs, executors, administrators, and assigns, and all persons claiming under or through them, that  
14 there shall be no discrimination against or segregation of, any person or group of persons on  
15 account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as  
16 those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of  
17 subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease,  
18 sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall  
19 the grantee or any person claiming under or through him or her, establish or permit any practice or  
20 practices of discrimination or segregation with reference to the selection, location, number, use or  
21 occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed.  
22 The foregoing covenants shall run with the land."

23 b) In leases: "The lessee herein covenants by and for himself or herself, his or her  
24 heirs, executors, administrators, and assigns, and all persons claiming under or through him or her,  
25 and this lease is made and accepted upon and subject to the following conditions: That there shall  
26 be no discrimination against or segregation of any person or group of persons, on account of any

1 basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are  
2 defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of  
3 Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing,  
4 transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee  
5 himself or herself, or any person claiming under or through him or her, establish or permit any  
6 such practice or practices of discrimination or segregation with reference to the selection, location,  
7 number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises  
8 herein leased.”

9 c) In contracts: “There shall be no discrimination against or segregation of any  
10 person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955  
11 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m)  
12 and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government  
13 Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the land, nor  
14 shall the transferee itself or any person claiming under or through him or her, establish or permit  
15 any such practice or practices of discrimination or segregation with reference to the selection,  
16 location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the  
17 land.”

18 In addition to the obligations and duties of OWNER set forth herein, OWNER shall,  
19 upon notice from COUNTY, promptly pay to COUNTY all fees and costs, including  
20 administrative and attorneys’ fees, incurred by COUNTY in connection with responding to or  
21 defending any discrimination claim brought by any third party and/or local, state or federal  
22 government entity, arising out of or in connection with the Subrecipient’s Agreement or this  
23 Covenant.

24 8) INSURANCE. Without limiting or diminishing OWNER’s obligation to indemnify  
25 or hold COUNTY harmless, OWNER shall procure and maintain or cause to be maintained, at its  
26 sole cost and expense, the following insurance coverage’s during the term of this Covenant.

1           a)     Worker's Compensation Insurance. If OWNER has employees as defined  
2 by the State of California, OWNER shall maintain statutory Workers' Compensation Insurance  
3 (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers'  
4 Liability (Coverage B) including Occupational Disease with limits not less than \$1,000,000 per  
5 person per accident. The policy shall be endorsed to waive subrogation in favor of the County of  
6 Riverside, and, if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement.

7           b)     Commercial General Liability Insurance. Commercial General Liability  
8 insurance coverage, including but not limited to, premises liability, contractual liability, products  
9 and completed operations liability, personal and advertising injury, and cross liability coverage,  
10 covering claims which may arise from or out of OWNER's performance of its obligations  
11 hereunder. Policy shall name the County of Riverside, its Agencies, Districts, Special Districts,  
12 and Departments, their respective directors, officers, Board of Supervisors, employees, elected or  
13 appointed officials, agents or representatives as Additional Insured. Policy's limit of liability shall  
14 not be less than \$2,000,000 per occurrence combined single limit. If such insurance contains a  
15 general aggregate limit, it shall apply separately to this Covenant or be no less than two (2) times  
16 the occurrence limit.

17           c)     Vehicle Liability Insurance. If vehicles or mobile equipment are used in the  
18 performance of the obligations under this Covenant, then OWNER shall maintain liability  
19 insurance for all owned, non-owned or hired vehicles so used in an amount not less than  
20 \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate  
21 limit, it shall apply separately to this Covenant or be no less than two (2) times the occurrence  
22 limit. Policy shall name the County of Riverside, its Agencies, Districts, Special Districts, and  
23 Departments, their respective directors, officers, Board of Supervisors, employees, elected or  
24 appointed officials, agents or representatives as Additional Insured or provide similar evidence of  
25 coverage approved by County's Risk Manager ("Risk Manager").

26           d)     General Insurance Provisions – All Lines.

1           (1) Any insurance carrier providing insurance coverage hereunder shall be  
2 admitted to the State of California and have an A M BEST rating of not less than A: VIII (A:8)  
3 unless such requirements are waived, in writing, by Risk Manager. If Risk Manager waives a  
4 requirement for a particular insurer such waiver is only valid for that specific insurer and only for  
5 one policy term.

6           (2) OWNER's insurance carrier(s) must declare its insurance self-insured  
7 retentions. If such self-insured retentions exceed \$500,000 per occurrence such retentions shall  
8 have the prior written consent of Risk Manager. Upon notification of self-insured retention  
9 unacceptable to COUNTY, and at the election of Risk Manager, OWNER's carriers shall either:  
10 (a) reduce or eliminate such self-insured retention, or (b) procure a bond which guarantees payment  
11 of losses and related investigations, claims administration, and defense costs and expenses.

12           (3) OWNER shall cause OWNER's insurance carrier(s) to furnish the  
13 County of Riverside with copies of the Certificate(s) of Insurance and Endorsements effecting  
14 coverage as required herein, and 2) if requested to do so orally or in writing by Risk Manager,  
15 provide copies of policies including all Endorsements and all attachments thereto, showing such  
16 insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall  
17 contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given  
18 to the County of Riverside prior to any material modification, cancellation, expiration or reduction  
19 in coverage of such insurance. OWNER shall not continue operations until COUNTY has been  
20 furnished Certificate(s) of Insurance and copies of endorsements and if requested, copies of  
21 policies of insurance including all endorsements and any and all other attachments as required  
22 herein. An individual authorized by the insurance carrier to do so, on its behalf, shall sign the  
23 original endorsements for each policy and the Certificate of Insurance.

24           (4) It is understood and agreed to by the parties hereto that OWNER's  
25 insurance shall be construed as primary insurance, and COUNTY's insurance and/or deductibles  
26 and/or self-insured retention's or self-insured programs shall not be construed as contributory.

1 (5) If, during the term of this Covenant or any extension thereof, there is a  
2 material change in the scope of services or there is a material change in the equipment to be used  
3 in the performance of the scope of work which will add additional exposures (such as the use of  
4 aircraft, watercraft, cranes, etc.), then COUNTY reserves the right to adjust the types of insurance  
5 required under this Covenant and the monetary limits of liability for the insurance coverage's  
6 currently required herein, if, in Risk Manager's reasonable judgment, the amount or type of  
7 insurance carried by OWNER has become inadequate.

8 (6) OWNER shall pass down the insurance obligations contained herein to  
9 all tiers of subcontractors.

10 (7) OWNER agrees to notify COUNTY in writing of any claim by a third  
11 party or any incident or event that may give rise to a claim arising from the performance of the  
12 Covenant.

13 9) HOLD HARMLESS/INDEMNIFICATION. OWNER shall indemnify and hold  
14 harmless the County of Riverside, its Agencies, Districts, Special Districts and Departments, their  
15 respective directors, officers, Board of Supervisors, elected and appointed officials, employees,  
16 agents and representatives (individually and collectively hereinafter referred to as Indemnitees)  
17 from any liability whatsoever, based or asserted upon any services of OWNER, its officers,  
18 employees, subcontractors, agents or representatives arising out of or in any way relating to this  
19 Covenant, including but not limited to property damage, bodily injury, or death or any other  
20 element of any kind or nature whatsoever arising from the performance of OWNER, its officers,  
21 employees, subcontractors, agents or representatives Indemnitors from this Covenant. OWNER  
22 shall defend, at its sole expense, all costs and fees including, but not limited, to attorney fees, cost  
23 of investigation, defense and settlements or awards, the Indemnitees in any claim or action based  
24 upon such alleged acts or omissions. With respect to any action or claim subject to indemnification  
25 herein by OWNER shall, at their sole cost, have the right to use counsel of their own choice and  
26 shall have the right to adjust, settle, or compromise any such action or claim without the prior

1 consent of COUNTY; provided, however, that any such adjustment, settlement or compromise in  
2 no manner whatsoever limits or circumscribes OWNER's indemnification to Indemnitees as set  
3 forth herein. OWNER's obligation hereunder shall be satisfied when OWNER has provided to  
4 COUNTY the appropriate form of dismissal relieving COUNTY from any liability for the action  
5 or claim involved. The specified insurance limits required in this Covenant shall in no way limit  
6 or circumscribe OWNER's obligations to indemnify and hold harmless the Indemnitees herein  
7 from third party claims. In the event there is conflict between this clause and California Civil Code  
8 Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such interpretation  
9 shall not relieve OWNER from indemnifying the Indemnitees to the fullest extent allowed by law.  
10 The indemnification set forth in this paragraph 14 shall survive the expiration and earlier  
11 termination of this Covenant.

12 10) NOTICES. All Notices provided for in this Covenant shall be deemed received  
13 when personally delivered, or two (2) days following mailing by certified mail, return receipt  
14 requested. All mailing shall be addressed to the respective parties at their addresses set forth  
15 below, or at such other address as each party may designate in writing and give to the other party:

16 COUNTY  
17 Director HWS  
18 County of Riverside  
19 3403 10<sup>th</sup> Street, Suite 300  
Riverside, CA 92501

OWNER  
XXXXXX  
c/o XXXXXX  
XXXXXX  
XXXXXX, CA XXXXXX

20 11) REMEDIES. COUNTY shall have the right, in the event of any breach of any such  
21 agreement or covenant, to exercise all available rights and remedies, and to maintain any actions  
22 at law or suit in equity or other proper proceedings to enforce the curing of such breach of  
23 agreement or covenant.

24 12) TERM. The non-discrimination covenants, conditions and restrictions contained in  
25 Section 6 of this Covenant shall remain in effect in perpetuity. Every other covenant, condition  
26 and restriction contained in this Covenant shall continue in full force and effect for the Term, as



1 defined in **Section 1** of this Covenant.

2       13) NOTICE AND OPPORTUNITY TO CURE. Prior to exercising any remedies  
3 hereunder, COUNTY shall give OWNER notice of such default pursuant to section 11 above. Any  
4 monetary default shall be cured within ten (10) days of delivery of written notice. Except as  
5 otherwise set forth herein, if a non-monetary default is reasonably capable of being cured within  
6 thirty (30) days of delivery of such notice of default, OWNER shall have such period to effect a  
7 cure prior to exercise of remedies by COUNTY. If the non-monetary default is such that it is not  
8 reasonably capable of being cured within thirty (30) days of delivery of such notice of default, and  
9 OWNER (a) initiates corrective action within said period, and (b) diligently, continually, and in  
10 good faith works to effect a cure as soon as possible, then OWNER shall have such additional time  
11 as is reasonably necessary to cure the default prior to exercise of any remedies by COUNTY; but  
12 in no event no later than sixty (60) days from delivery of such notice of default, subject to force  
13 majeure (including government restrictions, pandemics, and acts of God). COUNTY, upon  
14 providing OWNER with any notice of default under this Covenant, shall, within a reasonable time,  
15 provide a copy of such default notice to a Permitted Lender who has given written notice to  
16 COUNTY of its interest in the Property and Project. From and after such notice has been delivered  
17 to a Permitted Lender and the Owner's limited partner, such Permitted Lender shall have the same  
18 period for remedying the default complained of as the cure period provided to OWNER pursuant  
19 to this Section 14. COUNTY shall accept performance by a Permitted Lender or limited partner  
20 of Owner as if the same had been done by OWNER.

