

SGVRHT Officers

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Southeast Representative Patty Cortez, Covina

Southwest District Adele Andrade-Stadler, Alhambra

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Housing/Homeless Experts Anne Turner Alma Martinez

Members Alhambra Arcadia Azusa **Baldwin Park** Claremont Covina **Diamond Bar** Duarte El Monte Glendora Industry Irwindale La Cañada Flintridge La Verne Monrovia Montebello Monterey Park Pasadena Pomona Rosemead San Gabriel South El Monte South Pasadena Temple City West Covina

AGENDA AND NOTICE OF THE SPECIAL MEETING OF THE SAN GABRIEL VALLEY REGIONAL HOUSING TRUST FUND BOARD OF DIRECTORS WEDNESDAY OCTOBER 2, 2024 – 10:00 A.M. SGVCOG Office 1333 S. Mayflower Avenue, Suite 360 Monrovia, CA 91016

Thank you for participating in today's meeting. The Board of Directors encourages public participation and invites you to share your views on agenda items.

MEETINGS: The agenda packet is available at the San Gabriel Valley Council of Government's (SGVCOG) Monrovia Office, 1333 S. Mayflower Avenue, Suite 360, Monrovia, CA, and on the website, <u>www.sgvcog.org</u>. Copies are available via email upon request (<u>sgv@sgvcog.org</u>). A copy of the agenda is also posted for public viewing at the entrance of the SGVCOG Monrovia Office Building. Any additional agenda documents that are distributed to a majority of the Board after the posting of the agenda will be available for review in the SGVCOG office during normal business hours and on the SGVCOG website noted above.

PUBLIC PARTICIPATION: Your participation is welcomed and invited at all Board of Directors meetings. Time is reserved at each regular meeting for those who wish to address the Board. SGVRHT requests that persons addressing the meeting refrain from making personal, slanderous, profane or disruptive remarks. A person who continues to disrupt the orderly conduct of the meeting, after being warned by the Board Chair or designee to cease the disruption, may be precluded from further participation in the meeting.

TO ADDRESS THE GOVERNING BOARD: At a regular meeting, the public may comment: (i) on any matter within the jurisdiction of the Board of Directors that is not on the agenda during the public comment period at the beginning of the agenda; (ii) on any item(s) that is on the Consent Calendar prior to action taken on the Consent Calendar; and (iii) on any other agenda item prior to the time it is considered by the Board. during the public comment period and may also comment on any agenda item at the time it is discussed. At a special meeting, the public may only comment on items that are on the agenda. Members of the public are requested to state their name prior to speaking. Comments are limited to a maximum of three minutes per person. The Board President may impose additional time limits if comments become repetitious, an individual member of the public seeks to speak on numerous items, or a large number of members of the public seeks to speak on an item. Except in limited situations, the Board may not take action on items not appearing on the agenda and/or discuss them at length.

If you would like to provide a public comment during a Board meeting, please see "Instructions for Public Comments" below.

AGENDA ITEMS: The Agenda contains the regular order of business of the Board of Directors. Items on the Agenda have generally been reviewed and investigated by the staff in advance of the meeting so that the Board of Directors can be fully informed about a matter before making its decision.



In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the SGVCOG office at (626) 457-1800. Notification 48 hours prior to the meeting will enable the SGVCOG to make reasonable arrangement to ensure accessibility to this meeting.



CONSENT CALENDAR: Items listed on the Consent Calendar are considered to be routine and will be acted upon by one motion. There will be no separate discussion on these items unless a Board member or citizen so requests. In this event, the item will be removed from the Consent Calendar and considered after the Consent Calendar. If you would like an item on the Consent Calendar discussed, simply tell Staff or a member of the Board of Directors.

TELECONFERENCE LOCATIONS: State law allows Board Representatives to teleconference from remote locations as long as certain conditions are met, including listing the teleconference locations in the agenda. The following locations are hereby noticed as teleconference locations, which are accessible to the public for the purposes of observing this meeting and/or addressing the Governing Board.

Adele Andrade Stadler (Southwest Delegate) 2956 West Shorb Street Alhambra, CA 91803	Anne Turner (Housing and Homelessness Expert) 150 W. First Street, Claremont CA 91711	Jed Leano (At Large Delegate) Claremont City Hall 207 Harvard Ave. Claremont, CA 91711
Thomas Wong (At Large Delegate) Monterey Park City Hall 320 W Newmark Ave. Monterey Park, CA 91754		

<u>Instructions for Public Comments</u>: For those wishing to make public comments on agenda and nonagenda items, but within the SGVCOG's subject matter jurisdiction, you may submit written comments via email or provide a verbal comment by participating through Zoom.

- <u>Written Comments (Email)</u>: If you wish to submit written public comments to be distributed to the committee members prior to or during the meeting, please submit these materials via email to Brielle Salazar at bsalazar@sgvrht.org at least 1 hour prior to the scheduled meeting time. Please indicate in the Subject Line of the email "FOR PUBLIC COMMENT." Emailed public comments will be read into the record and will be part of the recorded meeting minutes. Written public comments may include, but are not limited to letters, reports, and presentations.
- <u>Verbal Comments (In Person)</u>: If you would like to make a public comment at the Governing Board meeting location, please fill out a public comment card. Comment cards will be made available to you by staff at the entrance to the meeting room. If you are attending the meeting at a noticed teleconference location and would like to make a public comment, please raise your hand when the item upon which you wish to speak comes up on the agenda.
- <u>Verbal Comments (Zoom)</u>: If you would like to participate by teleconference from a private location, please email Brielle Salazar (<u>bsalazar@sqvrht.org</u>) to request an attendee Zoom link at least 24 hours before the meeting. Through Zoom, you may provide a verbal comment by using the web interface "Raise Hand" feature when the agenda item upon which you wish to speak is to be considered. You will then be called upon to provide your verbal comments.

PRELIMINARY BUSINESS

- 1. Call to Order
- 2. Roll Call
- 3. Public Comment (If necessary, the President may place reasonable time limits on all *comments*)
- 4. Changes to Agenda Order: Identify emergency items arising after agenda posting and requiring action prior to next regular meeting.

