



AGENDA AND NOTICE OF THE SPECIAL MEETING OF THE
SAN GABRIEL VALLEY REGIONAL HOUSING TRUST FUND BOARD OF
DIRECTORS

WEDNESDAY JANUARY 22, 2025, 1 P.M.

SGVCOG Office

1333 S. Mayflower Avenue, Suite 360 Monrovia, CA 91016

SGVRHT Officers

Chair, Jed Leano
Vice-Chair, Becky Shevlin

Representatives

Northwest Representative
Vacant

Northwest Representative
Becky Shevlin, Monrovia

Central Representative
Emmanuel Estrada, Baldwin
Park

Southeast Representative
Patty Cortez, Covina

Southwest District
Adele Andrade-Stadler,
Alhambra

At-Large Representatives
Thomas Wong, Monterey
Park (Delegate)
Jed Leano, Claremont
(Delegate)

Housing/Homeless Experts

Anne Turner
Alma Martinez
Valerie Velasquez (Alternate)

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

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, www.sgvkog.org. Copies are available via email upon request (sgv@sgvkog.org). 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 seek 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	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	Dr. Anne K. Turner Claremont Lincoln University 150 W. First Street Claremont, CA 91711

Instructions for Public Comments: For those wishing to make public comments on agenda and non-agenda 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.

- Written Comments (Email): 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.
- Verbal Comments (In Person): 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.
- Verbal Comments (Zoom): If you would like to participate by teleconference from a private location, please email Brielle Salazar (bsalazar@sgvrht.org) 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

5 MINUTES

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 MINUTES

5. Meeting Minutes- Page 1
Recommended Action: Adopt December 4, 2024 meeting minutes.
6. REAP 2.0 RLF Updated Guidelines- Page 3
Recommended Action: Adopt Resolution 25-01 Approving Revolving Loan Fund Guidelines
7. Board Meeting Calendar- Page 27
Recommended Action: Adopt 2025 meeting calendar.
8. Travel Policy- Page 28
Recommended Action: Adopt Resolution 25-02 adopting SGVRHT Travel Policy
9. Measure A Authorization- Page 34
Recommended Action: Adopt Resolution 25-03 authorizing the Executive Director to negotiate and execute Agreements for the acceptance and implementation of Measure A funds

ACTION ITEMS

10 MINUTES

10. Mariposa on Second, Alhambra Assignment of RLF Loan- Page 37
Recommended action: Adopt Resolution 25-04 Authorizing the Executive Director to negotiate and execute 1) An Assignment of loan documents for Mariposa on Second in the amount of \$3,392,510.00 to Cesar Chavez Foundation; and 2) A Letter of Intent for \$1,000,000.00 in construction to permanent financing with Cesar Chavez Foundation for the Project.

DISCUSSION ITEMS

10 MINUTES

11. Vienna Social Housing Field Study- Page 43
Recommended Action: For discussion only.

UPDATE ITEMS

5 MINUTES

12. Chair's Report
13. Executive Director's Report
14. General Counsel's Report

ADJOURN

San Gabriel Valley Regional Housing Trust Board Meeting December 4th, 2024
Unapproved Minutes

SGVRHT Board of Directors Unapproved Minutes

Date: December 4th, 2024

Time: 1:00 PM

Location: SGVRHT Office in Monrovia and Virtual Meeting

PRELIMINARY BUSINESS

1. Call to Order

Chair Leano called the meeting to order at 1:03pm.

2. Roll Call

A quorum was in attendance.

Members

Jed Leano, At-Large Member
Becky Shevlin, Northwest District
Adele Andrade-Stadler, Southwest District
Thomas Wong, Southwest District
Valerie Velasquez, Glendora

Staff

M. Creter, Executive Director, SGVRHT
B. Salazar, SGVRHT
D. DeBerry, General Counsel
L. Hwang
R. Lansing

Members Absent

Alma Martinez, Housing/
Homeless Expert Alternate
Emmanuel Estrada, Central District
Patty Cortez, Southeast District
Anne Turner, Housing/Homeless
Expert
Dennis Beckwith, Northeast District

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 October 2nd, 2024 meeting minutes.

6. 480 W Monterey Avenue Project

Action: Authorize the Executive Director to negotiate and execute the following agreements for 480 W Monterey Avenue, Pomona (Project): 1.) An agreement with SGVCOG for \$1,000,000 in Project funding from the State 2.) An amendment with SRK Architects, Inc. for a total not to exceed contract amount of \$461,000 for the development of construction plans and other support needed to complete the Project, 3.) future agreements with God's Pantry, contractors, and vendors to complete the Project.

7. PLHA Funding Agreement with City of Baldwin Park

Action: Authorize the Executive Director to negotiate and execute an agreement with the City of Baldwin Park to receive and administer Permanent Local Housing Allocation (PLHA) funding.