21       14) If a violation of any of the covenants or provisions of this Covenant remains  
22 uncured after the respective time period set forth in this Section 14, COUNTY and its successors  
23 and assigns, without regard to whether COUNTY or its successors and assigns is an owner of any  
24 land or interest therein to which these covenants relate, may institute and prosecute any  
25 proceedings at law or in equity to abate, prevent or enjoin any such violation or attempted violation  
26 or to compel specific performance by OWNER of its obligations hereunder. No delay in enforcing

1 the provisions hereof as to any breach or violation shall impair, damage or waive the right of any  
2 party entitled to enforce the provisions hereof or to obtain relief against or recover for the  
3 continuation or repetition of such breach or violations or any similar breach or violation hereof at  
4 any later time.

5 15) Any cure tendered by Owner's limited partner shall be accepted or rejected on the  
6 same basis as if tendered by OWNER.

7 16) SALE, ASSIGNMENT OR TRANSFER OF THE PROJECT OR PROPERTY.  
8 OWNER hereby covenants and agrees not to sell, transfer, assign or otherwise dispose of the  
9 Project, the Property or any portion thereof, without obtaining the prior written consent of  
10 COUNTY, in its sole discretion. Any sale, assignment, or transfer of the Project or Property, shall  
11 be memorialized an assignment and assumption agreement the form and substance of which have  
12 been first approved in writing by COUNTY in its sole discretion. Such assignment and assumption  
13 agreement shall, among other things, provide that the transferee has assumed in writing and in full,  
14 and is reasonably capable of performing and complying with OWNER's duties and obligations  
15 under the Subrecipient's Agreement and this Covenant, provided, however OWNER shall not be  
16 released of all obligations under the Subrecipient's Agreement and this Covenant.

17 17) AMENDMENTS OR MODIFICATIONS. This Covenant may be changed or  
18 modified only by a written amendment signed by authorized representatives of both parties.

19 18) GOVERNING LAW; VENUE; SEVERABILITY. This Covenant shall be  
20 governed by the laws of the State of California. Any legal action related to the performance or  
21 interpretation of this Covenant shall be filed only in the Superior Court of the State of California  
22 located in Riverside, California, and the parties waive any provision of law providing for a change  
23 of venue to another location. In the event any provision in this Covenant is held by a court of  
24 competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will  
25 nevertheless continue in full force without being impaired or invalidated in any way.

26 19) BINDING EFFECT. The rights and obligations of this Covenant shall bind and

1 inure to the benefit of the respective heirs, successors and assigns of the parties.

2 20) PERMITTED MORTGAGES. No violation or breach of the covenants, conditions,  
3 restrictions, provisions or limitations contained in this Covenant shall defeat or render invalid or  
4 in any way impair the lien or charge of any deed of trust or mortgage permitted by the  
5 Subrecipient's Agreement or the lien or charge of a deed of trust made by OWNER for the benefit  
6 of any lender first approved in writing by COUNTY (each, a "Permitted Lender") and nothing  
7 herein or in the Subrecipient's Agreement shall prohibit or otherwise limit the exercise of a  
8 Permitted Lender's rights and remedies thereunder, including a foreclosure or deed-in-lieu of  
9 foreclosure and subsequent transfer thereafter.

10 21) SEVERABILITY. In any event that any provision, whether constituting a separate  
11 paragraph or whether contained in a paragraph with other provisions, is hereafter determined to be  
12 void and unenforceable, it shall be deemed separated and deleted from the agreement and the  
13 remaining provisions of this Covenant shall remain in full force and effect.

14 22) PROJECT MONITORING AND EVALUATION.

15 a) In addition to this Section 23, the Project shall be monitored and evaluated  
16 in conformance with the requirements and procedures as set forth in the Budget Act of 2022.

17 b) Inspections. During the Affordability Period, COUNTY must perform on-  
18 site inspections of State-Assisted Units to determine compliance with the property standards. The  
19 on-site inspections shall occur within twelve (12) months after Covenant Agreement and at least  
20 once every three (3) years thereafter during the Affordability Period. If there are observed  
21 deficiencies for any of the inspectable items in the property standards established by COUNTY,  
22 a follow-up on-site inspection to verify that deficiencies are corrected must occur within twelve  
23 (12) months. COUNTY may establish a list of non-hazardous deficiencies for which correction  
24 can be verified by third party documentation (e.g., paid invoice for work order) rather than re-  
25 inspection. Health and safety deficiencies must be corrected immediately. COUNTY must adopt  
26 a more frequent inspection schedule for properties that have been found to have health and safety

1 deficiencies. The property owner must annually certify to COUNTY that each building and all  
2 State-Assisted Units in the Project are suitable for occupancy, taking into account State and local  
3 health, safety, and other applicable codes, ordinances, and requirements, and the ongoing property  
4 standards established by the participating jurisdiction. Inspections must be based on a statistically  
5 valid sample of units appropriate for the size of COUNTY State-Assisted project.

6 23) ACCESS TO PROJECT SITE. Representatives of COUNTY shall have the right  
7 of access to the Property, upon 24 hours' written notice to OWNER (except in the case of an  
8 emergency, in which case COUNTY shall provide such notice as may be practical under the  
9 circumstances), without charges or fees, during normal business hours to review the operation of  
10 the Project in accordance with this Covenant and the Subrecipient's Agreement.

11 24) COUNTERPARTS. This Covenant may be signed by the different parties hereto in  
12 counterparts, each of which shall be an original, but all of which together shall constitute one and  
13 the same agreement.

14 25) COVENANT RUNS WITH PROPERTY. In accordance with California Civil  
15 Code Section 1461 et seq., all conditions, covenants and restrictions contained in this Covenant  
16 shall be covenants running with the land. The COUNTY shall be deemed the beneficiaries of the  
17 covenants, conditions and restrictions of this Covenant both for and in their own rights and for the  
18 purposes of protecting the interests of the community. The covenants, conditions, and restrictions  
19 shall run in favor of COUNTY, without regard to whether COUNTY has been, remains, or is an  
20 owner of any land or interest therein in the Property.

21 26) This Covenant and the Subrecipient's Agreement set forth and contain the entire  
22 understanding and agreement of the parties hereto. There are no oral or written representations,  
23 understandings, or ancillary covenants, undertakings or agreements, which are not contained or  
24 expressly referred to within this Covenant, and the Subrecipient's Agreement, including all  
25 amendments and modifications to the Subrecipient's Agreement.

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[SIGNATURES ON THE NEXT PAGE]

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IN WITNESS WHEREOF, COUNTY and OWNER have executed this Covenant as of  
the dates written below.

COUNTY:

COUNTY OF RIVERSIDE, a political  
subdivision of the State of California

OWNER:

XXXXX,  
a California public benefit corporation

By: \_\_\_\_\_

Director HWS

By: \_\_\_\_\_

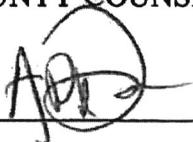
Name: XXXXX  
Title: XXXXX

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**(Above signatures need to be notarized)**

APPROVED AS TO FORM:  
MINH C. TRAN  
COUNTY COUNSEL

By:  \_\_\_\_\_

Deputy County Counsel

**(COUNTY and OWNER signatures need to be notarized)**

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**FORM**

**< CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT >**

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**EXHIBIT "A"**

LEGAL DESCRIPTION OF PROPERTY

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# LIFT TO RISE

## We Lift: Coachella Valley's Housing Catalyst Fund

### **Background**

Lift to Rise is a nonprofit organization in the Coachella Valley which brings together community and institutional leaders to collaboratively solve the underlying causes of poverty and inequality. We strive for a future where all Coachella Valley families are healthy, stable, and thriving. Our work is rooted in deep community listening, quantitative and qualitative data analysis, and cross-sector collaboration.

Since 2018, Lift to Rise has convened the Housing Collaborative Action Network (CAN), a network of over 60 cross-sector partners organized around shared goal of reducing regional rent burden by 30% through the production of 10,000 units of affordable housing in the Coachella Valley by 2028.

For the past five years, Lift to Rise and the members of the CAN have been pushing for bold investment and policy solutions to the local housing affordability crisis. The feasibility of our shared goal of radically increasing the supply of affordable housing in the Coachella Valley was initially met with doubt, yet through sustained coordination and tireless perseverance, our set of solutions is now embraced by Riverside County and all nine Coachella Valley cities as the region's affordable housing plan. Before 2018, the region produced an average of 38 units of affordable housing per year; at present – resulting from the coordination of the CAN – there are upwards of 1,600 units under construction or six months away from construction.

### **Housing Collaborative Action Network (CAN)**

The CAN members include residents and community-based organizations, staff and elected officials from all nine Coachella Valley cities and the County of Riverside, affordable housing developers, and Community Development Financial Institutions (CDFIs) and other funders.

The CAN's work is centered around our affordable housing pipeline, which represents all the proposed affordable housing projects in the Coachella Valley. Lift to Rise and the CAN aggregate the pipeline through the lens of regional equity, impact on rent burden, and project readiness and then assess the projects in the pipeline to ascertain project needs (i.e. financing, public support, technical assistance, co-location of childcare facilities, etc.). A common theme across projects in the pipeline is that affordable housing developers lack access to patient, flexible, and low-interest capital to fill their predevelopment, acquisition, and construction financing gaps. To address this need, Lift to Rise developed We Lift: the Coachella Valley's Housing Catalyst Fund (CVHCF).

### **We Lift: the Coachella Valley's Housing Catalyst Fund (CVHCF)**

CVHCF is an innovative, flexible revolving loan fund designed to rapidly jumpstart affordable housing production and help move projects forward that are stalled by a lack of predevelopment funding and access to low-cost construction financing, two significant barriers to affordable housing production that are not well addressed in current state programs. California's affordable housing funding streams have long favored coastal and metropolitan areas over the Coachella Valley and other inland and rural communities, making it difficult to compete for the resources necessary to address our region's affordable housing deficit, which, according to the National Low Income Housing Coalition (2022), is the most severe shortage in the entire state.