CONSENT CALENDAR

- 5. Meeting Minutes- Page 1 Recommended Action: Adopt September 9, 2024 meeting minutes.
- 6. SRK Amendment- Page 3 Recommended Action: Authorize the Executive Director to execute an amendment with SRK Architects, Inc. for a total not to exceed contract amount of \$276,000.

ACTION ITEMS

7. **PRO Housing Application- Page 9** Recommended action: Adopt Resolution 24-15 authorizing the Executive Director to submit the PRO Housing Application and implement the grant if awarded.

UPDATE ITEMS

- 8. Chair's Report
- 9. Executive Director's Report
- 10. General Counsel's Report

ADJOURN

5 MINUTES

10 MINUTES

5 MINUTES

5 MINUTES

SGVRHT Board of Directors Unapproved Minutes

Date:September 9, 2024Time:11:30 AMLocation:SGVRHT Office in Monrovia and Virtual Meeting

PRELIMINARY BUSINESS

1. Call to Order Chair Leano called the meeting to order at 11:35 AM.

2. Roll Call

A quorum was in attendance. <u>Members</u> Jed Leano, At-Large Member Becky Shevlin, Northwest District Adele Andrade-Stadler, Southwest District Gary Boyer, Northeast District Emmanuel Estrada, Central District Thomas Wong, Southwest District Anne Turner, Housing/Homeless Expert Dennis Beckwith, Northeast District Alternate*

*(not included in quorum/voting)

<u>Staff</u>

- M. Creter, Executive Director, SGVRHT
- B. Salazar, SGVRHT
- D. DeBerry, General Counsel
- C. Sims
- K. Ward
- J. Talla
- **3.** Public Comment There was no public comment.
- **4.** Changes to Agenda Order There were no changes to the agenda order.

CONSENT CALENDAR

- 5. Meeting Minutes Action: Adopt May 30, 2024 meeting minutes.
- 6. Naming of Shared Housing site in Honor of Susan Rubio Action: Adopt Resolution 24-10 approving site naming in honor of Susan Rubio.
- 7. Pipeline Update Action: Adopt Resolution 24-11 adopting the Pipeline.
- 8. 2022 LHTF Funding Commitment Action: Adopt Resolution 24-12 authorizing the Executive Director to execute an LOI for Gabrielino Heights (Duarte)- \$2,000,000.

Members Absent

April Verlato, At-Large Member Alternate Alma Martinez, Housing/ Homeless Expert Alternate Patty Cortez, Southeast District

- **9.** SCAG REAP 2.0 Agreement Action: Adopt Resolution 24-13 authorizing the Executive Director to execute the agreement and subsequent actions to implement the grant.
- 10. 2024 LHTF Application Action: Adopt Resolution 24-14 approving 2024 LHTF application. There was a motion to approve Consent Calendar Items 5-10. (M/S: Shoulin Androde

(M/S: Shevlin, Andrade-Stadler)

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AYES:	Leano, Shevlin, Andrade-Stadler, Averell, Estrada, Turner
NOES:	
ABSTAIN:	
ABSENT:	Cortez, Wong

PRESENTATION

11. Measure A Presentation

SGVCOG Local Programs Manager C. Sims presented on this item. Several members of the public gave a public comment in support of Measure A.

There was a motion for the Board of Directors to support Measure A.

(M/S: Estrada/Wong) [Motion Passed]

AYES:	Leano, Andrade-Stadler, Wong, Estrada, Turner
NOES:	Boyer
ABSTAIN:	Shevlin
ABSENT:	Cortez

UPDATE ITEMS

12. Chair's Report

There was no chair report.

13. Executive Director's Report

M. Creter provided an update on the Affordable Housing Incubator which will be funded through Regional Early Action Planning (REAP 2.0) and the shared housing site in development in Pomona in partnership with God's Pantry.

14. General Counsel's Report

There was no general counsel report.

ADJOURN

Chair Leano adjourned the meeting at 12:56 PM.

REPORT

DATE: October 2, 2024

TO: Board of Directors

FROM: Marisa Creter, Executive Director

RE: SRK AMENDMENT

RECOMMENDED ACTION

Authorize the Executive Director to execute an amendment with SRK Architects, Inc. for a total not to exceed contract amount of \$276,000.

DISCUSSION

In March 2021, the SGVRHT released a Request for Proposals (RFP) for Project Advisory Services to support the design work at its then proposed interim housing sites. SRK Architects, Inc. (SRK) was selected as the most qualified firm and was awarded a contract not to exceed \$110,000, to support the site development of the interim housing sites for individuals in Baldwin Park and Montebello, Esperanza Villa and Operation Stay Safe. The agreement was amended in August 2022 to expand the scope of services to include site design for Serenity Homes, the family interim housing site in Baldwin Park, and additional site assessment and design support for interested cities exploring the development of interim and affordable housing through the SGVRHT housing innovation program. The amendment increased the overall not to exceed contract budget to \$246,000. To date, SRK has assisted the SGVRHT and participating cities with site design for 4 interim housing sites and site assessments for parcels in Arcadia, Duarte, and Irwindale. Their work has been consistently high quality and essential for project completion.

Recently, SRK has been assisting the SGVRHT with design and ADA compliance for its shared housing site located at 480 W. Monterey Ave. in Pomona. This site was purchased in July 2024 through the SGVRHT's housing innovation program and will be utilized as shared housing through the ground lease with God's Pantry. Upgrades to the site will include the installation of fire sprinklers, ADA path of travel improvements, and secondary egress improvements, and renovation of the onsite commercial kitchen. SRK will continue to support with the design and plan review work for this project.

To ensure sufficient budget for the expanded scope of work, staff recommends increasing the project budget by \$29,273 for a total not to exceed contract amount of \$276,000. The amendment would also extend the term of the agreement from June 2025 to December 31, 2025.