San Gabriel Valley Regional Housing Trust Board Meeting December 4th, 2024
Unapproved Minutes

There was a motion to approve Consent Calendar Items 5-7.
(M/S: Shevlin, Andrade-Sadler) [Motion Passed]

AYES:	Leano, Shevlin, Andrade-Sadler, Velasquez, Wong
NOES:	
ABSTAIN:	
ABSENT:	Martinez, Estrada, Cortez, Turner

ACTION ITEMS

8. 1377 Garey Ave. Pomona RLF Loan Subordination

Action: Authorize the Executive Director to negotiate and execute subordination agreements for 1377 N. Garey Avenue, Pomona- \$1.571,490

There was a motion to approve Action Item 8.

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

AYES:	Leano, Shevlin, Andrade-Statler, Velasquez, Wong
NOES:	
ABSTAIN:	
ABSENT:	Martinez, Estrada, Cortez, Turner

PRESENTATION ITEMS

9. GPLA Vienna Social Housing Field Study

Action: For information only.

UPDATE ITEMS

10. Chair's Report

There was no chair report.

11. Executive Director's Report

M. Creter shared an update on a proposed schedule of future board meetings for 2025, which will be adopted in the January meeting. There was also a call for candidates for open board positions of the RHT.

12. General Counsel's Report

There was no general counsel report.

ADJOURN

Chair Leano adjourned the meeting at 1:42 PM.

REPORT

DATE: January 22, 2025
TO: Board of Directors
FROM: Marisa Creter, Executive Director
RE: **REAP 2.0 RLF UPDATED GUIDELINES**

RECOMMENDED ACTION

Adopt Resolution 25-01 approving an update to the Revolving Loan Fund Guidelines.

BACKGROUND

At its June 2022 meeting, the Board of Directors adopted guidelines for the Revolving Loan Fund (RLF), which provides acquisition, predevelopment, and construction funding for affordable housing projects. To date, the lending program has facilitated six affordable housing projects, resulting in 255 new housing units. This fund addresses the region's housing needs by providing below-market-rate financing during the high-risk pre-development phase. Moreover, the RLF offers a sustainable funding model, as loan repayments are reinvested into future projects, ensuring ongoing support for affordable housing development.

As part of the Regional Early Action Planning (REAP 2.0) program, the SGVRHT has received \$5 million from the Southern California Association of Governments (SCAG) to expand its RLF. REAP 2.0 is a state-funded initiative with the objective of accelerating infill development that facilitates housing affordability and supply. SCAG has received a \$235.1 million grant and has sub-allocated funds to eligible entities for projects that meet the requirements of REAP 2.0, including being located within an infill area, expanding housing availability at all affordability levels, and affirmatively furthering fair housing. Due to the requirements associated with REAP 2.0, the SGVRHT must update its RLF guidelines to reflect the goals and requirements of the grant.

The current guidelines, as adopted by the SGVRHT Board of Directors in June of 2022, are stated in the table below.

Purpose	The RLF fills gaps in funding and provides predevelopment loans to preserve and increase affordable housing opportunities in the San Gabriel Valley
Eligible Housing Types	Housing types could include: <ul style="list-style-type: none">• New construction of affordable rental housing;• Conversion of a non-residential building(s) to affordable rental housing;• Acquisition and rehabilitation of existing rental housing introduces, extends, or increases affordability;• New construction of ownership housing, including condominiums, for first-time homebuyers;• An affordable housing component of a mixed-use development;

REPORT

	<ul style="list-style-type: none"> • A program to subsidize and restrict accessory dwelling units to income-eligible households; • Single room occupancy (“SRO”) developments; • Permanent supportive housing; and • Homeless facilities (shelters, transitional housing, and safe havens)
Eligible Use of Funds	<p>Eligible uses of funds include:</p> <ul style="list-style-type: none"> • Predevelopment expenses (e.g., preliminary title reports, architectural design, permitting fees, consultant fees) • Site acquisition and preparation • Community engagement and outreach • Short-term construction loans for ownership housing
Eligible Borrowers	<p>Eligible borrowers include qualified:</p> <ul style="list-style-type: none"> • Non-profit and for-profit developers • Other non-profit organizations • Public entities • Social service agencies • Faith-based and other community groups
Geography	The RLF will only fund projects located within SGVRHT full member jurisdictions.
Loan Amount	Up to \$4 million, subject to per-unit loan maximums of \$100,000 per unit.
Term	Up to 36 months, with two 6-month extensions.
Interest Rates	3% simple interest, or as otherwise determined by the Board of Directors.
Loan to Value Ratio	Up to 100% of appraised property value, plus predevelopment and/or site improvements costs.
Fees	Origination Fee: A 1% origination fee will be charged on all loans at closing.
Repayment	Monthly payments of interest only. Payment of principal is deferred until conversion to construction/permanent financing or loan maturity.