CVHCF is capitalized through public and private capital which is pooled into the fund where two national Community Development Fund Institutions (CDFIs), Low Income Investment Fund (LIIF) and Rural

Community Assistance Corporation (RCAC), originate loans using the capital as well as matching financing with their own funds. The low-cost public and private capital allows the funds to be blended with the CDFI capital, providing developers a lower interest rate than what would be available in most lending markets. Those savings allow the developers to put more resources into other projects, increase the number of units in the proposed development, or further reduce the rents in the proposed development. Depending on the project and pipeline needs, most loans are repaid between 6- and 36-months allowing a consistently revolving lending pool.

Over the past year, Lift to Rise has worked to prove the success of this model. In 2021, Lift to Rise launched CVHCF and secured a commitment from RCAC and LIIF to match every dollar received by the fund. With an investment from Riverside County of \$2 million of ARPA dollars and the match from RCAC and LIIF, the fund has already closed the funding gap for seven projects in the regional pipeline, allowing for the production of over 500 units of new affordable housing. These projects include four new multifamily developments for farmworkers, veterans, and formerly homeless individuals and the rehabilitation of two dilapidated, unpermitted mobile home parks to provide safe, affordable homeownership opportunities for farmworker families

Lift to Rise and the CAN have put in a tremendous amount of effort to grow CVHCF's lending pool. In 2022, after two years of advocacy by Lift to Rise, the CAN, and local California Assemblymember Eduardo Garcia, CVHCF secured a \$15 million direct allocation from the California state budget. The investment will spur the delivery of more than 2,500 affordable units over the next 24 months, about half the shovel-ready units in our current development pipeline. Once these projects are completed, the funding will recycle within the community to help deliver an additional 7,500 new units by 2028.

The projects that receive loans will meet a range of critical regional needs with an eye towards equitable distribution to affirmatively further fair housing. The current lending pipeline includes projects in high-resource communities where affordable housing has never been approved before. These projects include four new multifamily developments for farmworkers, veterans, and formerly homeless individuals and the rehabilitation of two dilapidated, unpermitted mobile home parks to provide safe, affordable homeownership opportunities for farmworker families.

**Potential Project List**

The following list represents CVHCF's potential lending pipeline:

Development	City	Loan Type	Minimum Loan Requested	Maximum Loan Allowable	Units
Project A	Palm Desert	Predevelopment	\$750,000	\$1,500,000	120
Project B	Indian Wells	Predevelopment	\$750,000	\$1,500,000	100
Project C	Palm Desert	Predevelopment	\$750,000	\$1,500,000	66
Project D	Coachella	Predevelopment	\$750,000	\$1,500,000	152
Project E	Indio	Predevelopment	\$750,000	\$1,500,000	150
Project F	Coachella	Predevelopment	\$750,000	\$1,500,000	54
Project G	Palm Desert	Predevelopment	\$750,000	\$1,500,000	176
Project H	Indio	Predevelopment	\$750,000	\$1,500,000	49
Project I	Indio	Predevelopment	\$750,000	\$1,500,000	100
Project J	Thermal	Predevelopment	\$750,000	\$1,500,000	80
Project K	Thermal	Predevelopment	\$750,000	\$1,500,000	100
Project L	Thermal	Predevelopment	\$750,000	\$1,500,000	150

Project M	Thermal	Predevelopment	\$750,000	\$1,500,000	150
<b>Total Predevelopment</b>			<b>\$9,750,000</b>	<b>\$19,500,000</b>	<b>1447</b>

Program Type	City	Product	Cost	Minimum Predevelopment	Units
Single Family + Mixed Use (Early Childcare Education)	Palm Springs	Acquisition-New Construction	\$4,500,000	\$750,000	85
Multifamily, Mixed Use (Healthcare, Early Childcare Education)	Desert Hot Springs	Acquisition-New Construction	\$2,500,000	\$750,000	140
Multifamily, Mixed Use (Early Childcare Education, Commercial)	Mecca	Acquisition-New Construction	\$2,500,000	\$750,000	80
Single Family + Multifamily	Indian Wells	Acquisition-New Construction	\$6,500,000	\$750,000	100
Multifamily + Mixed Use (Early Childcare, Commercial)	Coachella	Acquisition-New Construction	\$3,000,000	\$750,000	140
Single Family + Multifamily	Rancho Mirage	Acquisition-New Construction	\$5,000,000	\$750,000	110
<b>Total Acquisition</b>			<b>\$24,000,000</b>	<b>\$4,500,000</b>	<b>570</b>

\*All acquisition loans are paired and coterminous with predevelopment loans

**Total Predevelopment for Acquisition Loans**

			Date to Close	Range
Perm loan 1	Permanent	\$2,000,000	3/1/2023	80-150
Perm loan 2	Permanent	\$2,000,000	6/1/2023	80-150
Perm loan 3	Permanent	\$2,000,000	9/1/2023	80-150
Perm loan 4	Permanent	\$2,000,000	12/1/2023	80-150
Perm loan 5	Permanent	\$2,000,000	3/1/2024	80-150
<b>Total Perm</b>		<b>\$10,000,000</b>		<b>575</b>

Total Lending Range	Minimum	Maximum Lending	Total Units
	\$43,750,000	\$58,000,000	2592

### State Budget Ask Letter

Below (attached) is the letter signed by 60 CAN members requesting the \$15 million direct allocation from the CA state budget, which was ultimately passed by the legislature and signed into law by the Governor:

**LIFT TO RISE**



May 19, 2022

Governor Gavin Newsom  
1021 O Street, Suite 9000  
Sacramento, CA 95814

President Pro Tempore Toni Atkins  
1021 O Street, Suite 8518  
Sacramento, CA 95814

Speaker Anthony Rendon  
State Capitol Room 219  
Sacramento, CA 95814

RE: Budget Request for Coachella Valley Housing Catalyst Fund

Dear Governor Newsom, President Pro Tempore Atkins, and Speaker Rendon:

Lift to Rise (LTR) and the 60 undersigned elected officials and organizations respectfully request \$15,000,000 in the 2022-2023 budget for the Coachella Valley Housing Catalyst Fund (CVHCF). This one-time investment will help ensure that our collective of over 60 cross-sector partners can deliver 10,000 new units of affordable housing across the Coachella Valley by 2028. These units, over half of which are already in the development pipeline but in need of additional capital to begin construction, represent the level of production needed to make a region-wide impact on housing affordability. Our goal is to radically increase housing stability and create paths to economic mobility for valley residents—over half of whom fall below 200% of the federal poverty line—by reducing the number of rent-burdened households by 30%.

CVHCF is an innovative, flexible revolving loan fund designed to rapidly jumpstart affordable housing production and overcome two significant challenges for our region. First, too many families can't afford the rent. Two-thirds of the households in the Coachella Valley are rent-burdened, paying more than one-third of their income for rent. Second, California's affordable housing funding streams have long favored coastal and metropolitan areas over the Coachella Valley and other inland and rural communities, making it difficult to compete for the resources necessary to address our region's housing needs.

CVHCF will leverage state dollars to attract additional private capital at a rate of at least two dollars for every dollar invested by the state. It will help move projects forward that are stalled by a lack of predevelopment funding and access to low-cost construction financing, two significant barriers to affordable housing production that are not well addressed in current state programs. A \$15 million investment will spur the delivery of more than 2,500 affordable units over the next 24 months, about half the shovel-ready units in our current development pipeline. Once these projects are completed, the funding will recycle within the community to help deliver an additional 7,500 new units by 2028. Units will meet a range of critical regional needs with an eye towards equitable distribution to affirmatively further fair housing. The current pipeline includes projects in high-resource communities where affordable housing has never been approved before.

This past year, LTR has worked to prove the success of this model. In 2021, LTR launched CVHCF and secured a commitment from two CDFIs—the Rural Community Assistance Corporation (RCAC) and the Low-Income Investment Fund (LIIF)—to match every dollar received by the fund. With an investment from Riverside County of \$2 million and the match from RCAC and LIIF, the fund has closed the funding gap for seven projects in the regional pipeline, allowing for the production of over 500 units of new affordable housing. These projects include four new multifamily developments for farmworkers, veterans, and formerly homeless individuals and the rehabilitation of two dilapidated, unpermitted mobile home parks to provide safe, affordable homeownership opportunities for farmworker families. The concept works and with a small infusion of state funding we can grow this success exponentially.

Our region needs more than 10,000 new affordable units just to meet current demand, yet between 2010 and 2018 the Coachella Valley averaged only 38 new affordable units per year. COVID-19 has exacerbated the already critical shortage of affordable units in our region as tens of thousands of Californians moved from coastal and urban areas like Los Angeles to inland and more rural areas like the Coachella Valley, in what the Wall Street Journal recently called “a demographic shake-up in California, driving a mass middle-class exodus to the state's Inland Empire.”

We are excited that last year's budget included a substantial new investment for REAP 2.0 and are grateful that catalyst funds are an allowable use for these dollars. However, we anticipate that the demand for these funds will be substantial and that, as with other programs, scoring will heavily favor the highly urbanized and more coastal parts of the massive and diverse SCAG region. Even if we are ultimately able to obtain funding for CVHCF through SCAG's REAP 2.0 competition, we anticipate we would not have the funds in hand until at least mid-2023. With an investment from the General Fund now, we could be well on our way to having 2,500 desperately needed new units of affordable housing completed by then.

We urge your support of this request. With a modest state investment, we can deliver lasting change for low-income families in the Coachella Valley and serve as a replicable model for other areas of the state.