REPORT

Prepared by: Build

Brielle Salayar Brielle Salazar

Regional Housing Trust Manager

Approved by:

sa Creter

Marisa Creter Executive Director

ATTACHMENT

Attachment A – Draft Third Amendment to Agreement with SRK



THIRD AMENDMENT TO CONSULTANT SERVICES AGREEMENT

This Third Amendment to Consultant Services Agreement ("Third Amendment") is made and entered into as of November 1, 2024, by and between the San Gabriel Valley Regional Housing Trust, a California joint powers agency ("SGVRHT"), and SRK Architects, Inc., a California Corporation (herein referred to as the "Consultant") with reference to the following:

A. The SGVRHT and the Consultant entered into that certain Consultant Services Agreement dated as of June 8, 2021, which is incorporated herein by this reference (the "Original Agreement"); and

B. The SGVRHT and the Consultant entered into that certain First Amendment to the Original Agreement dated as of July 15, 2022, entered into that certain Second Amendment dated June 30, 2023, which is incorporated herein by the reference (the "Amendments"), which First Amendment, Second Amendment, and Original Agreement collectively are referred to as the "Agreement"; and

C. The SGVRHT and the Consultant desire to amend the Agreement to modify, amend and supplement certain portions thereof.

NOW, THEREFORE, the parties hereby agree as follows:

1. Defined Terms. Except as otherwise defined herein, all capitalized terms used herein shall have the meanings set forth for such terms in the Agreement.

2. Revised Scope of Services. The Scope of Services, Exhibit "A" to the Agreement, is hereby amended, modified and supplemented to include the services described on Exhibit "A" attached hereto and incorporated herein by this reference.

3. Term. The Term of the Agreement as set forth in Section 2 therein is from May 1, 2021 to June 30, 2025. This Third Amendment extends the Term up to and including December 31, 2025.

4. Compensation. The total not-to-exceed compensation set forth in Section 3 of the Agreement was the sum of two hundred thousand dollars and 00/100 Dollars (\$246,727.00). Section 3 of the Agreement is hereby amended to provide for an increase of Twenty Nine Thousand Two Hundred Seventy Three Dollars (\$29,273.00) so that the total not-to-exceed compensation, as amended by this Third Amendment shall not exceed Two Hundred Seventy Six thousand Dollars (\$276,000.00) without the prior authorization of the SGVRHT. Exhibit "B" of the Agreement entitled "Compensation", is deleted in its entirety and replaced with Exhibit "B", attached hereto and incorporated herein by the reference.

5. Integration. This Third Amendment and all attachments hereto (if any) integrate all of the terms and conditions mentioned herein, and supersede all negotiations with respect hereto. This Third Amendment amends, as set forth herein, the Agreement and except as specifically amended hereby, the Agreement shall remain in full force and effect. To the extent that there is any conflict or inconsistency between the terms and provisions of this Third Amendment and the terms and provisions of the Agreement, the terms and provisions of this Third Amendment shall control.

IN WITNESS hereof, the parties enter into this Third Amendment on the year and day first above written.

"CONSULTANT"	"SGVCOG"
SRK ARCHITECTS, INC	SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS
*Ву:	
Printed Name:	
Title:	Title: Executive Director
*By:	
Printed Name:	APPROVED AS TO FORM
Title:	
	David DeBerry, General Counsel

EXHIBIT "A"

ADDITIONAL SCOPE OF SERVICES

[Behind this page.]

EXHIBIT "B"

COMPENSATION

[Behind this page.]

REPORT

- DATE: October 2, 2024
- TO: Board of Directors
- FROM: Marisa Creter, Executive Director

RE: PRO HOUSING APPLICATION

RECOMMENDED ACTION

Adopt Resolution 24-15 authorizing the Executive Director to submit the PRO Housing Application and implement the grant if awarded.

BACKGROUND

The U.S. Department of Housing and Urban Development (HUD) has released a Notice of Funding Opportunity (NOFO) for the Pathways to Removing Obstacles to Housing (PRO Housing) program. This program appropriates \$100 million in competitive grant funding for the identification and removal of barriers to affordable housing production and preservation. Agencies can apply for a maximum of \$7 million.

The SGVRHT intends to apply for funding to support its Revolving Loan Fund (RLF) and House SGV Land Trust to 1.) combat the high cost of land acquisition as a barrier to affordable housing development in the region, and 2.) support the preservation of affordable housing units through acquisition funding. The RLF can provide low interest predevelopment financing to support developers in achieving the site control necessary to secure additional funding sources. This site acquisition could be leveraged in partnership with the Regional Land Trust to remove the cost of the land from the project's development cost and ensure long-term affordability through a ground lease. Both programs support the acquisition of existing housing units, which addresses the barrier of acquisition and rehabilitation projects which are often disincentivized of excluded from other sources of affordable housing financing such as State tax credits. Rehabilitation can support the preservation of affordable housing units that would otherwise become market rate units at the end of their current affordability covenant, preventing the loss of affordable housing units and avoiding displacement of low-income renters.

NEXT STEPS

One of the requirements is to host a public meeting at the agency's level of government, which the SGVRHT meets through this agenda item. The second requirement for public comment is to post the application in its entirety for a minimum of 15 days. Following this meeting, any public comment received will be incorporated into the application which will be posted in its entirety for a minimum of 15 days for additional public comment. Staff will then submit the application prior to the October 15th deadline.



Salahar Prepared by: Bill

Brielle Salazar Regional Housing Trust Manager

Approved by:

sa Creter

Marisa Creter Executive Director

ATTACHMENTS

Attachment A – Resolution 24-15 Attachment B- Draft PRO Housing Application



RESOLUTION NO. 24-15

RESOLUTION OF THE SAN GABRIEL VALLEY REGIONAL HOUSING TRUST (SGVRHT) AUTHORIZING THE PRO HOUSING APPLICATION

WHEREAS, the SGVRHT supports the financing and construction of affordable housing; and

WHEREAS, the SGVRHT operates a Revolving Loan Fund (RLF) and land trust to address acquisition and predevelopment financing; and

WHEREAS, the aforementioned programs address barriers to housing including the cost of land acquisition and availability of funds for rehabilitation of existing affordable units; and

WHEREAS, the PRO Housing program provides funding to support projects that identify and remove barriers to housing.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the SGVRHT authorizes the Executive Director to submit the PRO Housing application and implement the grant if awarded.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of SGVRHT held on the 2nd day of October 2024.