The guidelines listed in the table will still be in effect for all RLF loans, including loans from the REAP 2.0 grant. Additional guidelines must be added for RLF loans that are funded by the REAP 2.0 grant.

Discussion

To meet the REAP 2.0 requirements and utilize the \$5 million to expand the RLF, the SGVRHT must update the guidelines for the geography of eligible projects and add an additional requirement for any future use of repayments of loans that originated from the initial REAP 2.0 grant. The infill requirement of REAP 2.0 impacts the location requirements of RLF funded projects. SCAG defines an infill area as an area that consists of unused or underutilized lands, is within existing development patterns, and is accessible to destinations and services by transit, walking, or bicycling. The goal of this infill requirement is to reduce vehicle miles traveled by ensuring easy access to services for residents of future affordable housing developments.

Therefore, loans supported by this \$5 million in RLF funding will go toward projects in infill areas. Current geographical requirements for RLF eligibility will also still apply along with the infill requirement. In addition, all repayments for loans that initiated with REAP 2.0 money must also be used for future infill developments. This guideline will be in effect in perpetuity, with repayments of each subsequent loan going towards infill development.

REPORT

Two additional updates are also recommended to the RLF guidelines, including the addition of Rosemead as an eligible jurisdiction to receive RLF funds and updated language in the loan repayment section to specify the timing of interest payments. This updated language clarifies that unless otherwise approved by the board, loans will have monthly payments of interest only. In addition to the existing guidelines, the table below reflects all proposed changes to the RLF guidelines:

Geography	The REAP 2.0 RLF funding will only fund infill projects within SGVRHT member jurisdictions. Infill is defined as an area that consists of unused or underutilized lands, is within existing development patterns, and is accessible to destinations and services by transit, walking, or bicycling.
Lending of Future Loan Repayments	All repayments of loans that originated from the \$5 million REAP 2.0 grant and interest payments on those loans will go towards future infill development in perpetuity.
Loan Repayment	Loans will have monthly payments of interest only, unless otherwise approved by the board.

The existing RLF guidelines meet the other goals of REAP 2.0, which are to increase housing choice at all affordability levels and affirmatively further fair housing. The guidelines meet these goals by lending to affordable rental and homeownership opportunities, affordable components of mixed-use developments, and permanent supportive housing projects. By changing the geography guideline and adding a new requirement for the lending of future repayments, the RLF will fully meet the goals of REAP 2.0 and the SGVRHT will be able to utilize this \$5 million to continue to support the development of affordable housing throughout the San Gabriel Valley. Therefore, staff recommends that the Board adopt the resolution to update the RLF guidelines.

Prepared by: *Rosalie Lansing*
Rosalie Lansing
Management Aide

Reviewed by: *Brielle Salazar*
Brielle Salazar
Regional Housing Trust Manager

Approved by: *Marisa Creter*
Marisa Creter
Executive Director

Attachment A: Resolution 25-01 Approving Update to Revolving Loan Fund Guidelines

RESOLUTION NO. 25-01

RESOLUTION OF THE SAN GABRIEL VALLEY REGIONAL HOUSING TRUST (SGVRHT) APPROVING REVOLVING LOAN FUND GUIDELINES

WHEREAS, on September 8, 2021, the San Gabriel Valley Regional Housing Trust (SGVRHT) Board of Directors approved \$8 million in State Budget Earmark Funds to develop a Revolving Loan Fund (RLF) Program; and

WHEREAS, the RLF will provide predevelopment and construction capital to affordable housing projects in the San Gabriel Valley; and

WHEREAS, the Guidelines define project and borrower eligibility, establish recommended per-project and per-unit award amounts, define eligible expenses, and define loan terms; and

WHEREAS, SGVRHT was awarded \$5 million in Regional Early Action Planning (REAP 2.0) program funds; and

WHEREAS, SGVRHT desires to update the Guidelines to include additional requirements for REAP 2.0 program funded loans, include an additional eligible city, and further define repayment requirements.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the SGVRHT approve the updated RLF Guidelines incorporated herein as Exhibit A.

PASSED AND ADOPTED by the Board of Directors of the San Gabriel Valley Regional Housing Trust, in the County of Los Angeles, State of California, on the 22nd day of January 2025.