Sincerely,

**Heather Vaikona, President and CEO  
Lift to Rise**

**V. Manuel Perez, Fourth District Supervisor  
Riverside County Board of Supervisors**

**Raul Ruiz, 36th District Representative  
United States Congress**

**Fiona Ma, Treasurer  
State of California**

**Carrie Harmon, Executive Deputy Director  
Housing Authority of the County of Riverside**

**Michael Walsh, Deputy Director  
Housing Authority of the County of Riverside, Lift  
to Rise Housing CAN Co-Chair**

**Steve Hernandez, Mayor  
City of Coachella**

**Lisa Middleton, Mayor  
City of Palm Springs**

**Waymond Fermon, Mayor  
City of Indio**

**Jan Harnik, Mayor  
City of Palm Desert**

**Richard Balocco, Mayor  
City of Indian Wells**

**Ted Weill, Mayor  
City of Rancho Mirage**

**Scott Matas, Mayor  
City of Desert Hot Springs**

**Linda Evans, Mayor  
City of La Quinta**

**Ernesto M. Gutierrez, Mayor  
City of Cathedral City**

**Dale S. Reynolds, Mayor  
City of Blythe**

**Lara Regus, Senior Vice President of Development  
Abode Communities**

**Karen Suarez, Director  
Uplift San Bernardino and Co-Chair of Lift to Rise  
Housing CAN and Inland SoCal Housing Collective**

**Celina Avalos, President and Co-Founder  
ECV for Change**

**Suzanne Anarde, Chief Executive Officer  
Rural Community Assistance Corporation**

**Micah Weinberg, CEO and President  
California Forward**

**Luz Gallegos, Executive Director  
TODEC**

**Cástulo R. Estrada, Board Vice President  
Coachella Valley Water District**

**David Brinkman, Chief Executive Officer  
DAP Health**

**Tammi Graham, Executive Director  
First Five Riverside**

**Conrado Bárzaga, Chief Executive Officer  
Desert Healthcare District and Foundation**

**Claudia Castorena, Co-founder  
Galilee Center**

**Leticia De Lara, Chief Executive Officer  
Regional Access Project Foundation**

**Robin Hacke, Executive Director  
Center for Community Investment**

**Gary Painter, Director  
USC Sol Price Center for Social Innovation**

**Kristal Granados, Chief Executive Officer  
United Way of the Desert**

**Gretchen Gutierrez, Chief Executive Officer  
Desert Valley Builders Association**

**Deiter Crawford, Community Advocate  
Desert Highland Gateway Estates**

**Alan Greenlee, Executive Director  
Southern California Association of Non-Profit Housing**

**Joy Silver, Regional Director, Southern California  
Community Housing Opportunity Corp.**

**Danavon L. Horn, President  
Palm Communities**

**Analisa Vargas, Lead Community Organizer  
Coachella Valley  
Communities for a New California Education Fund**

**Clemente Mojica, President & CEO  
Neighborhood Partnership Housing Services**

**R. Michelle Decker, President and CEO  
Inland Empire Community Foundation (IECF)**

**Damien O'Farrell, Chief Executive Officer  
Parkview Legacy Foundation**

**Kimberly Latimer-Nelligan, President  
Low Income Investment Fund**

**Emma Chavez, Western Region Market Director  
Low Income Investment Fund**

**Steve PonTell, President and CEO  
National Community Renaissance and  
Hope Through Housing Foundation**

**Gabriel Maldonado, Executive Director and CEO  
TruEvolution**

**Javier Hernandez, Executive Director  
Inland Coalition for Immigrant Justice**

**Pedro S. G. Rodriguez, Executive Director  
Coachella Valley Housing Coalition**

**Maribel Nunez, Executive Director  
Inland Equity Community Land Trust**

**Lisa Wright, President & CEO  
Inland SoCal United Way**

**Melissa Fox, Housing Lawyer & Advocate**

**Melanie Steele, Program Director  
Inland SoCal Housing Collective**

**Tom Kirk, Executive Director  
Coachella Valley Association of Governments**

**Tom Dolan, Executive Director  
Inland Congregations United for Change**

**Matt Mason, Director of Real Estate Development  
West Hollywood Community Housing Corporation**

**Jarvis Crawford, President  
Palm Springs Black History Committee**

**Francisco Moreno, Executive Director  
Council of Mexican Federations in North America  
(COFEM)**

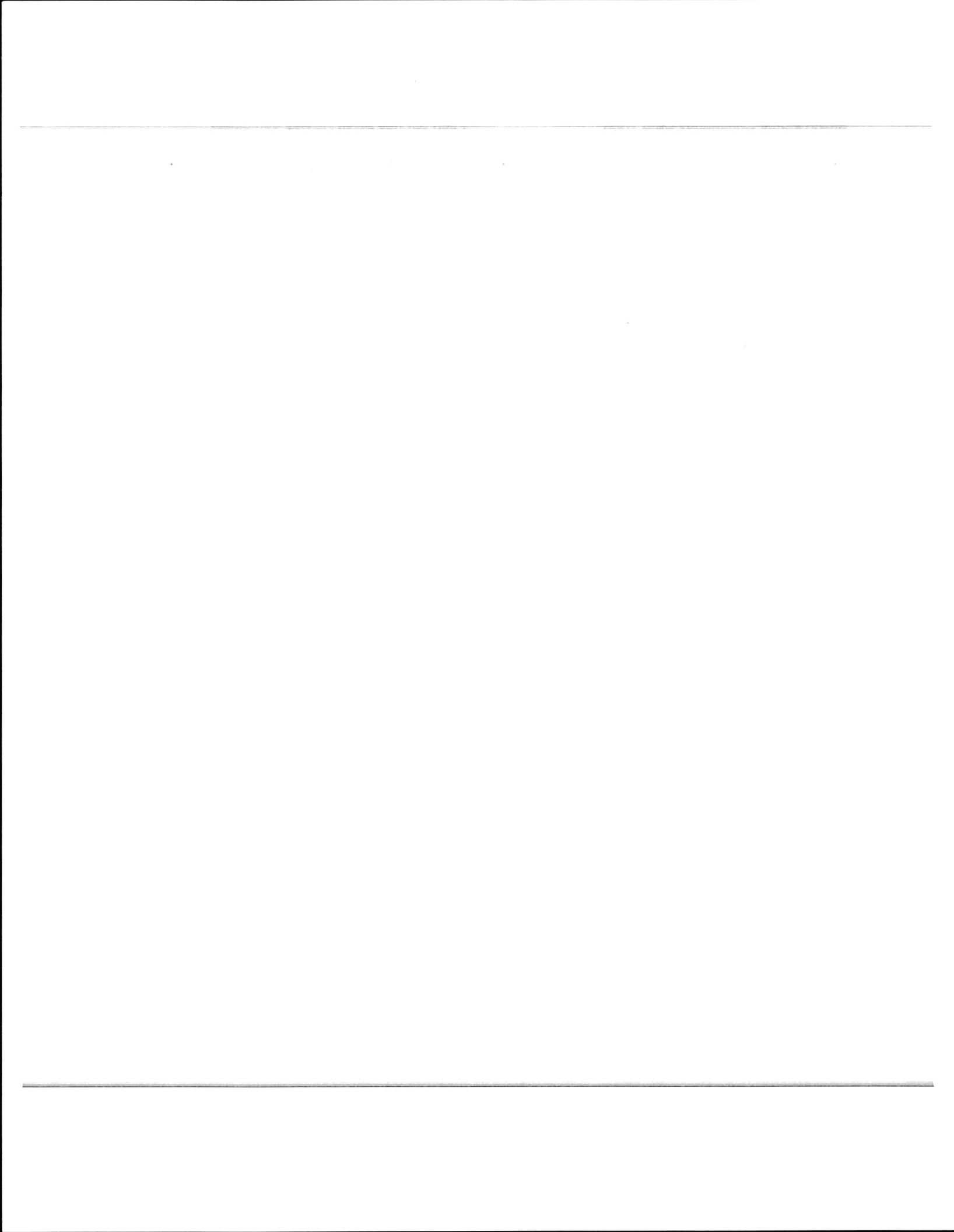
**Chris Castorena, Co-Founder  
A Better Banning**

**Tanaya Hall, Girls Program Director  
Building Resilience in African American Families**

**Mark Bigley, Vice President  
Urban Housing Communities LLC**

**Ruby Rivera, Director  
Palm Springs Unified School District Family Center**

**CC: Assemblymember Phil Ting, Chair Assembly Budget Committee  
Assemblymember Wendy Carrillo, Chair, Assembly Budget Subcommittee 4  
Senator Nancy Skinner, Chair, Senate Budget Committee  
Senator Sydney Kamlager, Chair, Senate Budget Subcommittee 4**





# FORM

THIS DOCUMENT IS A FULLY EXECUTED RETURN  
CLERK'S COPY  
Riverside County Clerk of the Board, Stop 1010  
Post Office Box 1147, Riverside, Ca 92502-1147  
Thank you

1 NO FEE FOR RECORDING PURSUANT  
2 TO GOVERNMENT CODE SECTION 6103  
3 Order No.  
4 Escrow No.  
5 Loan No.

6 RECORDING REQUESTED BY AND  
7 WHEN RECORDED MAIL TO:

8 County of Riverside  
9 Housing and Workforce Solutions  
10 3403 10<sup>th</sup> Street, Suite 300  
11 Riverside, CA 92501  
12 Attn. Mervyn Manalo

SPACE ABOVE THIS LINE FOR RECORDERS USE

## COVENANT AGREEMENT

13 This Covenant Agreement (this "Covenant") is made and entered into as of the \_\_\_\_ day  
14 of \_\_\_\_\_, 202\_\_ by and between the COUNTY OF RIVERSIDE, a  
15 political subdivision of the State of California ("COUNTY"), and <OWNER/DEVELOPER>, a  
16 California public benefit corporation ("OWNER").

## RECITALS

17 WHEREAS, OWNER owns that certain real property located at \_\_\_\_\_  
18 in the County of Riverside, also identified as APN \_\_\_\_\_ more specifically described  
19 in the legal description attached hereto as **Exhibit A** and incorporated herein by this reference (the  
20 "Property"); and

21 WHEREAS, on \_\_\_\_\_, 2022 COUNTY and Lift to Rise entered into that certain  
22 Subrecipient's Agreement for the use of State Allocated Funds for the Coachella Valley Housing  
23 Catalyst Fund dated \_\_\_\_\_, 2022 (the "Subrecipient's Agreement" or  
24 "Agreement") which provides grant funding for the support of a revolving loan fund to respond to  
25 the severe shortage of rental homes affordable and available to low-income households to develop  
26 approximately 2,500 affordable housing units throughout the Coachella Valley; and

WHEREAS, through the Subrecipient's Agreement, Lift to Rise is the administrator of the

DEC 13 2022 3.13

1 Coachella Valley Housing Catalyst Fund; and

2 WHEREAS, OWNER will offer \_\_\_\_\_ (XX) units restricted as (“State-Assisted  
3 Units”) for occupancy by \_\_\_\_\_ whose incomes are at or below 80% of  
4 the area median income for the County of Riverside (collectively, the “Project”). <additional  
5 Project details>; and

6 WHEREAS, COUNTY is providing funding pursuant to 2022-2023 California Budget Bill  
7 Jr. (Chapter 249, Statutes of 2022, AB 179), Section 19.56, hereinafter “Budget Act of 2022”, for  
8 the purpose of developing affordable housing through the Coachella Valley Housing Catalyst Fund  
9 (“CVHCF”); and

10 WHEREAS, \$15,000,000 in State funding was allocated to COUNTY pursuant the Budget  
11 Act of 2022 for the CVHCF (“Funds”), more specifically a revolving loan fund administered by  
12 SUBRECIPIENT to develop approximately 2,500 affordable housing units throughout the  
13 Coachella Valley; and

14 WHEREAS, pursuant to the Subrecipient’s Agreement, eligible uses of the Funds include,  
15 but are not limited to, pre-development, acquisition, construction, and permanent financing costs;

16 WHEREAS, pursuant to the Subrecipient’s Agreement, OWNER has agreed to develop  
17 the Project on the Property and ensure the units are occupied by households whose incomes are at  
18 or below 80% of the area median income for the County of Riverside.