San Gabriel Valley Regional Housing Trust

Jed Leano, Chair

Attest:

I, Marisa Creter, Executive Director and Secretary of the Board of Directors of the San Gabriel Valley Regional Housing Trust, do hereby certify that Resolution 24-15 was adopted at a regular meeting of the Board of Directors held on the 2nd day of October 2024, by the following roll call vote:

AYES:	
NOES:	
ABSTAIN:	
ABSENT:	

Marisa Creter, Secretary

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Exhibit A Executive Summary

San Gabriel Valley Regional Housing Trust

Exhibit A Executive Summary.

The San Gabriel Valley is facing a critical shortage of affordable housing. The San Gabriel Valley Regional Housing Trust (SGVRHT) and its affiliated nonprofit, House SGV, perform the Development Activities listed in the NOFO including:

- Financing the construction or rehabilitation of affordable housing
- Acquisition or disposition of land or real property for the development of affordable housing
- Facilitating the conversion of commercial or other properties to new housing
- Providing large-scale technical assistance to affordable or non-profit developers, community land trusts, or other entities which leads to the development of affordable housing

The SGVRHT launched a Revolving Loan Fund in May 2022 to address the shortage of accessible acquisition and predevelopment financing for affordable housing in the region. The SGVRHT RLF provides 3% simple interest (below market rate) loans as early capital for acquisition, predevelopment, and construction activities, bolstering projects' ability to secure sites and the necessary finances to complete their capital stacks and realistically produce affordable housing units. The RLF is an important ongoing reduction to housing barriers in the San Gabriel Valley, as the first and only renewable source of funding for region to support the ongoing development of affordable housing as RLF loan repayments are lent to future projects. To further the efforts of the RLF and increase the production of affordable housing in the San Gabriel Valley, the SGVRHT Board of Directors authorized the formation of House SGV, an affiliated nonprofit entity which serves as a Regional Land Trust to acquire and hold property to ensure long term affordability. The Regional Land Trust will support the long-term affordability of housing by making sites available to affordable housing developers through long term ground leases. By taking land off the speculative market, House SGV can reduce the cost of project development and separate the value of the land from the improvements.

The SGVRHT has 25 member agencies and strengthens the region's ability to produce affordable housing by providing funding and capacity building for City staff and development partners. The SGVRHT is requesting \$5 million in PRO housing funds to expand its RLF and Regional Land Trust programs. The SGVRHT can match this requested funding with \$5 million in Regional Early Action Planning (REAP) 2.0 grant funds, committed by the Southern California Association of Governments.

The SGVRHT RLF program is active and can commit funds as soon as they are awarded, with all funds expended prior to the FY 2030 deadline noted in the NOFO. As noted above, the Regional Land Trust can likewise expend any awarded funds by the FY 2030 deadline.

Exhibit B Threshold Requirements and Other Submission Requirements.

Review and provide a narrative response, as necessary, to the Threshold Eligibility Requirements in Section III.D and Other Submission Requirements in Section IV.G

The San Gabriel Valley Regional Housing Trust (SGVRHT) meets the threshold requirements as described in Section IV. G of the NOFO. The SGVRHT will ensure that any awarded projects awarded Federal funds will comply with the environmental review requirements, including NEPA. The SGVRHT has experience collaborating with the local agency lead, Los Angeles County Community Development Authority (LACDA) to perform necessary environmental review. The SGVRHT's Revolving Loan Fund program and Regional Land Trust will provide access to quality housing and increase housing choice, and otherwise promote Affirmatively Furthering Fair housing. The SGVRHT will ensure that all projects receiving Federal funds from its programs will comply with Affirmatively Furthering Fair Housing.

Exhibit C Need (35 points)

Demonstrate your progress and commitment to overcoming local barriers to facilitate the increase of affordable housing production and preservation, primarily by having enacted improved laws and regulations. (15 points)

a. Improved laws, regulations, or land use local policies (10 points)

The SGVRHT partners with the San Gabriel Valley Council of Governments (SGVCOG) to operate an affordable housing incubator, providing technical support to cities to build capacity and reduce barriers to affordable housing development. The incubator has completed site specific assessments which have analyzed the use of City owned parcels for use as affordable housing. An example includes the analysis of a City owned site in the City of Duarte. The incubator supported a financial analysis and preliminary design for the site as well as the release of a Request for Proposals. This work resulted in an exclusive negotiating agreement with an affordable housing developer and \$2 million in SGVRHT funding to complete the project, leveraged through the State Local Housing Trust Fund (LHTF). On a regional scale, the affordable housing incubator compiled a surplus land inventory, a dataset of sites that would be suitable for development as affordable housing and developed accessory dwelling unit plans that cities could preapprove to reduce the cost and time involved in accessing compliance and supporting small scale density. The incubator also supported several cities in evaluating inclusionary housing programs, providing valuable information on impact fees to assist cities in discussing inclusionary housing with their communities and city councils. The SGVRHT helps to streamline the efforts of individual cities by sharing best practices across the region and expanding access to resources that can improve regulations and local policies.

b. Other recent actions taken to overcome barriers to facilitate the increase of affordable housing production and preservation (5 points)

The San Gabriel Valley Regional Housing Trust (SGVRHT) provides funding and technical assistance to develop affordable and homeless housing projects in the San Gabriel Valley. The SGVRHT has developed programs to address and mitigate barriers to affordable housing production and preservation through the development of its Revolving Loan Fund (RLF) program. The SGVRHT will further address barriers to affordable housing production and preservation through its nonprofit Regional Land Trust, House SGV, which can acquire existing housing units to establish or preserve affordability and acquire vacant or underutilized parcels that could be developed into housing, furthering the efforts of the SGVRHT to deliver affordable housing units to the San Gabriel Valley. If awarded, PRO housing funding could be utilized to acquire sites and/or provide acquisition and predevelopment financing.