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 25-01 was adopted at a regular meeting of the Governing Board held on the 22nd day of January 2025, by the following roll call vote:

AYES:	
NOES:	
ABSTAIN:	
ABSENT:	

Marisa Creter, Secretary



***Revolving Loan Fund
Guidelines***

Marisa Creter, Executive Director

Rey Alimoren, Director of Finance

Brielle Salazar, Regional Housing Trust Manager



Board of Directors 2025

Officers:

Chair: Jed Leano, City of Claremont

Vice Chair: Becky Shevlin, City of Monrovia

Jurisdictional Representatives:

vacant – Northeast District

Becky Shevlin (City of Monrovia) – Northwest District

Emmanuel Estrada (City of Baldwin Park) – Central District

Patricia Cortez (City of Covina) – Southeast District

Adele Andrade-Stadler (City of Alhambra) – Southwest District

Jed Leano (City of Claremont) – At-Large Member

Thomas Wong (City of Monterey Park) – At-Large Member

Housing/Homeless Experts:

Seat 1 Delegate: Alma Martinez, City Manger, City of El Monte

Seat 2 Delegate: Anne K. Turner

Alternates

Housing and Homelessness Expert: Valerie Velasquez, City of Glendora



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**Revolving Loan Fund Program – SGVRHT
Guidelines**



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Introduction and Background

Background

The San Gabriel Valley Regional Housing Trust (“SGVRHT”) is a joint powers authority formed in February 2020 for the purposes of funding and financing the planning and construction of affordable housing serving extremely low, very low-, and low-income households and homeless housing (e.g., emergency shelters, permanent supportive housing, and transitional housing) in the San Gabriel Valley. Any city in the San Gabriel Valley can join the SGVRHT. At this time, there are 20 full member jurisdictions and four Affiliate Member jurisdictions.

The SGVRHT is governed by a Board of Directors made up of elected officials from seven cities that are members of the SGVRHT and two members that are housing or homeless experts (“Board of Directors”). The Board of Directors is responsible for overseeing the activities of the SGVRHT and administering the SGVRHT’s funds. The SGVRHT’s operations are managed by its Executive Director and the Housing Trust Administrator (“Administrator”).

The SGVRHT receives public and private financing and funds to support affordable housing and homeless housing projects in the San Gabriel Valley (“SGVRHT Fund”). The SGVRHT allocated an initial \$8 million in State funds to create the Revolving Loan Fund (“RLF”). Additional funds may be added to the RLF as grants are received and loan repayments are made.

Program Purpose

In June 2022, the SGVRHT established the RLF to provide financial assistance to preserve and increase affordable housing opportunities. The RLF is primarily designed to fill funding gaps and to provide predevelopment loans (i.e., early stage loans that make it easier for affordable housing developers to overcome initial hurdles while they determine the details of a project and secure permanent financing). More specifically, loan funds can be used for land acquisition, predevelopment expenses, construction loans, bridge loans, acquisition and rehabilitation expenses, and mini permanent loans. Loans provided by the RLF will typically be structured as short-term, below market loans to be repaid from construction or permanent financing. Once repaid, the loans and their accrued interest will revolve back into the RLF





About the Guidelines

The purpose of the Revolving Loan Fund Guidelines (“Guidelines”) is to inform potential Applicants of how to apply for funding and describe the criteria and process the SGVRHT will use to evaluate applications for funding and to provide transparency in the RLF operations. The Guidelines include an overview of threshold criteria, application submittal and review procedures, potential funding priorities, underwriting criteria, and general loan terms and conditions.

Generally, proposed projects must meet five requirements to be considered eligible for funding (“Threshold Criteria”):

1. Applicant qualifications
2. Geographic eligibility
3. Project eligibility
4. Expenditure eligibility
5. Affordability requirements

Applications that meet the Threshold Criteria will be evaluated and awarded funding on a first come, first served basis until current funding is exhausted. However, the Board of Directors reserve the right to prioritize select applications depending on one or multiple of the Program’s funding priorities identified in these Guidelines. In following years, the Board of Directors may adopt ranking criteria.

These Guidelines should be interpreted in conjunction with Federal, State, and local statutes and regulations governing use of RLF funds; in the event of a conflict between these Guidelines and such statutes and regulations, the requirements of those statutes and regulations shall prevail.

Threshold Criteria

Applicant Qualifications

Eligible Borrowers include qualified:

- Nonprofit, private developers
- Other nonprofit organizations
- For-profit affordable housing developers
- Public entities
- Social service agencies
- Faith-based and other community groups

RLF loans may be issued for projects sponsored by nonprofits, for-profit affordable housing developers, public agencies, social service agencies, or community groups or to a partnership between two or more of these entities.

Applicants must demonstrate the capacity to develop the proposed project successfully. The SGVRHT shall evaluate capacity based on the Applicant’s experience in developing and managing affordable housing or inclusion of development team members with a successful record in developing such housing. In addition, Applicants must demonstrate the financial and legal capacity to undertake the proposed project. Applicants without experience developing affordable housing may be required to partner with experienced affordable housing developer.