19 NOW, THEREFORE, in consideration of the mutual covenants and agreements, and for  
20 other good and valuable consideration, the receipt and sufficiency of which are hereby  
21 acknowledged, OWNER, on behalf of itself and its successors, assigns, and each successor in  
22 interest to the Property or any part thereof, hereby declares as follows:

23 1) RESTRICTIONS. The recitals set forth above are true and correct and incorporated  
24 herein. This Covenant shall continue in full force and effect for the later of (i) fifty-five (55) years  
25 from the recordation of the Covenant for the last building for which construction is completed for  
26 the Project on the Property, or (ii) \_\_\_\_\_ (“Term” or “Affordability Period”). For the

1 duration of the Term, the Property shall be held, sold and conveyed, subject to the following  
2 covenants, conditions, and restrictions:

3 a) The State-Assisted Units shall be made available only to incomes are at or  
4 below 80% of the area median income for the County of Riverside, at the time of initial occupancy  
5 as set forth above. Rent for the State-Assisted Units including utilities shall not exceed 30% of the  
6 household income.

7 b) OWNER shall comply with the terms of HCD regulations, Subrecipient's  
8 Agreement, and any other instrument secured against the Property.

9 2) SENIOR PRIORITY. Notwithstanding anything to the contrary contained in the  
10 Subrecipient's Agreement, including any of its attachments, this Covenant shall be in a \_\_\_\_\_  
11 priority lien position and senior to all other security instruments.

12 3) COMPLIANCE WITH LAWS AND REGULATIONS. During the Term of this  
13 Covenant, OWNER, for itself and on behalf of its successors and assigns, shall adhere to and  
14 comply with all federal, state and local laws, regulations and ordinances.

15 4) MAINTENANCE OF THE IMPROVEMENTS. OWNER, on behalf of itself and  
16 its successors, assigns, and each successor in interest to the Property and Project or any part thereof  
17 hereby covenants to and shall protect, maintain, and preserve the Property in compliance with all  
18 applicable federal and state law and regulations and local ordinances. In addition, OWNER, its  
19 successors and assigns, shall maintain the improvements on the Property in the same aesthetic and  
20 sound condition (or better) as the condition of the Property at the time of the recordation of the  
21 Covenant for the Project, reasonable wear and tear excepted. This standard for the quality of  
22 maintenance of the Property shall be met whether or not a specific item of maintenance is listed  
23 below. However, representative items of maintenance shall include frequent and regular inspection  
24 for graffiti or damage or deterioration or failure, and immediate repainting or repair or replacement  
25 of all surfaces, fencing, walls, equipment, etc., as necessary; emptying of trash receptacles and  
26 removal of litter; sweeping of public sidewalks adjacent to the Property, on-site walks and paved

1 areas and washing-down as necessary to maintain clean surfaces; maintenance of all landscaping  
2 in a healthy and attractive condition, including trimming, fertilizing and replacing vegetation as  
3 necessary; cleaning windows on a regular basis; painting the buildings on a regular program and  
4 prior to the deterioration of the painted surfaces; conducting a roof inspection on a regular basis  
5 and maintaining the roof in a leak-free and weather-tight condition; maintaining security devices  
6 in good working order. In the event OWNER, its successors or assigns fails to maintain the  
7 Property in accordance with the standard for the quality of maintenance, COUNTY or its designee  
8 shall have the right but not the obligation to enter the Property upon reasonable notice to OWNER,  
9 correct any violation, and hold OWNER, or such successors or assigns responsible for the cost  
10 thereof, and such cost, until paid, shall constitute a lien on the Property.

11 5) NONDISCRIMINATION. OWNER shall not discriminate on the basis of race,  
12 gender, religion, national origin, ethnicity, sexual orientation, age or disability in the solicitation,  
13 selection, hiring or treatment of any contractors or consultants, to participate in  
14 subcontracting/subconsulting opportunities. OWNER understands and agrees that violation of this  
15 clause shall be considered a material breach of this Covenant and may result in termination,  
16 debarment or other sanctions. This language shall be incorporated into all contracts between  
17 OWNER and any contractor, consultant, subcontractor, subconsultants, vendors and suppliers.  
18 OWNER shall comply with the provisions of the California Fair Employment and Housing Act  
19 (Government Code Sections 12900 et seq.), the Federal Civil Rights Act of 1964 (P.L. 88-352), as  
20 amended, and all Administrative Rules and Regulations issued pursuant to said Acts and Orders  
21 with respect to its use of the Property.

22 6) OWNER herein covenants by and for itself, its successors and assigns, and all  
23 persons claiming under or through them, that this Covenant is made and accepted upon and subject  
24 to the following conditions: There shall be no discrimination against or segregation of any person  
25 or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the  
26 Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and

1 paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code,  
2 in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property, nor shall  
3 the transferee itself or any person claiming under or through him or her, establish or permit any  
4 such practice or practices of discrimination or segregation with reference to the selection, location,  
5 number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the Property.

6 7) OWNER, its successors and assigns, shall refrain from restricting the rental, sale,  
7 or lease of the Property or any portion thereof, on the basis of race, color, creed, religion, sex,  
8 sexual orientation, marital status, national origin, or ancestry of any person. Every deed, lease, and  
9 contract entered into with respect to the Property, or any portion thereof, after the date of this  
10 Covenant shall contain or be subject to substantially the following nondiscrimination or  
11 nonsegregation clauses:

12 a) In deeds: "The grantee herein covenants by and for himself or herself, his or her  
13 heirs, executors, administrators, and assigns, and all persons claiming under or through them, that  
14 there shall be no discrimination against or segregation of, any person or group of persons on  
15 account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as  
16 those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of  
17 subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease,  
18 sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall  
19 the grantee or any person claiming under or through him or her, establish or permit any practice or  
20 practices of discrimination or segregation with reference to the selection, location, number, use or  
21 occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed.  
22 The foregoing covenants shall run with the land."

23 b) In leases: "The lessee herein covenants by and for himself or herself, his or her  
24 heirs, executors, administrators, and assigns, and all persons claiming under or through him or her,  
25 and this lease is made and accepted upon and subject to the following conditions: That there shall  
26 be no discrimination against or segregation of any person or group of persons, on account of any

1 basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are  
2 defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of  
3 Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing,  
4 transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee  
5 himself or herself, or any person claiming under or through him or her, establish or permit any  
6 such practice or practices of discrimination or segregation with reference to the selection, location,  
7 number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises  
8 herein leased.”

9 c) In contracts: “There shall be no discrimination against or segregation of any  
10 person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955  
11 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m)  
12 and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government  
13 Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the land, nor  
14 shall the transferee itself or any person claiming under or through him or her, establish or permit  
15 any such practice or practices of discrimination or segregation with reference to the selection,  
16 location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the  
17 land.”

18 In addition to the obligations and duties of OWNER set forth herein, OWNER shall,  
19 upon notice from COUNTY, promptly pay to COUNTY all fees and costs, including  
20 administrative and attorneys’ fees, incurred by COUNTY in connection with responding to or  
21 defending any discrimination claim brought by any third party and/or local, state or federal  
22 government entity, arising out of or in connection with the Subrecipient’s Agreement or this  
23 Covenant.

24 8) INSURANCE. Without limiting or diminishing OWNER’s obligation to indemnify  
25 or hold COUNTY harmless, OWNER shall procure and maintain or cause to be maintained, at its  
26 sole cost and expense, the following insurance coverage’s during the term of this Covenant.

1           a)     Worker’s Compensation Insurance. If OWNER has employees as defined  
2 by the State of California, OWNER shall maintain statutory Workers' Compensation Insurance  
3 (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers’  
4 Liability (Coverage B) including Occupational Disease with limits not less than \$1,000,000 per  
5 person per accident. The policy shall be endorsed to waive subrogation in favor of the County of  
6 Riverside, and, if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement.

7           b)     Commercial General Liability Insurance. Commercial General Liability  
8 insurance coverage, including but not limited to, premises liability, contractual liability, products  
9 and completed operations liability, personal and advertising injury, and cross liability coverage,  
10 covering claims which may arise from or out of OWNER’s performance of its obligations  
11 hereunder. Policy shall name the County of Riverside, its Agencies, Districts, Special Districts,  
12 and Departments, their respective directors, officers, Board of Supervisors, employees, elected or  
13 appointed officials, agents or representatives as Additional Insured. Policy’s limit of liability shall  
14 not be less than \$2,000,000 per occurrence combined single limit. If such insurance contains a  
15 general aggregate limit, it shall apply separately to this Covenant or be no less than two (2) times  
16 the occurrence limit.

17           c)     Vehicle Liability Insurance. If vehicles or mobile equipment are used in the  
18 performance of the obligations under this Covenant, then OWNER shall maintain liability  
19 insurance for all owned, non-owned or hired vehicles so used in an amount not less than  
20 \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate  
21 limit, it shall apply separately to this Covenant or be no less than two (2) times the occurrence  
22 limit. Policy shall name the County of Riverside, its Agencies, Districts, Special Districts, and  
23 Departments, their respective directors, officers, Board of Supervisors, employees, elected or  
24 appointed officials, agents or representatives as Additional Insured or provide similar evidence of  
25 coverage approved by County’s Risk Manager (“Risk Manager”).

26           d)     General Insurance Provisions – All Lines.

1           (1) Any insurance carrier providing insurance coverage hereunder shall be  
2 admitted to the State of California and have an A M BEST rating of not less than A: VIII (A:8)  
3 unless such requirements are waived, in writing, by Risk Manager. If Risk Manager waives a  
4 requirement for a particular insurer such waiver is only valid for that specific insurer and only for  
5 one policy term.