To date the RLF has provided 6 loans to support the development of 255 units of affordable housing. The RLF has also expanded the types of affordable housing developed with SGVRHT funding by supporting the development of affordable homeownership units. These units provide mobility for low-income residents and create affordable housing opportunities in high resource communities. The Regional Land Trust model has been piloted through the SGVRHT purchase of a surplus land site in the City of San Gabriel which will be made available to an affordable housing developer through a 99-year ground lease. The SGVRHT successfully leveraged the land value of this parcel to secure State Local Housing Trust Fund (LHTF) matching dollars as a construction to permanent loan. The City of San Gabriel is a high opportunity area, and the project had been

deemed infeasible without the SGVRHT investment, demonstrating how the SGVRHT programs remove local barriers to affordable housing development and support cities in meeting their housing goals.

ii. Do you have acute need for affordable housing? What are your remaining affordable housing needs and how do you know? (10 points)

The San Gabriel Valley has an acute need for affordable housing with "affordable housing production not keeping pace" with demand and "insufficient affordable housing", as defined by HUD. The PRO Housing Priority map identifies the entire jurisdiction of the San Gabriel Valley Regional Housing Trust (SGVRHT) as a priority area. The SGVRHT completed its Strategic Plan in 2021 which highlighted the demand for affordable housing in the region. The San Gabriel Valley has been assigned the development of 51,306 units of affordable housing through the State's Regional Housing Needs Assessment (RHNA), with 33,487 units at low-income levels (below 50% AMI), demonstrating the acute demand for affordable housing in the region.

The SGVRHT maintains a pipeline of projects in need of affordable housing and currently has identified nearly 500 units in need of financing. The RLF program accepts applications on a rolling basis, and recently performed developer and city outreach which is anticipated to add additional projects to the pipeline. These affordable rental units are needed as HUD's Comprehensive Housing Affordability Strategy highlighted that nearly 40 percent of San Gabriel Valley Low-Income households are severely cost burdened, spending more than half of their income on housing.

iii. What key barriers still exist and need to be addressed to produce and preserve more affordable housing? (10 points)

Key barriers to affordable housing in the San Gabriel Valley include the limited availability of land, the high cost of land, and limited predevelopment financing. In the San Gabriel Valley, there is limited land available for development, and nearly all development is infill development. This creates challenges. Many parcels are small and/or oddly-shaped so that developers must acquire several parcels from several landowners in order to have a large enough property to develop an affordable housing project. The price of land is another key barrier that needs to be addressed. In the United States, on average, the price of land makes up approximately 30% of a home's average price. In Los Angeles County, the cost of the land is approximately 60% of a home's average price. The San Gabriel Valley Regional Housing Trust (SGVRHT) seeks to address these barriers through a twofold approach through the RLF and Regional Land Trust. Affordable housing projects often take years to develop as affordable housing developers need to layer multiple sources to complete project's financial stacks often including conventional and soft financing. The RLF can provide low interest predevelopment financing to support developers in achieving the site control necessary to secure additional funding sources. This site acquisition could be leveraged in partnership with the Regional Land Trust to remove the cost of the land from the project's development cost and ensure long-term affordability through a ground lease. Both programs are able to support the acquisition of existing housing units, which addresses the barrier of acquisition and rehabilitation projects which are often disincentivized of excluded from other sources of affordable housing financing such as State tax credits. Rehabilitation can support the preservation of affordable housing units that would otherwise become market rate units at the end of their

current affordability covenant, preventing the loss of affordable housing units and avoiding displacement of low-income renters.

Exhibit D Soundness of Approach.

i. What is your vision? (15 points)

The San Gabriel Valley Regional Housing Trust Revolving Loan Fund provides acquisition and predevelopment capital to support the development of affordable housing units in the San Gabriel Valley. The SGVRHT supports households at or below 80% Area Median Income (AMI). The SGVRHT has 25 member cities throughout the San Gabriel Valley which includes an area of population sizes, income levels, and opportunity areas. As demonstrated by the PRO Housing Priority Geography mapping tool, the entirety of the San Gabriel Valley is located within a PRO Housing Priority Geography and much of SGVRHT member cities' planned development – especially at affordable levels – is infill development. The RLF accelerates infill development in order to facilitate housing choice, supply, and affordability.

The SGVRHT Revolving Loan Fund was launched in May 2022 with \$8 million in initial funding from a State Budget Earmark. The RLF represents the first renewable source of funding for the SGVRHT as loan repayments will be used to support future projects, provided consistent and reliable funding for affordable housing development in the San Gabriel Valley. The addition of \$5 million in PRO housing funds would expand the RLF to provide an additional round of financing which will support 2-3 projects and support the development of a projected 50-100 units.

The Regional Land Trust, House SGV, supports the development of affordable housing units in the San Gabriel Valley, creating additional housing units at extremely low, very low, low, and moderate-income levels. House SGV may also support affordable homeownership opportunities, by retaining ownership of the land and selling single family homes to income qualified households, expanding access and opportunity for upward mobility to low-income households. House SGV will remove barriers to affordable housing development by removing sites from the speculative market to reduce affordable housing development costs. House SGV may also acquire existing market rate properties and impose an affordability covenant or acquire affordable housing with expiring covenants to prevent conversion of the units to market rate. The Land Trust will support units at or below 120% AMI, providing support for extremely low income, very low, low and moderate-income units throughout the San Gabriel Valley. The Land Trust may also support the development of affordable homeownership units which is a needed housing type in the San Gabriel Valley were the median home price can make homeownership unattainable to the majority of lowincome households. The Land Trust will streamline the site control process for affordable housing developers and reduce project development costs which will increase the ability to deliver new housing. The San Gabriel Valley includes a mix of high opportunity areas and underserved communities; House SGV will support infill development to facilitate housing choice, supply, and affordability.

The SGVRHT RLF and House SGV programs were developed based on best practices from existing housing trusts and tailored to the unique needs of the San Gabriel Valley. Both models have extensive histories of success and the programs complement the housing elements of member cities and increase affordable housing development.

The communities' largest environmental risks include increasing temperatures and extreme heat, wildfire, drought, air pollution from the five major freeways that bisect the San Gabriel Valley (I-210, I-60, I-605, SR-57), and groundwater contamination from the San Gabriel Valley's four

Environmental Protection Agency (EPA)-designated superfund sites. By providing safe, quality housing, the SGVRHT and House SGV reduce residents' exposure to environmental risks. The funded projects will meet the latest energy efficiency, water efficiency, and sustainability standards for new construction. By focusing development predominantly within infill areas, the constructed projects will reduce vehicle miles traveled and greenhouse gas (GHG) emissions associated with the projects. The SGVRHT also partners with the SGVCOG which has programs to address environmental risks including its Fire Prep SGV wildfire prevention and preparedness program and Energy, Environment, and Nature Resources Committee.

