

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



ITEM: 3.16
(ID # 29689)

MEETING DATE:
Tuesday, February 10, 2026

FROM : HOUSING AND WORKFORCE SOLUTIONS


SUBJECT: HOUSING AND WORKFORCE SOLUTIONS (HWS): Approve the Form of the Loan Agreement for Linwood Rose Apartments (HOME-ARP Loan \$3,424,653 and General Funds Loan \$1,000,000) by and between the County of Riverside and Linwood Rose L.P., a California Limited Partnership, and Approval of All Attachments thereto, and Authorize the Director of HWS to Execute the Attached Loan Agreement, Covenant Agreement, and Subsequent Subordination Agreements; District 5. [\$3,574,653 - 78% HOME Investment Partnerships American Rescue Plan Program Funds and \$1,000,000 - 22% General Fund]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Affirm the Finding of No Significant Impact adopted by the Board of Supervisors on October 7, 2025, for the Project, concluding that the Project is not an action which may affect the quality of the environment pursuant to the provisions of the National Environmental Policy Act of 1969 (NEPA) and under the implementing regulations of 24 CFR Parts 50 and 58;

Continued on page 2

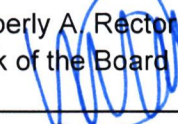
ACTION:Policy


Heidi Marshall, Director 1/26/2026

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Medina, Spiegel, Washington, Perez, and Gutierrez
Nays: None
Absent: None
Date: February 10, 2026
xc: HWS

Kimberly A. Rector
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. Approve a loan in the amount of \$3,424,653 derived from HOME Investment Partnerships Act American Rescue Plan (HOME-ARP) funds and a loan in the amount of \$1,000,000 derived from General Funds to pay a portion of the development and construction cost Linwood Rose Apartments to provide affordable housing to homeless individuals and individuals at risk of homelessness;
3. Approve the attached forms of Loan Agreement for Linwood Rose Apartments (HOME-ARP Loan \$3,424,653 and General Funds Loan \$1,000,000) (Loan Agreement), the Deed of Trust, Security Agreement and Fixture Filing with Assignment of Rents (Deed of Trust), Promissory Note, and Covenant Agreement;
4. Approve the allocation of up to \$150,000 in HOME-ARP funds to Housing and Workforce Solutions (HWS) for direct staff costs associated with project management and compliance with the HOME-ARP Program for Linwood Rose Apartments;
5. Authorize the Director of HWS, or designee, to execute a Loan Agreement, a Deed of Trust, a Promissory Note, and a Covenant Agreement, each conforming in form and substance to the attached, subject to approval as to form by County Counsel;
6. Authorize the Director of HWS, or designee, to negotiate and execute a Subordination Agreement subordinating the Loan Agreement and the Deed of Trust, for the benefit of CITIBANK, N.A., securing a construction and permanent loan for the Project, each for a not to exceed amount of \$20,000,000, subject to approval as to form by County Counsel; and
7. Authorize the Director of HWS, or designee, to take all necessary steps to implement the Loan Agreement and any additional Subordination Agreements, including but not limited to, executing any and all subsequent and necessary documents, subject to approval as to form by County Counsel.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$3,707,535	\$442,465	\$4,574,653	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: 78% - HOME Investment Partnerships American Rescue Plan Program Funds and 22% - General Fund			Budget Adjustment: No	
			For Fiscal Year: 25/26 -26/27	

C.E.O. RECOMMENDATION: Approve

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

BACKGROUND:

Summary

On October 19, 2021 (Minute Order Item 3.21), the County of Riverside Board of Supervisors accepted an allocation of \$8,823,099 in HOME Investment Partnerships Act American Rescue Plan (HOME-ARP) Funds from the U.S. Department of Housing and Urban Development Office of Community Planning and Development (HUD). HOME-ARP funds were appropriated as a part of President Biden's American Rescue Plan Act of 2021, with the purpose of providing housing, services, and shelter to individuals experiencing homelessness and other vulnerable populations.

On March 11, 2025 (Minute Order Item 3.21), the County of Riverside Board of Supervisors (Board of Supervisors) approved Resolution No. 2024-104, which allocated \$3,424,653 in HOME-ARP Funds to Rancho Belago Developers, Inc., a California corporation and affordable housing developer (Developer) for the development and construction of Linwood Rose Apartments, a 36-unit affordable multifamily low-income housing development located in the City of Moreno Valley (Project). Developer formed Linwood Rose, L.P., a California limited partnership for the purpose of applying for tax credits, securing financing, developing and operating the Project.

On June 24, 2025, the Board of Supervisors approved Fiscal Year 2025/2026 Budget Amendments (Minute Order 3.5) to fully fund the Department of Housing and Workforce Solutions' request of \$5,000,000 ("General Funds") to create needed affordable housing in the County of Riverside.