Geographic Eligibility

The RLF will only fund projects located within its full member jurisdictions (“Members”). Projects located in “Affiliate Member” or non-member jurisdictions within the San Gabriel Valley can

Revolving Loan Fund Program – SGVRHT Guidelines



become eligible for funding if the jurisdiction becomes a member during the application review period. As of this time, Full Members include:

- Alhambra
- Arcadia
- Azusa
- Baldwin Park
- Claremont
- Covina
- Diamond Bar
- Duarte
- El Monte
- Glendora
- Irwindale
- La Verne
- Monrovia
- Montebello
- Monterey Park
- Pomona
- **Rosemead**
- San Gabriel
- South El Monte
- South Pasadena
- West Covina

The SGVRHT's intention is to support developments within all Members and throughout the San Gabriel Valley. For the latest list of Members, please contact the Administrator at bsalazar@sgvrht.org.

Project Eligibility

Housing types may include but are not limited to the following:

- New construction of affordable rental housing
- Conversion of non-residential buildings to affordable rental housing
- Acquisition and rehabilitation of existing rental housing that:
 - Introduces affordability to previously market-rate housing through the use of executed legal contracts, deed restrictions, Covenants, certifications, or other legally binding means
 - Extends expiring affordability restrictions through the aforementioned means
 - Further subsidizes existing affordable housing to serve households with lower income levels (e.g., units that formerly served households with incomes between 50% and 80% of County Area Median Income ("AMI") made to serve households with incomes between 30% and 50% of AMI)
- New construction of ownership housing, including condominiums, for first-time homebuyers
- An affordable housing component of a mixed-use development
- A program to subsidize and restrict accessory dwelling units to income-eligible households¹
- Single room occupancy ("SRO") developments
- Permanent supportive housing

Housing tenure may be rental or ownership, including cooperative ownership.

Expenditure Eligibility

Generally, the RLF will be used to issue short-term loans that shall be due and payable upon the earlier of conversion to construction/permanent financing or loan maturity after no more than 36 months. Loans may be extended by the Executive Director (or designee) for up to two 6-month extension options or longer if approved by the SGVRHT Board. When necessary in order to meet the requirements for other project funding or to enhance project feasibility, the Board of Directors may approve a different loan term. Requests for exceptions to loan terms must be identified at the time of application. Requests for amendments to terms after an application has been reviewed will be subject to an additional \$500 review fee and Board of Directors approval.

RLF loans may be used for the following eligible purposes:

- Site acquisition and preparation

¹ ADU applications must demonstrate site control, ability to deed restrict units, and a process to identify clients and provide scattered site services.



- Predevelopment expenses, including but not limited to:
 - Carrying charges and financing fees
 - Preliminary title reports
 - Architectural design and engineering/soils work
 - Environmental analysis and reports
 - Legal and financial consultants
 - Planning and permitting fees
 - Appraisal costs
 - Application and consultant fees used to secure additional project funding
 - A developer fee, subject to the limitations of the Developer Fees section of these Guidelines
- Community engagement and outreach
- Short-term construction loans for ownership housing, when RLF loan repayment can be reasonably expected within 3 years, following home sales and issuance of income-restricted homeowner loans

RLF loans will not be made for agency operating expenses, social services, or development reserves.

Affordability Requirements

Eligible rental housing projects—including SRO developments, permanent supportive housing, and homeless facilities—shall be limited to those that serve households with incomes up to 80% of AMI, adjusted for household size. Eligible ownership housing projects shall be limited to those that serve households with incomes up to 80% of AMI, adjusted for household size. Income levels are further defined in Table 1.

Table 1. Housing Affordability Levels

Housing Affordability Levels	
Extremely Low-Income	0–30% of AMI
Very Low-Income	30–50% of AMI
Low-Income	50–80% of AMI

Eligible projects are not required to have all project details determined at the time of application, but Applicants should plan to initiate the development of a site or the redevelopment of a property within 3 years of receiving RLF funding and should plan for the following long-term affordability provisions:

- Rental housing, including SRO developments and permanent supportive housing, shall be income and rent restricted for not less than 55 years.
- Homeless facilities shall have a required minimum term of 5 years.
- Ownership housing shall comply with California Health and Safety Code, Section 50843.5(d)(3).

Requirements for REAP 2.0 Funded Projects

For loans funded by the \$5 million Regional Early Action Planning (REAP 2.0) program grant, additional requirements are in place that impact the geography guideline. REAP 2.0 funds must go towards infill development, which is defined as an area that consists of unused or underutilized lands, is within existing development patterns, and is accessible to destinations and services by transit, walking, or bicycling.

Projects funded by repayments of loans that originated from the REAP 2.0 grant also have this requirement. Payments of principal on REAP 2.0 loans will go towards infill development in perpetuity. Interest payments may be used to support overall program operation.