Roadblocks or challenges to this approach include:

- High costs of sites in the San Gabriel Valley which may limit the number of sites/units supported
- Opposition to housing development
- Limitations of available land and/or allowable density

These risks will be mitigated through leveraging of additional funding sources, robust community outreach, and innovative housing approaches and typologies. The SGVRHT will be supported in this effort through its affordable housing incubator and experience in delivering RLF and Regional Land Trust funded projects.

ii. What is your geographic scope? (5 points)

The SGVRHT serves 25 cities in the San Gabriel Valley listed below:

- 1. Alhambra
- 2. Arcadia
- 3. Azusa
- 4. Baldwin Park
- 5. Claremont
- 6. Covina
- 7. Diamond Bar
- 8. Duarte
- 9. El Monte
- 10. Glendora
- 11. Industry
- 12. Irwindale
- 13. La Cañada Flintridge
- 14. La Verne
- 15. Monrovia
- 16. Montebello
- 17. Monterey Park
- 18. Pasadena
- 19. Pomona
- 20. Rosemead
- 21. San Gabriel
- 22. South El Monte
- 23. South Pasadena
- 24. Temple City
- 25. West Covina

The SGVRHT jurisdiction includes a diverse array of cities including high resource cities and underserved communities. The Revolving Loan Fund (RLF) will support development of affordable housing units at or below 80% Area Median Income (AMI). Rental housing projects funded by the SGVRHT's RLF program agree to a 55-year affordability term, ensuring long term affordability. Projects funded to date by the RLF have supported the development of units between 30-80% AMI, providing a range of rental opportunities. While the SGVRHT is legislatively required to support units at or below 80% AMI, the Regional Land Trust can expand this capacity and support units up to 120% AMI, providing needed support for moderate income housing. The SGVRHT would also consider supporting a portion of a mixed used project by funding the affordable units. The SGVRHT's request for \$5 million in PRO housing funds would provide capital to develop a projected 50-100 units at extremely low, very low, low-income levels.

iii. Who are your key stakeholders? How are you engaging them? (5 points)

The key stakeholders of the RLF and Regional Land Trust include member cities, affordable housing developers, and low-income residents of the San Gabriel Valley. The SGVRHT partners with cities and development partners to engage residents. In 2022 the SGVRHT hosted forms with stakeholders including city housing staff and affordable housing developers to develop the funding guidelines for the RLF to ensure the program best met the needs of the development community in providing affordable housing units. Earlier this year, the SGVRHT partnered with the San Gabriel Valley Council of Governments (SGVCOG) to host stakeholder forums for input on how a Regional Land Trust could be serve the developers and future residents. The SGVRHT board is made up of 7 elected officials who represent their respective communities and 2 housing and homelessness experts who have 5 or more years of regional experience. As a public entity the SGVRHT complies with public meeting requirements and invites public comment from stakeholders at all meetings.

iv. How does your proposal align with requirements to affirmatively further fair housing? (5 points)

The SGVRHT programs included in this proposal, the RLF and Regional Land Trust, actively seek to avoid displacement through long term affordability. Both programs can assist with site acquisition, including the purchase and rehabilitation of existing housing units which can extend affordability and avoid housing units returning to market rate at the upon expiration of affordability covenants. Many of the most common affordable housing sources prioritize funding for new construction or may exclude funds for rehabilitation projects, and the SGVRHT programs address this barrier to affordable housing development.

The San Gabriel Valley has a mix of all types of communities including low, moderate, and high resource areas and disadvantaged communities. The RLF and Regional Land Trust will support affirmatively furthering fair housing by creating a range of rental housing opportunities across income levels and supporting the development of different types of housing. The RLF and Land Trust will support site acquisition which may include blighted or underutilized parcels, helping to invest in communities and provide safe, decent affordable housing options. In higher resource communities the Land Trust can support the acquisition of market rate units for conversion to affordable housing or support the preservation of affordable units with expiring covenants. The Regional Land Trust will include its commitment to affirmatively furthering fair housing in its Operating Guidelines. Once the Regional Land Trust has developed properties, it may form a

resident advisory committee to further engage stakeholders. The SGVRHT, its member cities, and its development partners are committed to affirmatively furthering fair housing.

v. What are your budget and timeline proposals? (5 points)

The SGVRHT is requesting \$5 million in PRO housing funds to support the development of 50-100 affordable housing units, however the minimum funding amount that would allow the SGVRHT to carry out its proposal is \$2 million, which could support up to 40 units of affordable housing. If awarded PRO housing funds, the SGVRHT is able to commit funds immediately and expend all funds prior to the FY 2030 deadline.

Timeline

Activity	Timeline	Impact
Site Acquisition (House	Within 180 days of PRO	Long term affordability of
SGV)	Housing award	housing through 99 year
		ground lease
Revolving Loan Fund loan	Within 90 days of PRO	Development of 50-100
commitment	Housing award	affordable housing units
Revolving Loan Fund	5 years from PRO Housing	Ongoing development of
repayment and secondary	award	additional affordable housing
awards		units roughly every 3-5 years

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Applicant Name:	San Gabrie	el Valley Regio	nal Housing Tru	st							
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	Monrovia,	CA 91016									
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	OMB Number 2501-0044
Grant Application Detailed Budget Worksheet	Expiration: 2/28/2027

Detailed Description of Budget					
Analy	vsis of Total Estimated Costs	Estimated Cost	Percent of Total		
1	Personnel (Direct Labor)	0.00	0.0%		
2	Fringe Benefits	0.00	0.0%		
3	Travel	0.00	0.0%		
4	Equipment	0.00	0.0%		
5	Supplies and Materials	0.00	0.0%		
6	Consultants	0.00	0.0%		
7	Contracts and Sub-Grantees	0.00	0.0%		
8	Construction	10,000,000.00	100.0%		
9	Other Direct Costs	0.00	0.0%		
10	Indirect Costs	0.00	0.0%		
	Total:	10,000,000.00	100.0%		
	Federal Share:				
	Match (Expressed as a percentage of the Federal Share):	5,000,000	50%		

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Previous versions of HUD-424-CBW are obsolete.