6           (2) OWNER's insurance carrier(s) must declare its insurance self-insured  
7 retentions. If such self-insured retentions exceed \$500,000 per occurrence such retentions shall  
8 have the prior written consent of Risk Manager. Upon notification of self-insured retention  
9 unacceptable to COUNTY, and at the election of Risk Manager, OWNER's carriers shall either:  
10 (a) reduce or eliminate such self-insured retention, or (b) procure a bond which guarantees payment  
11 of losses and related investigations, claims administration, and defense costs and expenses.

12           (3) OWNER shall cause OWNER's insurance carrier(s) to furnish the  
13 County of Riverside with copies of the Certificate(s) of Insurance and Endorsements effecting  
14 coverage as required herein, and 2) if requested to do so orally or in writing by Risk Manager,  
15 provide copies of policies including all Endorsements and all attachments thereto, showing such  
16 insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall  
17 contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given  
18 to the County of Riverside prior to any material modification, cancellation, expiration or reduction  
19 in coverage of such insurance. OWNER shall not continue operations until COUNTY has been  
20 furnished Certificate(s) of Insurance and copies of endorsements and if requested, copies of  
21 policies of insurance including all endorsements and any and all other attachments as required  
22 herein. An individual authorized by the insurance carrier to do so, on its behalf, shall sign the  
23 original endorsements for each policy and the Certificate of Insurance.

24           (4) It is understood and agreed to by the parties hereto that OWNER's  
25 insurance shall be construed as primary insurance, and COUNTY's insurance and/or deductibles  
26 and/or self-insured retention's or self-insured programs shall not be construed as contributory.



1 (5) If, during the term of this Covenant or any extension thereof, there is a  
2 material change in the scope of services or there is a material change in the equipment to be used  
3 in the performance of the scope of work which will add additional exposures (such as the use of  
4 aircraft, watercraft, cranes, etc.), then COUNTY reserves the right to adjust the types of insurance  
5 required under this Covenant and the monetary limits of liability for the insurance coverage's  
6 currently required herein, if; in Risk Manager's reasonable judgment, the amount or type of  
7 insurance carried by OWNER has become inadequate.

8 (6) OWNER shall pass down the insurance obligations contained herein to  
9 all tiers of subcontractors.

10 (7) OWNER agrees to notify COUNTY in writing of any claim by a third  
11 party or any incident or event that may give rise to a claim arising from the performance of the  
12 Covenant.

13 9) HOLD HARMLESS/INDEMNIFICATION. OWNER shall indemnify and hold  
14 harmless the County of Riverside, its Agencies, Districts, Special Districts and Departments, their  
15 respective directors, officers, Board of Supervisors, elected and appointed officials, employees,  
16 agents and representatives (individually and collectively hereinafter referred to as Indemnitees)  
17 from any liability whatsoever, based or asserted upon any services of OWNER, its officers,  
18 employees, subcontractors, agents or representatives arising out of or in any way relating to this  
19 Covenant, including but not limited to property damage, bodily injury, or death or any other  
20 element of any kind or nature whatsoever arising from the performance of OWNER, its officers,  
21 employees, subcontractors, agents or representatives Indemnitors from this Covenant. OWNER  
22 shall defend, at its sole expense, all costs and fees including, but not limited, to attorney fees, cost  
23 of investigation, defense and settlements or awards, the Indemnitees in any claim or action based  
24 upon such alleged acts or omissions. With respect to any action or claim subject to indemnification  
25 herein by OWNER shall, at their sole cost, have the right to use counsel of their own choice and  
26 shall have the right to adjust, settle, or compromise any such action or claim without the prior

1 consent of COUNTY; provided, however, that any such adjustment, settlement or compromise in  
2 no manner whatsoever limits or circumscribes OWNER's indemnification to Indemnitees as set  
3 forth herein. OWNER's obligation hereunder shall be satisfied when OWNER has provided to  
4 COUNTY the appropriate form of dismissal relieving COUNTY from any liability for the action  
5 or claim involved. The specified insurance limits required in this Covenant shall in no way limit  
6 or circumscribe OWNER's obligations to indemnify and hold harmless the Indemnitees herein  
7 from third party claims. In the event there is conflict between this clause and California Civil Code  
8 Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such interpretation  
9 shall not relieve OWNER from indemnifying the Indemnitees to the fullest extent allowed by law.  
10 The indemnification set forth in this paragraph 14 shall survive the expiration and earlier  
11 termination of this Covenant.

12 10) NOTICES. All Notices provided for in this Covenant shall be deemed received  
13 when personally delivered, or two (2) days following mailing by certified mail, return receipt  
14 requested. All mailing shall be addressed to the respective parties at their addresses set forth  
15 below, or at such other address as each party may designate in writing and give to the other party:

16	<u>COUNTY</u>	<u>OWNER</u>
17	Director HWS	XXXXXX
18	County of Riverside	c/o XXXXX
19	3403 10 <sup>th</sup> Street, Suite 300	XXXXXX
	Riverside, CA 92501	XXXXXX, CA XXXXX

20 11) REMEDIES. COUNTY shall have the right, in the event of any breach of any such  
21 agreement or covenant, to exercise all available rights and remedies, and to maintain any actions  
22 at law or suit in equity or other proper proceedings to enforce the curing of such breach of  
23 agreement or covenant.

24 12) TERM. The non-discrimination covenants, conditions and restrictions contained in  
25 Section 6 of this Covenant shall remain in effect in perpetuity. Every other covenant, condition  
26 and restriction contained in this Covenant shall continue in full force and effect for the Term, as

1 defined in **Section 1** of this Covenant.

2       13) NOTICE AND OPPORTUNITY TO CURE. Prior to exercising any remedies  
3 hereunder, COUNTY shall give OWNER notice of such default pursuant to section 11 above. Any  
4 monetary default shall be cured within ten (10) days of delivery of written notice. Except as  
5 otherwise set forth herein, if a non-monetary default is reasonably capable of being cured within  
6 thirty (30) days of delivery of such notice of default, OWNER shall have such period to effect a  
7 cure prior to exercise of remedies by COUNTY. If the non-monetary default is such that it is not  
8 reasonably capable of being cured within thirty (30) days of delivery of such notice of default, and  
9 OWNER (a) initiates corrective action within said period, and (b) diligently, continually, and in  
10 good faith works to effect a cure as soon as possible, then OWNER shall have such additional time  
11 as is reasonably necessary to cure the default prior to exercise of any remedies by COUNTY; but  
12 in no event no later than sixty (60) days from delivery of such notice of default, subject to force  
13 majeure (including government restrictions, pandemics, and acts of God). COUNTY, upon  
14 providing OWNER with any notice of default under this Covenant, shall, within a reasonable time,  
15 provide a copy of such default notice to a Permitted Lender who has given written notice to  
16 COUNTY of its interest in the Property and Project. From and after such notice has been delivered  
17 to a Permitted Lender and the Owner's limited partner, such Permitted Lender shall have the same  
18 period for remedying the default complained of as the cure period provided to OWNER pursuant  
19 to this Section 14. COUNTY shall accept performance by a Permitted Lender or limited partner  
20 of Owner as if the same had been done by OWNER.

21       14) If a violation of any of the covenants or provisions of this Covenant remains  
22 uncured after the respective time period set forth in this Section 14, COUNTY and its successors  
23 and assigns, without regard to whether COUNTY or its successors and assigns is an owner of any  
24 land or interest therein to which these covenants relate, may institute and prosecute any  
25 proceedings at law or in equity to abate, prevent or enjoin any such violation or attempted violation  
26 or to compel specific performance by OWNER of its obligations hereunder. No delay in enforcing

1 the provisions hereof as to any breach or violation shall impair, damage or waive the right of any  
2 party entitled to enforce the provisions hereof or to obtain relief against or recover for the  
3 continuation or repetition of such breach or violations or any similar breach or violation hereof at  
4 any later time.

5 15) Any cure tendered by Owner's limited partner shall be accepted or rejected on the  
6 same basis as if tendered by OWNER.

7 16) SALE, ASSIGNMENT OR TRANSFER OF THE PROJECT OR PROPERTY.  
8 OWNER hereby covenants and agrees not to sell, transfer, assign or otherwise dispose of the  
9 Project, the Property or any portion thereof, without obtaining the prior written consent of  
10 COUNTY, in its sole discretion. Any sale, assignment, or transfer of the Project or Property, shall  
11 be memorialized an assignment and assumption agreement the form and substance of which have  
12 been first approved in writing by COUNTY in its sole discretion. Such assignment and assumption  
13 agreement shall, among other things, provide that the transferee has assumed in writing and in full,  
14 and is reasonably capable of performing and complying with OWNER's duties and obligations  
15 under the Subrecipient's Agreement and this Covenant, provided, however OWNER shall not be  
16 released of all obligations under the Subrecipient's Agreement and this Covenant.

17 17) AMENDMENTS OR MODIFICATIONS. This Covenant may be changed or  
18 modified only by a written amendment signed by authorized representatives of both parties.

19 18) GOVERNING LAW; VENUE; SEVERABILITY. This Covenant shall be  
20 governed by the laws of the State of California. Any legal action related to the performance or  
21 interpretation of this Covenant shall be filed only in the Superior Court of the State of California  
22 located in Riverside, California, and the parties waive any provision of law providing for a change  
23 of venue to another location. In the event any provision in this Covenant is held by a court of  
24 competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will  
25 nevertheless continue in full force without being impaired or invalidated in any way.

26 19) BINDING EFFECT. The rights and obligations of this Covenant shall bind and

1 inure to the benefit of the respective heirs, successors and assigns of the parties.

2           20) PERMITTED MORTGAGES. No violation or breach of the covenants, conditions,  
3 restrictions, provisions or limitations contained in this Covenant shall defeat or render invalid or  
4 in any way impair the lien or charge of any deed of trust or mortgage permitted by the  
5 Subrecipient's Agreement or the lien or charge of a deed of trust made by OWNER for the benefit  
6 of any lender first approved in writing by COUNTY (each, a "Permitted Lender") and nothing  
7 herein or in the Subrecipient's Agreement shall prohibit or otherwise limit the exercise of a  
8 Permitted Lender's rights and remedies thereunder, including a foreclosure or deed-in-lieu of  
9 foreclosure and subsequent transfer thereafter.