Application Submittal and Review Procedures

The SGVRHT will accept and approve RLF applications on a rolling basis until funding is exhausted. SGVRHT is seeking additional private and government capital for the RLF and will maintain a pipeline of eligible projects. The Board of Directors may provide timeframes for future rounds of applications, subject to available funding. Applicants are encouraged to visit the SGVRHT's website for the latest information regarding available funds.

Initial Project Review

Applicants should first contact the Administrator to discuss the eligibility of the development for RLF loan funding, the development need, and the current availability of funding by emailing bsalazar@sgvrht.org with the subject line "RLF Initial Application." Following the discussion, Applicants should submit a Preliminary Application form (see Exhibit A, Revolving Loan Fund Preliminary Application), along with a cover letter. The Administrator will review the Preliminary Application and follow up with the Applicant to clarify details, request additional documentation, and provide the full application, if applicable. The Administrator may discuss prospective applications with the Board of Directors for policy guidance and/or to discuss priorities for the use of available funds.

Development Application

Following the Administrator's review of the Preliminary Application, the Applicant should submit a completed full application with supporting documents. Supporting documents include but are not limited to:

- Site/project documents
 - Legal description of the property
 - Project cost estimates
 - Schematic designs, if available
 - Current photographs of the site
 - Preliminary title report, if available
 - Appraisal, if available
 - Contracts
 - Income/expense estimates
 - Budgets
 - Current rent roll for existing tenants of acquisition and rehabilitation projects and estoppel certificates when available
 - Environmental reports, if available
 - Proposed project schedule
 - Marketing/management plan
 - Tenant relocation plan, if applicable
- Organizational documents
 - Project team resumes
 - For nonprofit developers, list of Board of Directors, organizational chart, and 501(c)(3) exemption determination letter from the IRS
 - By-laws, articles of incorporation, and partnership agreements
 - Tax returns
 - Current financial statements

SGVRHT funding requires support from the member city where the project is located. Applicants are encouraged, but not required, to include letters of support from the local jurisdiction, local



community groups, or other local stakeholders. If a letter of support from the member city is not included, the Administrator will contact the local jurisdiction to confirm support or identify what milestones are required to achieve the local jurisdiction's support.

Once the Administrator determines that the full application is complete, the Administrator shall review, analyze, and underwrite the application and supporting documents within 60 calendar days and determine whether the application is approvable for commitment, with or without conditions. If the application has deficiencies, the Administrator shall notify the Applicant of how to address them. If the Administrator determines, working with the Loan Committee and at their discretion, that the application is approvable for commitment, the Administrator shall recommend on behalf of the Loan Committee that the Board of Directors issue a commitment letter. The Board of Directors may concur with the Loan Committee's recommendations, deny applications, or approve them with different terms or conditions.

Application Review

In reviewing applications, the Administrator and the Loan Committee shall consider the following factors, including but not limited to:

1. Threshold Criteria
2. Project budgets and financing
3. Site control
4. Development approvals
5. Environmental assessment
6. Sources of repayment
7. Loan collateral
8. Appraisals or indicators of value
9. Letters of support

The SGVRHT recognizes that some of these factors may not be fully known at the time of the application, may consider these factors at their level of certainty, and will coordinate with the Applicant to achieve greater clarification as needed.

For more detailed information regarding evaluation criteria, please refer to the Underwriting Criteria and General Loan Terms and Conditions section of these Guidelines.

Funding Priorities

Applications that meet the Threshold Criteria will be evaluated and awarded funding on a first come, first served basis until current funding is exhausted. However, the Board of Directors and the Executive Director (or designee) reserve the right to prioritize select applications depending on one or multiple of the Program's funding priorities, as identified in Table 2. In future rounds, the Board of Directors may adopt ranking criteria based on these funding priorities, the Underwriting Criteria, or other factors.


Table 2. Funding Priorities

RLF Program Funding Priorities	
Sub-Regional Equity	The SGVRHT intends to support developments within all Member jurisdictions and throughout the San Gabriel Valley. The SGVRHT may consider Members' housing needs, as well as the distribution of past awards, when reviewing proposed projects.
Affordability Levels	The SGVRHT seeks to provide affordable housing to households at all lower income levels (i.e., Extremely low-income, very low-income, and low-income) and may prioritize a project or group of projects that include a balance of units at the lower income levels. To determine an appropriate balance, the SGVRHT may refer to the estimate of lower-income housing need by detailed income level as identified in the Strategic Planning Study (see Table 3) or similar estimates.
Populations Served	The SGVRHT may consider how or whether projects serve the specific needs of the Member jurisdictions in which they are located. This may include an evaluation of the proposed housing type and the populations served (including, but not limited to, people experiencing homelessness, large families, people with disabilities, seniors, veterans, transitional aged youth, and farmworkers).
Cost Effectiveness	The SGVRHT may prioritize projects that are most cost effective or achieve the lowest possible subsidy per unit for SGVRHT resources.
Readiness and Risk	The SGVRHT may prioritize projects that can reasonably close financing and begin construction sooner than other projects. This may be measured by the proposed project schedule, the security/collateral, the Applicant's record, and other relevant factors.
Loan Repayment	The SGVRHT may prioritize projects that realistically propose accelerated loan repayment.