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Exhibit E Capacity

i. What capacity do you and your Partner(s) have? What is your staffing plan? (10 points)

The SGVRHT has leadership capacity and legal authority to effectively implement the RLF and Regional Land Trust to reduce barriers to affordable housing development in the San Gabriel Valley. This application was completed by SGVRHT staff, including the Regional Housing Trust Manager, Brielle Salazar, and Executive Director, Marisa Creter. The SGVRHT is adequately staffed to perform the duties described in this application. The Revolving Loan Fund (RLF) is an active program and PRO housing funding could be immediately committed to projects for the development of affordable housing. Similarly, the SGVRHT Land Trust nonprofit, House SGV, has sufficient staffing to implement land acquisition and development activities to support this grant. There is no need for additional staffing to execute these programs. The RLF and Regional Land Trust will address racial disparities by complying with Affirmatively Furthering Fair Housing which will be included in the program's loan documents.

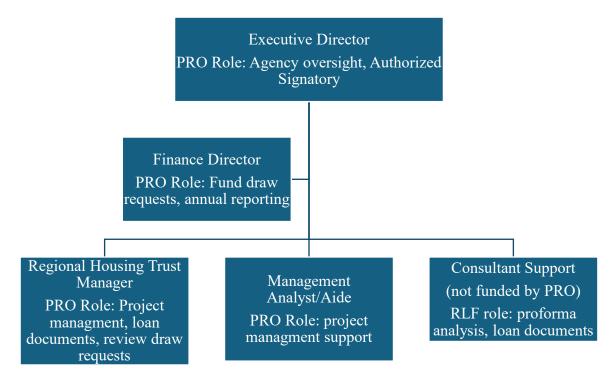


Exhibit F Leverage.

i. Are you leveraging other funding or non-financial contributions? (10 points) The SGVRHT is committed to leveraging \$5 million, or 50 percent of the proposed grant amount. These funds will come from a \$5 million Regional Early Action Planning (REAP) 2.0 grant which has been awarded by the Southern California Association of Governments (SCAG). The REAP 2.0 funds are dedicated to the Revolving Loan Fund and as such are directly committed to the activities supported by the PRO housing application. Funding for the Regional Land Trust can potentially leverage RLF funding as the RLF may be used to acquire a site which will be preserved as affordable housing through a long-term ground lease. Staff time will also be leveraged, including that of the Regional Housing Trust Manager whose position is funded by member agency dues.



SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS 900 Wilshire Blvd., Ste. 1700 Los Angeles, CA 90017 T: (213) 236-1800 www.scag.ca.gov

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Energy & Environment Deborah Robertson, Rialto

Transportation Tim Sandoval, Pomona

October 13, 2023

Brielle Salazar San Gabriel Valley Regional Housing Trust 1333 S. Mayflower Ave., Unit 360 Monrovia, CA 91016

Subject: Notice of Conditional Award, NOFA for Lasting Affordability

Dear Brielle Salazar:

The Southern California Association of Governments (SCAG) is pleased to inform you that the application submitted by the San Gabriel Valley Regional Housing Trust for the Notice of Funds Available for Lasting Affordability ("NOFA") has been recommended for partial award pending SCAG Regional Council approval, which is anticipated to occur at its meeting on November 2, 2023.

The response and proposed uses appear to meet the core REAP 2.0 objectives of accelerating infill housing development, affirmatively furthering fair housing, and reducing vehicle miles traveled The NOFA was developed pursuant to the State of California Regional Early Action Planning Grants of 2021 (REAP 2.0) program established as part of the 2021 California Comeback Plan under AB 140 which requires specific goals and objectives to be met.

The call for applications was highly competitive with funding requests received far exceeding the funds available. To support transformative changes across the region in line with the REAP 2.0 Program Framework Core Objectives included on Page 3 of the PATH Program Guidelines, awarded funding requests for loan projects have been limited to five million dollars. Funding requests for awarded projects totaling less than \$5M have been awarded in full. Based upon the current estimate, the proposal titled, *San Gabriel Valley Regional Housing Trust Revolving Loan Fund*, may be eligible to receive an amount not to exceed \$5,000,000.00 for the authorized applicant to complete the project. The final amount of funding available for your proposal is contingent upon approval by the SCAG Regional Council.

Please be advised the final amount may be amended after consideration by the SCAG Regional Council. Further refinement to the Scope of Work (SOW), budget, schedule or other conditions may also be applied, which could modify the amount of funding awarded. The scope of work and funding award may also be reviewed and adjusted by HCD, if necessary. Public announcement of awards is anticipated to take place after consideration by the SCAG Regional Council in November 2023. SCAG kindly requests the San Gabriel Valley Regional Housing Trust maintains confidentiality about the conditional award until the Regional

Council has approved the project and SCAG has publicly announced approval of the project.

Following action by the SCAG Regional Council, SCAG staff will contact you to complete the subrecipient risk assessment and complete the review of the SOW and budget for the authorized project. In addition, SCAG will forward a Memorandum of Understanding (MOU) to be entered into between the San Gabriel Valley Regional Housing Trust and SCAG. The MOU will include the terms and conditions for the grant, including roles and responsibilities of the parties, REAP 2.0 Guideline requirements, invoice review process, performance reporting, and other legal requirements for subrecipients of the program. The MOU will require confirmation that the applicant's legislative body accepts the award, the terms and conditions, and authorizes the San Gabriel Valley Regional Housing Trust to enter into the MOU.

SCAG is able to procure consultant work for subrecipients utilizing the SCAG REAP 2.0 consultant bench, through a competitive procurement process. Subrecipients that elect to procure their own consultant must go through a Subrecipient Risk Review. The Subrecipient Risk Review, MOU, and, if applicable, procurement processes are intended to support the timely development and successful implementation of the NOFA funding goals. This support is vital as the final invoice date of REAP 2.0 funded programming is December 31, 2025. The ability to comply with this deadline is key to ensuring NOFA funding is most effectively allocated and utilized across the SCAG region.

Congratulations on your successful application. If you have any questions, please contact Jacob Noonan at <u>noonan@scag.ca.gov</u>. SCAG looks forward to working with you on affirmatively furthering fair housing, accelerating infill housing development, and reducing vehicle miles traveled.