10           21) SEVERABILITY. In any event that any provision, whether constituting a separate  
11 paragraph or whether contained in a paragraph with other provisions, is hereafter determined to be  
12 void and unenforceable, it shall be deemed separated and deleted from the agreement and the  
13 remaining provisions of this Covenant shall remain in full force and effect.

14           22) PROJECT MONITORING AND EVALUATION.

15           a) In addition to this Section 23, the Project shall be monitored and evaluated  
16 in conformance with the requirements and procedures as set forth in the Budget Act of 2022.

17           b) Inspections. During the Affordability Period, COUNTY must perform on-  
18 site inspections of State-Assisted Units to determine compliance with the property standards. The  
19 on-site inspections shall occur within twelve (12) months after Covenant Agreement and at least  
20 once every three (3) years thereafter during the Affordability Period. If there are observed  
21 deficiencies for any of the inspectable items in the property standards established by COUNTY,  
22 a follow-up on-site inspection to verify that deficiencies are corrected must occur within twelve  
23 (12) months. COUNTY may establish a list of non-hazardous deficiencies for which correction  
24 can be verified by third party documentation (e.g., paid invoice for work order) rather than re-  
25 inspection. Health and safety deficiencies must be corrected immediately. COUNTY must adopt  
26 a more frequent inspection schedule for properties that have been found to have health and safety

1 deficiencies. The property owner must annually certify to COUNTY that each building and all  
2 State-Assisted Units in the Project are suitable for occupancy, taking into account State and local  
3 health, safety, and other applicable codes, ordinances, and requirements, and the ongoing property  
4 standards established by the participating jurisdiction. Inspections must be based on a statistically  
5 valid sample of units appropriate for the size of COUNTY State-Assisted project.

6 23) ACCESS TO PROJECT SITE. Representatives of COUNTY shall have the right  
7 of access to the Property, upon 24 hours' written notice to OWNER (except in the case of an  
8 emergency, in which case COUNTY shall provide such notice as may be practical under the  
9 circumstances), without charges or fees, during normal business hours to review the operation of  
10 the Project in accordance with this Covenant and the Subrecipient's Agreement.

11 24) COUNTERPARTS. This Covenant may be signed by the different parties hereto in  
12 counterparts, each of which shall be an original, but all of which together shall constitute one and  
13 the same agreement.

14 25) COVENANT RUNS WITH PROPERTY. In accordance with California Civil  
15 Code Section 1461 et seq., all conditions, covenants and restrictions contained in this Covenant  
16 shall be covenants running with the land. The COUNTY shall be deemed the beneficiaries of the  
17 covenants, conditions and restrictions of this Covenant both for and in their own rights and for the  
18 purposes of protecting the interests of the community. The covenants, conditions, and restrictions  
19 shall run in favor of COUNTY, without regard to whether COUNTY has been, remains, or is an  
20 owner of any land or interest therein in the Property.

21 26) This Covenant and the Subrecipient's Agreement set forth and contain the entire  
22 understanding and agreement of the parties hereto. There are no oral or written representations,  
23 understandings, or ancillary covenants, undertakings or agreements, which are not contained or  
24 expressly referred to within this Covenant, and the Subrecipient's Agreement, including all  
25 amendments and modifications to the Subrecipient's Agreement.

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IN WITNESS WHEREOF, COUNTY and OWNER have executed this Covenant as of the dates written below.

COUNTY:

OWNER:

COUNTY OF RIVERSIDE, a political subdivision of the State of California

XXXXX, a California public benefit corporation

By: \_\_\_\_\_

By: \_\_\_\_\_

Director HWS

Name: XXXXX

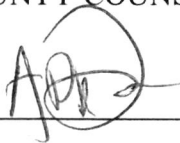
Title: XXXXX

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**(Above signatures need to be notarized)**

APPROVED AS TO FORM:  
MINH C. TRAN  
COUNTY COUNSEL

By:  \_\_\_\_\_

Deputy County Counsel

**(COUNTY and OWNER signatures need to be notarized)**

**FORM**



**< CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT >**

**EXHIBIT "A"**

LEGAL DESCRIPTION OF PROPERTY

# LIFT TO RISE

## We Lift: Coachella Valley's Housing Catalyst Fund

### **Background**

Lift to Rise is a nonprofit organization in the Coachella Valley which brings together community and institutional leaders to collaboratively solve the underlying causes of poverty and inequality. We strive for a future where all Coachella Valley families are healthy, stable, and thriving. Our work is rooted in deep community listening, quantitative and qualitative data analysis, and cross-sector collaboration.

Since 2018, Lift to Rise has convened the Housing Collaborative Action Network (CAN), a network of over 60 cross-sector partners organized around shared goal of reducing regional rent burden by 30% through the production of 10,000 units of affordable housing in the Coachella Valley by 2028.

For the past five years, Lift to Rise and the members of the CAN have been pushing for bold investment and policy solutions to the local housing affordability crisis. The feasibility of our shared goal of radically increasing the supply of affordable housing in the Coachella Valley was initially met with doubt, yet through sustained coordination and tireless perseverance, our set of solutions is now embraced by Riverside County and all nine Coachella Valley cities as the region's affordable housing plan. Before 2018, the region produced an average of 38 units of affordable housing per year; at present – resulting from the coordination of the CAN – there are upwards of 1,600 units under construction or six months away from construction.

### **Housing Collaborative Action Network (CAN)**

The CAN members include residents and community-based organizations, staff and elected officials from all nine Coachella Valley cities and the County of Riverside, affordable housing developers, and Community Development Financial Institutions (CDFIs) and other funders.

The CAN's work is centered around our affordable housing pipeline, which represents all the proposed affordable housing projects in the Coachella Valley. Lift to Rise and the CAN aggregate the pipeline through the lens of regional equity, impact on rent burden, and project readiness and then assess the projects in the pipeline to ascertain project needs (i.e. financing, public support, technical assistance, co-location of childcare facilities, etc.). A common theme across projects in the pipeline is that affordable housing developers lack access to patient, flexible, and low-interest capital to fill their predevelopment, acquisition, and construction financing gaps. To address this need, Lift to Rise developed We Lift: the Coachella Valley's Housing Catalyst Fund (CVHCF).

### **We Lift: the Coachella Valley's Housing Catalyst Fund (CVHCF)**

CVHCF is an innovative, flexible revolving loan fund designed to rapidly jumpstart affordable housing production and help move projects forward that are stalled by a lack of predevelopment funding and access to low-cost construction financing, two significant barriers to affordable housing production that are not well addressed in current state programs. California's affordable housing funding streams have long favored coastal and metropolitan areas over the Coachella Valley and other inland and rural communities, making it difficult to compete for the resources necessary to address our region's affordable housing deficit, which, according to the National Low Income Housing Coalition (2022), is the most severe shortage in the entire state.

CVHCF is capitalized through public and private capital which is pooled into the fund where two national Community Development Fund Institutions (CDFIs), Low Income Investment Fund (LIIF) and Rural

Community Assistance Corporation (RCAC), originate loans using the capital as well as matching financing with their own funds. The low-cost public and private capital allows the funds to be blended with the CDFI capital, providing developers a lower interest rate than what would be available in most lending markets. Those savings allow the developers to put more resources into other projects, increase the number of units in the proposed development, or further reduce the rents in the proposed development. Depending on the project and pipeline needs, most loans are repaid between 6- and 36-months allowing a consistently revolving lending pool.

Over the past year, Lift to Rise has worked to prove the success of this model. In 2021, Lift to Rise launched CVHCF and secured a commitment from RCAC and LIIF to match every dollar received by the fund. With an investment from Riverside County of \$2 million of ARPA dollars and the match from RCAC and LIIF, the fund has already closed the funding gap for seven projects in the regional pipeline, allowing for the production of over 500 units of new affordable housing. These projects include four new multifamily developments for farmworkers, veterans, and formerly homeless individuals and the rehabilitation of two dilapidated, unpermitted mobile home parks to provide safe, affordable homeownership opportunities for farmworker families

Lift to Rise and the CAN have put in a tremendous amount of effort to grow CVHCF's lending pool. In 2022, after two years of advocacy by Lift to Rise, the CAN, and local California Assemblymember Eduardo Garcia, CVHCF secured a \$15 million direct allocation from the California state budget. The investment will spur the delivery of more than 2,500 affordable units over the next 24 months, about half the shovel-ready units in our current development pipeline. Once these projects are completed, the funding will recycle within the community to help deliver an additional 7,500 new units by 2028.

The projects that receive loans will meet a range of critical regional needs with an eye towards equitable distribution to affirmatively further fair housing. The current lending pipeline includes projects in high-resource communities where affordable housing has never been approved before. These projects include four new multifamily developments for farmworkers, veterans, and formerly homeless individuals and the rehabilitation of two dilapidated, unpermitted mobile home parks to provide safe, affordable homeownership opportunities for farmworker families.

### Potential Project List

The following list represents CVHCF's potential lending pipeline:

Development	City	Loan Type	Minimum Loan Requested	Maximum Loan Allowable	Units
Project A	Palm Desert	Predevelopment	\$750,000	\$1,500,000	120
Project B	Indian Wells	Predevelopment	\$750,000	\$1,500,000	100
Project C	Palm Desert	Predevelopment	\$750,000	\$1,500,000	66
Project D	Coachella	Predevelopment	\$750,000	\$1,500,000	152
Project E	Indio	Predevelopment	\$750,000	\$1,500,000	150
Project F	Coachella	Predevelopment	\$750,000	\$1,500,000	54
Project G	Palm Desert	Predevelopment	\$750,000	\$1,500,000	176
Project H	Indio	Predevelopment	\$750,000	\$1,500,000	49
Project I	Indio	Predevelopment	\$750,000	\$1,500,000	100
Project J	Thermal	Predevelopment	\$750,000	\$1,500,000	80
Project K	Thermal	Predevelopment	\$750,000	\$1,500,000	100
Project L	Thermal	Predevelopment	\$750,000	\$1,500,000	150

Project M	Thermal	Predevelopment	\$750,000	\$1,500,000	150
<b>Total Predevelopment</b>			<b>\$9,750,000</b>	<b>\$19,500,000</b>	<b>1447</b>