Table 3. Lower-Income Housing Need by Detailed Income Level, San Gabriel Valley, 2021–2029

AMI Level	Lower-Income Housing Need	
	Units	Percent
Extremely Low-Income (Less than 30% AMI)	17,984	35.1%
Very Low-Income (30–50% AMI)	15,502	30.2%
Low-Income (50–80% AMI)	17,819	34.7%
Total, Lower-Income Housing	51,306	100.0%

Sources: Southern California Association of Governments; U.S. Department of Housing and Urban Development Comprehensive Housing Affordability Strategy Database; Bay Area Economics 2021.

Underwriting Criteria and General Loan Terms and Conditions

The general loan terms for RLF loans are outlined below. The Executive Director (or designee) and Board of Directors reserve the right to amend these terms on a project-by-project basis.

Loan Term

Generally, the RLF will be used to issue short-term loans that shall be due and payable upon the earlier of conversion to permanent financing or loan maturity after no more than 36 months. Loans may be extended for two 6-month extension options or longer if approved by the SGVRHT Board. When necessary in order to meet the requirements for other project funding or to enhance project feasibility, the Board of Directors may approve a different loan term.



Loan Amount

The maximum loan amount shall initially be set at \$4 million per project. Furthermore, RLF loans shall not exceed the following (Table 4):

Table 4. Maximum Per-Unit Loan Amounts, Fiscal Year 2022-2023

	New Construction	Acquisition and Rehabilitation
0 and 1-bedroom units	\$80,000	\$100,000
2- or more bedroom units	\$84,000	\$105,000

Maximum per-unit loan amounts to be adjusted in July of each year using the annual Consumer Price Index for All Urban Consumers, West Region, All Items, as published by the Bureau of Labor Statistics, U.S. Department of Labor.

The Board of Directors may approve loan amounts exceeding these limits with justification.

Loan to Value Ratio

The SGVRHT will issue RLF loans of up to 100% of the appraised property value, plus predevelopment and/or site improvements costs. All budgeted expenses are subject to review and approval by the SGVRHT. The maximum allowable purchase price shall not exceed the appraised value as evidenced by an appraisal prepared by a California State Certified General Appraiser and approved by the Administrator that is dated no more than 6 months prior to the date of the application. The appraisal may not determine property value based solely on sales of properties financed by public agencies.

Interest Rate

The interest rate may be determined at either:

1. The rate established by the Federal Home Loan Mortgage Corporation for the average conventional commitment of a fixed-rate, 30-year mortgage, compounded annually; or
2. When necessary to secure investor equity or other funding sources, interest rates of affordable housing projects that include tax credits or conventional lenders, at 3% simple interest; or
3. As otherwise determined by the Executive Director (or designee) or the Board of Directors to ensure the feasibility of a project or to reflect the level of risk involved in the project.

Loan Repayment

A take-out source must be identified for predevelopment loans. Under some circumstances, the SGVRHT may rely on a Loan Guaranty from an Applicant that can demonstrate significant financial strength in lieu of an identified take-out source.

Loan payments shall be made as follows:

1. **Loans will have monthly payments of interest only, unless otherwise approved by the board.** Payment of principal is deferred until conversion to construction/permanent financing or maturity. If a loan interest payment is more than 10 days late, Borrowers must pay a 5% penalty of the loan interest payment. If there is not sufficient cash flow to make regular payments, an interest reserve may be considered.
2. The Borrower may elect to prepay the loan or any part thereof prior to the end of the term. However, the Memorandum of Agreement or recorded Covenants shall remain in full force and effect for its term regardless of any prepayment.
3. If the Borrower violates the terms of the Memorandum of Agreement or recorded Covenants such that the SGVRHT declares the loan in default, the entire amount of unpaid principal plus accrued interest at the rate established at the time of closing shall be due.