The project currently faces a \$1,000,000 funding gap due to rising construction costs and has submitted a request to the County for assistance. All other financing has been secured, and the project is ready to close on construction financing and begin construction by April 2026. Together, \$3,424,653 in HOME-ARP funds and \$1,000,000 in General Funds are proposed to pay a portion of the development and construction of the Project.

The HOME-ARP and General Fund Loan (Loan Agreement) will be evidenced by a promissory note (Promissory Note) which will be secured by a deed of trust encumbering the Project (Deed of Trust), each attached. Loan Agreement will be used to pay a portion of development and construction costs. Should there be any realized cost savings to the project, then any remaining funds will not be disbursed.

The Project is an affordable multi-family housing project consisting of 35 affordable rental housing units and 1 residential manager's unit, located at 24108 and 24124 Fir Avenue, in the City of Moreno Valley, County of Riverside, State of California, identified as Assessor's Parcel Numbers 481-130-023 and 481-130-022. The units will be reserved for participants who are a part of the HACR Section 8 Housing Choice Voucher Program waitlist ranging from 30% to 50% of the area median income (AMI) for the County of Riverside (County). Twelve (12) rental units will be restricted as HOME-ARP assisted units for individuals whose incomes do not exceed 30% of the AMI for the County. Qualifying populations include: 1) Homeless, 2) At-risk of

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

Homelessness, 3) Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking, and 4) Veterans, with a preference for households that are homeless or at risk of being homeless. The HOME-ARP assisted units will be restricted by the Covenant Agreement for a period of at least 55 years from the recordation of the Notice of Completion.

Staff recommends approval of \$3,424,653 in HOME-ARP funds and \$1,000,000 in General Funds for the Project to pay a portion of the development and construction costs for the Project and \$150,000 in HOME-ARP funds for direct staff costs associated with project management and compliance with HOME-ARP Program as follows:

Linwood Rose Apartments:

\$3,424,653	HOME-ARP Project Funding
<u>\$1,000,000</u>	<u>General Funds</u>
\$4,424,653	Total Project Funding
<u>\$ 150,000</u>	<u>HOME-ARP Direct HWS Staffing</u>
\$4,574,653	Grand Total Funding

Permanent Funding Source	Amount
Perm Loan	\$3,299,861
Tax Credit Proceeds	\$12,786,648
City Loan & HOME ARP	\$2,243,000
Waived Fees	\$700,912
County HOME ARP	\$3,424,653
County General Funds	\$1,000,000
Carry-Back Financing	\$680,000
Deferred Developer Fee	\$123,335
Total	\$24,258,409

County Counsel has reviewed and approved as to form the attached Loan Agreement for the use of HOME-ARP Funds and General Funds, including all exhibits (Loan Agreement), the Deed of Trust, the Promissory Note, and the Covenant Agreement. Staff recommends that the Board of Supervisors approve the attached forms of Loan Agreement, Deed of Trust, Promissory Note and Covenant Agreement.

On October 7, 2025 (Minute Order 3.23), the Board of Supervisors adopted a Finding of No Significant Impact for the Project and concluded that the Project is not an action which may affect the quality of the environment pursuant to the provisions of the National Environmental Policy Act of 1969 (NEPA) and under implementing regulations at 24 CFR Parts 50 and 58.

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

Staff recommends that the County Board of Supervisors affirm that the environmental effects of the HOME-ARP Loan Agreement will not have a significant effect on the environment.

Staff recommends the Board authorize the Director of Housing and Workforce Solutions (HWS), or designee, to execute the Loan Agreement and Covenant Agreement. Staff further recommends that the Board of Supervisors authorize the Director of HWS, or designee, to negotiate and execute subordination agreements, as required conditions to the senior lenders' financing, subordinating the Loan Agreement and Deed of Trust to the deeds of trust securing the senior lenders' loans as discussed herein, subject to approval as to form by County Counsel.

Impact on Residents and Businesses

The development of Linwood Rose Apartments in the City of Moreno Valley has had a positive impact on the citizens and businesses within the County of Riverside. The Project will create construction, permanent maintenance, and property management jobs, as well as provide permanent supportive housing for individuals who are homeless, at risk of homelessness, or chronically homeless residing in the County of Riverside.

SUPPLEMENTAL:

Additional Fiscal Information

The County's contribution to the Project will be fully funded with HOME-ARP funds from the U.S. Department of Housing and Urban Development and General Fund.

Attachments:

- Form of the Loan Agreement, including all exhibits
- Form of the Deed of Trust, Security Agreement and Fixture Filing with Assignment of Rents, Promissory Note, and Covenant Agreement
- Forms of Subordination Agreements with Citibank



Stacey Pena, EO Management Analyst 2/3/2026



Aaron Gettis, Chief Deputy County Counsel 1/28/2026