Program Type	City	Product	Cost	Minimum Predevelopment	Units
Single Family + Mixed Use (Early Childcare Education)	Palm Springs	Acquisition-New Construction	\$4,500,000	\$750,000	85
Multifamily, Mixed Use (Healthcare, Early Childcare Education)	Desert Hot Springs	Acquisition-New Construction	\$2,500,000	\$750,000	140
Multifamily, Mixed Use (Early Childcare Education, Commercial)	Mecca	Acquisition-New Construction	\$2,500,000	\$750,000	80
Single Family + Multifamily	Indian Wells	Acquisition-New Construction	\$6,500,000	\$750,000	100
Multifamily + Mixed Use (Early Childcare, Commercial)	Coachella	Acquisition-New Construction	\$3,000,000	\$750,000	140
Single Family + Multifamily	Rancho Mirage	Acquisition-New Construction	\$5,000,000	\$750,000	110
<b>Total Acquisition</b>			<b>\$24,000,000</b>	<b>\$4,500,000</b>	<b>570</b>

*All acquisition loans are paired and coterminous with predevelopment loans	<b>Total Predevelopment for Acquisition Loans</b>
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			Date to Close	Range
Perm loan 1	Permanent	\$2,000,000	3/1/2023	80-150
Perm loan 2	Permanent	\$2,000,000	6/1/2023	80-150
Perm loan 3	Permanent	\$2,000,000	9/1/2023	80-150
Perm loan 4	Permanent	\$2,000,000	12/1/2023	80-150
Perm loan 5	Permanent	\$2,000,000	3/1/2024	80-150
<b>Total Perm</b>		<b>\$10,000,000</b>		<b>575</b>

<b>Total Lending Range</b>	<b>Minimum</b>	<b>Maximum Lending</b>	<b>Total Units</b>
	<b>\$43,750,000</b>	<b>\$58,000,000</b>	<b>2592</b>

**State Budget Ask Letter**

Below (attached) is the letter signed by 60 CAN members requesting the \$15 million direct allocation from the CA state budget, which was ultimately passed by the legislature and signed into law by the Governor:



May 19, 2022

Governor Gavin Newsom  
 1021 O Street, Suite 9000  
 Sacramento, CA 95814

President Pro Tempore Toni Atkins  
 1021 O Street, Suite 8518  
 Sacramento, CA 95814

Speaker Anthony Rendon  
 State Capitol Room 219  
 Sacramento, CA 95814

RE: Budget Request for Coachella Valley Housing Catalyst Fund

Dear Governor Newsom, President Pro Tempore Atkins, and Speaker Rendon:

Lift to Rise (LTR) and the 60 undersigned elected officials and organizations respectfully request \$15,000,000 in the 2022-2023 budget for the Coachella Valley Housing Catalyst Fund (CVHCF). This one-time investment will help ensure that our collective of over 60 cross-sector partners can deliver 10,000 new units of affordable housing across the Coachella Valley by 2028. These units, over half of which are already in the development pipeline but in need of additional capital to begin construction, represent the level of production needed to make a region-wide impact on housing affordability. Our goal is to radically increase housing stability and create paths to economic mobility for valley residents—over half of whom fall below 200% of the federal poverty line—by reducing the number of rent-burdened households by 30%.

CVHCF is an innovative, flexible revolving loan fund designed to rapidly jumpstart affordable housing production and overcome two significant challenges for our region. First, too many families can't afford the rent. Two-thirds of the households in the Coachella Valley are rent-burdened, paying more than one-third of their income for rent. Second, California's affordable housing funding streams have long favored coastal and metropolitan areas over the Coachella Valley and other inland and rural communities, making it difficult to compete for the resources necessary to address our region's housing needs.

CVHCF will leverage state dollars to attract additional private capital at a rate of at least two dollars for every dollar invested by the state. It will help move projects forward that are stalled by a lack of predevelopment funding and access to low-cost construction financing, two significant barriers to affordable housing production that are not well addressed in current state programs. A \$15 million investment will spur the delivery of more than 2,500 affordable units over the next 24 months, about half the shovel-ready units in our current development pipeline. Once these projects are completed, the funding will recycle within the community to help deliver an additional 7,500 new units by 2028. Units will meet a range of critical regional needs with an eye towards equitable distribution to affirmatively further fair housing. The current pipeline includes projects in high-resource communities where affordable housing has never been approved before.

This past year, LTR has worked to prove the success of this model. In 2021, LTR launched CVHCF and secured a commitment from two CDFIs—the Rural Community Assistance Corporation (RCAC) and the Low-Income Investment Fund (LIIF)—to match every dollar received by the fund. With an investment from Riverside County of \$2 million and the match from RCAC and LIIF, the fund has closed the funding gap for seven projects in the regional pipeline, allowing for the production of over 500 units of new affordable housing. These projects include four new multifamily developments for farmworkers, veterans, and formerly homeless individuals and the rehabilitation of two dilapidated, unpermitted mobile home parks to provide safe, affordable homeownership opportunities for farmworker families. The concept works and with a small infusion of state funding we can grow this success exponentially.

Our region needs more than 10,000 new affordable units just to meet current demand, yet between 2010 and 2018 the Coachella Valley averaged only 38 new affordable units per year. COVID-19 has exacerbated the already critical shortage of affordable units in our region as tens of thousands of Californians moved from coastal and urban areas like Los Angeles to inland and more rural areas like the Coachella Valley, in what the Wall Street Journal recently called “a demographic shake-up in California, driving a mass middle-class exodus to the state's Inland Empire.”

We are excited that last year's budget included a substantial new investment for REAP 2.0 and are grateful that catalyst funds are an allowable use for these dollars. However, we anticipate that the demand for these funds will be substantial and that, as with other programs, scoring will heavily favor the highly urbanized and more coastal parts of the massive and diverse SCAG region. Even if we are ultimately able to obtain funding for CVHCF through SCAG's REAP 2.0 competition, we anticipate we would not have the funds in hand until at least mid-2023. With an investment from the General Fund now, we could be well on our way to having 2,500 desperately needed new units of affordable housing completed by then.

We urge your support of this request. With a modest state investment, we can deliver lasting change for low-income families in the Coachella Valley and serve as a replicable model for other areas of the state.

Sincerely,

Heather Vaikona, President and CEO  
**Lift to Rise**

V. Manuel Perez, Fourth District Supervisor  
**Riverside County Board of Supervisors**

Raul Ruiz, 36th District Representative  
**United States Congress**

Fiona Ma, Treasurer  
**State of California**

Carrie Harmon, Executive Deputy Director  
**Housing Authority of the County of Riverside**

Michael Walsh, Deputy Director  
**Housing Authority of the County of Riverside, Lift to Rise Housing CAN Co-Chair**

Steve Hernandez, Mayor  
**City of Coachella**

Lisa Middleton, Mayor  
**City of Palm Springs**

Waymond Fermon, Mayor  
**City of Indio**

Jan Harnik, Mayor  
**City of Palm Desert**

Richard Balocco, Mayor  
**City of Indian Wells**

Ted Weill, Mayor  
**City of Rancho Mirage**

Scott Matas, Mayor  
**City of Desert Hot Springs**

Linda Evans, Mayor  
**City of La Quinta**

Ernesto M. Gutierrez, Mayor  
**City of Cathedral City**

Dale S. Reynolds, Mayor  
**City of Blythe**

Lara Regus, Senior Vice President of Development  
**Abode Communities**

Karen Suarez, Director  
**Uplift San Bernardino and Co-Chair of Lift to Rise Housing CAN and Inland SoCal Housing Collective**

Celina Avalos, President and Co-Founder  
**ECV for Change**

Suzanne Anarde, Chief Executive Officer  
**Rural Community Assistance Corporation**

Micah Weinberg, CEO and President  
**California Forward**

Luz Gallegos, Executive Director  
**TODEC**

Cástulo R. Estrada, Board Vice President  
**Coachella Valley Water District**

David Brinkman, Chief Executive Officer  
**DAP Health**

Tammi Graham, Executive Director  
**First Five Riverside**

Conrado Bázaga, Chief Executive Officer  
**Desert Healthcare District and Foundation**

Claudia Castorena, Co-founder  
**Galilee Center**

Leticia De Lara, Chief Executive Officer  
**Regional Access Project Foundation**

Robin Hacke, Executive Director  
**Center for Community Investment**

Gary Painter, Director  
**USC Sol Price Center for Social Innovation**

Kristal Granados, Chief Executive Officer  
**United Way of the Desert**

Gretchen Gutierrez, Chief Executive Officer  
**Desert Valley Builders Association**

Deiter Crawford, Community Advocate  
**Desert Highland Gateway Estates**

Alan Greenlee, Executive Director  
**Southern California Association of Non-Profit Housing**

Joy Silver, Regional Director, Southern California  
**Community Housing Opportunity Corp.**

Danavon L. Horn, President  
**Palm Communities**

Analisa Vargas, Lead Community Organizer  
Coachella Valley  
**Communities for a New California Education Fund**

Clemente Mojica, President & CEO  
**Neighborhood Partnership Housing Services**

R. Michelle Decker, President and CEO  
**Inland Empire Community Foundation (IECF)**

Damien O'Farrell, Chief Executive Officer  
**Parkview Legacy Foundation**

Kimberly Latimer-Nelligan, President  
**Low Income Investment Fund**

Emma Chavez, Western Region Market Director  
**Low Income Investment Fund**

Steve PonTell, President and CEO  
**National Community Renaissance and Hope Through Housing Foundation**

Gabriel Maldonado, Executive Director and CEO  
**TruEvolution**

Javier Hernandez, Executive Director  
**Inland Coalition for Immigrant Justice**

Pedro S. G. Rodriguez, Executive Director  
**Coachella Valley Housing Coalition**



Maribel Nunez, Executive Director  
**Inland Equity Community Land Trust**

Lisa Wright, President & CEO  
**Inland SoCal United Way**

Melissa Fox, Housing Lawyer & Advocate

Melanie Steele, Program Director  
**Inland SoCal Housing Collective**

Tom Kirk, Executive Director  
**Coachella Valley Association of Governments**

Tom Dolan, Executive Director  
**Inland Congregations United for Change**

Matt Mason, Director of Real Estate Development  
**West Hollywood Community Housing Corporation**

Jarvis Crawford, President  
**Palm Springs Black History Committee**

Francisco Moreno, Executive Director  
**Council of Mexican Federations in North America (COFEM)**

Chris Castorena, Co-Founder  
**A Better Banning**

Tanaya Hall, Girls Program Director  
**Building Resilience in African American Families**

Mark Bigley, Vice President  
**Urban Housing Communities LLC**

Ruby Rivera, Director  
**Palm Springs Unified School District Family Center**

CC: Assemblymember Phil Ting, Chair Assembly Budget Committee  
Assemblymember Wendy Carrillo, Chair, Assembly Budget Subcommittee 4  
Senator Nancy Skinner, Chair, Senate Budget Committee  
Senator Sydney Kamlager, Chair, Senate Budget Subcommittee 4