Sincerely,

Ship

Sarah Jepson Chief Planning Officer

Exhibit G Long-term Effect.

i. What permanent, long-term effects will your proposal have? What outcomes do you expect? (10 points)

The SGVRHT proposal to fund the development of affordable housing through the Revolving Loan Fund and Regional Land Trust, will have an impact on the production and preservation of affordable housing units in perpetuity. The initial PRO housing funds are estimated to fund 50-100 units. This one-time investment of PRO housing funds in the RLF will provide for ongoing affordable housing development as RLF loan repayments will be lent to future projects. Properties secured by the Regional Land Trust will be subject to 99-year ground leases, increasing the affordability period of these units beyond the typical 55 year affordable housing covenant period. Both programs support the development of a range housing units from 30-120% AMI and the development of multifamily and affordable single family housing units. Together these programs provide housing mobility opportunities to residents of the San Gabriel Valley and support the development of units in high opport the development of additional affordable housing units, however the SGVRHT could leverage matching funds from a CDFI or other investor in a future round of RLF funding to further expand the program's lending capacity.

SGVRHT funded projects often include funding from the State Tax Credit agency and/or other public lenders which prioritize infill development and the placement of housing near transit centers and resource rich communities. The RLF and Regional Land Trust will not increase transportation costs and will decrease the per unit development cost of the affordable housing units supported by the programs. Success at the end of the program period will be measured by affordable housing units developed and the framework established by the SGVRHT which other jurisdictions can use as a model to increase the regional development of affordable housing. The SGVRHT is committed to Affirmatively Furthering Fair Housing and creating livable communities for all residents of the San Gabriel Valley.

Attachment A Summary of comments received on published Application and list of commenters by name/organization.

The SGVRHT hosted a public hearing on October 2, 2024 at 10AM. A summary of the comments is below:

[insert any comments received]

SGVRHT PRO Housing Application

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Attachment B Certification of compliance with NOFO public participation requirements. Provide evidence of the reasonable notice of your public hearing and the publication of the application for public comment, consistent with Section VI.E of the NOFO.

[insert screenshot of website posting and link] [insert agenda link with PRO housing application]

SGVRHT PRO Housing Application

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Attachment C Advancing Racial Equity Narrative

The SGVRHT RLF supports the development of infill affordable housing across the San Gabriel Valley, creating opportunities for individuals and families to stay in their communities. The cities within the region vary in median income and resource access and collectively the San Gabriel Valley supports households at all income levels. As seen in the PRO Housing Priority Geography map below (Figure 1), the San Gabriel Valley is identified as a priority geography. The Los Angeles Metro Equity Focus Communities (EFC) map below (Figure 2), accounts for the different histories, challenges and needs of communities across LA County. Much of the San Gabriel Valley is identified as an EFC. The RLF will support the develop of safe, decent affordable housing in Priority Populations as well as opportunity for housing mobility by providing housing opportunities in nearby high and highest resource communities at rental levels access to extremely low, very low, and low-income households. Through these efforts the SGVRHT will address historic inequities and provide opportunities to all socio-economic households.



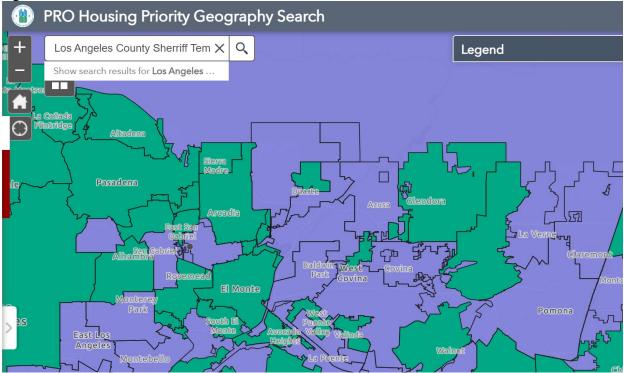


Figure 2. Metro 2022 EFC Map



SGVRHT PRO Housing Application

Page 37 of 39

Attachment D Affirmative Marketing and Outreach Narrative

The SGVRHT tables at community events alongside the SGVCOG, sharing information and resources with community members. Information on the RLF is available on flyers at these engagement activities and on the SGVRHT website. The SGVRHT will partner will affordable housing developers to engage the community, especially residents of Disadvantaged and Historically Underserved Communities and/or Communities of Concern to ensure their voices are heard and any residents in need are aware of the process to access project waitlists once developed.

Attachment E Experience Promoting Racial Equity Narrative

Addresses the 4 bullet points below (evaluated as sufficient or insufficient, not part of point scoring)

- You analyzed the racial composition of the persons or households who are expected to benefit, directly or indirectly, from your proposed award activities;
- You identified any potential barriers to persons or communities of color equitably benefiting from your proposed award activities;
- You detailed the steps you will take to prevent, reduce, or eliminate these barriers; and
- You have measures in place to track your progress and evaluate the effectiveness of your efforts to advance racial equity in your award activities.

The SGVRHT complies with all fair housing laws and includes any grant specific outreach and marketing guidelines in its loan agreements with affordable housing developers. All SGVRHT supported units are rented at or below 80% of area median income. The San Gabriel Valley is an extremely diverse region. By providing housing opportunities at all income levels within the communities, the SGVRHT supports racial equity and prevents displacement. The SGVRHT and House SGV partner with affordable housing developers who commit to following all fair housing and affirmatively further fair housing requirements to ensure equitable access for all to housing opportunities. House SGV intends to add residents of its future communities to its citizens advisory board to further reduce barriers by learning from the experience of residents in accessing its housing resources.

The SGVRHT also funded and provides ongoing project management for 130 interim housing beds in the region. Combined with the housing navigation and outreach programs offered by the SGVCOG, these programs provide direct experience interacting with clients that are experiencing homelessness, and the programs are informed by their lived experience. The SGVRHT interim housing sites operate under a housing first model, reducing barriers to housing. Partnerships with service providers and clients help to build staff's cultural competency. The SGVRHT is dedicated to reducing all barriers to housing and would further this mission with PRO Housing funds.