Developer Fees

The total budgeted developer fee shall not exceed the following:

- a) For projects not utilizing low-income housing tax credits, the developer fee shall not exceed the amount calculated in accordance with subsections (1), (2), or (3) below. The per-unit amounts will be adjusted in thousand dollar increments in accordance with changes in the Consumer Price Index (“CPI”) when, following the year 2016, the CPI has indicated the next full thousand dollar increment has been reached.
 - (1) For new construction projects and projects where the contract for the rehabilitation work equals or exceeds \$35,000 per unit:
 - A. For the first 30 units, \$26,000 per unit.
 - B. For each unit in excess of 30, \$10,500 per unit.
 - (2) For other projects involving acquisition and rehabilitation where the contract amount for the rehabilitation work, excluding contractor profit and overhead, equals or exceeds \$10,500 per unit and is less than \$35,000 per unit:
 - A. For the first 30 units, \$12,000 per unit.
 - B. For each unit in excess of 30, \$5,500 per unit.
 - (3) For all other projects, \$2,000 per unit.
- b) For projects utilizing 9% competitive low-income housing tax credits, the developer fee shall not exceed the amount that may be included in project costs pursuant to California Code of Regulations, Title 4, Section 10327.
- c) For projects utilizing 4% tax credits, the developer fee shall not exceed the lesser of \$3.5 million or the sum of:
 - (1) The amount that could be included in project costs pursuant to California Code of Regulations, Title 4, Section 10327, if the project was receiving 9% competitive tax credits; plus
 - (2) Any remaining deferred developer fee (payable exclusively from operating income) that is allowed in eligible basis under California Code of Regulations, Title 4, Section 10327, of the California Tax Credit Allocation Committee (“CTCAC”) regulations.
 (Subsection (c) limits the developer fee paid from development funding sources.)

The Board of Directors may use different limits on Developer Fees, to the extent it deems the different limits necessary to attract sufficient applications to utilize available funding.

For new construction projects, the developer fee will be released in three stages, as applicable:

1. One-third upon issuance of the necessary building permits
2. One-third upon the conversion to construction/permanent financing (for rental housing) or issuance of the certificate of occupancy (for ownership housing)
3. One-third upon full sale of the project units (for ownership housing) (For rental housing, one-third will remain unreleased during the RLF loan term, to be released during the construction/permanent financing phase.)

For projects involving acquisition and rehabilitation, the developer fee will be released in three stages, as applicable:

1. 25% upon issuance of the necessary building permits
2. 25% upon the conversion to construction/permanent financing
3. 50% to remain unreleased during the RLF loan term, to be released during the construction/permanent financing phase



Predevelopment and Development Budgets

The SGVRHT will evaluate the predevelopment and development budgets in comparison to construction cost estimates; costs for other, similar projects; costs for other projects with adjustments for differences; industry resources such as Marshall & Swift building cost data; and other resources available to the SGVRHT.

Cash Flow and Debt Coverage Ratio

The Applicant shall submit a cash flow for the longer of the affordability term (see Affordability Requirements section) or 30 years. The cash flow should show a Year 1 debt service coverage ratio of 1.1 or higher and positive net cash flow through at least Year 15.

Operating Expenses

Total operating expenses shall not be less than those specifically listed in California Code of Regulations, Title 4, Section 10327, as minimum operating expenses unless the Applicant can provide sufficient evidence that lower expenses will be sufficient. Projects that will use tax credits must satisfy the operating cost minimums published by the CTCAC for Los Angeles County and the applicable project type and year. The Board of Directors may require higher operating expenses where warranted by the experience of comparable properties and particular building characteristics, such as the nature of the tenant population or the level of rehabilitation. The Board of Directors may approve total operating expenses that are less than those specified in Section 10327 if the project has an extraordinary design feature that results in a quantifiable operating cost savings or if the Board of Directors determines that lesser total operating expenses are sufficient for the effective operation of the project.

Reserves

The development budget should include the following reserves, to be funded in the permanent financing phase and/or from operating income:

1. Replacement Reserves – An account to fund new building materials and systems as older materials and systems wear out.
 - The minimum replacement reserve deposit for projects shall be \$300 per unit per year or, for new construction or senior projects, \$250 per unit per year.
2. Operating Reserves – An account to cover a deficit in the property's operation.
 - An operating reserve shall be funded in an amount at least equal to 3 months of estimated operating expenses, non-contingent (i.e., senior) debt service, and reserve deposits under stabilized occupancy.

Collateral/Security

The loan shall be secured by a Deed of Trust, secured by real property or other security as approved by the Board of Directors. The SGVRHT may consider a Loan Guaranty from an entity that can demonstrate significant financial strength. The SGVRHT may consider subordinating its lien position to other lenders.

Fees

A loan origination fee of 1% of the loan amount will be charged for all loans. An application fee of \$500 is due with the application and may be paid by check to the San Gabriel Valley Regional



Housing Trust. The Board of Directors may institute fees for future RLF funding. Borrowers are required to pay out-of-pocket expenses and legal costs associated with a loan.

Loan Documents

Prior to receiving funding, Applicants must execute the following “Loan Documents,” except SGVRHT may choose to exclude one or more of the documents:

- Loan Agreement
- Promissory Note
- Deed of Trust
- Assignment of Contracts and Plans
- Memorandum of Agreement
- Option and Purchase Agreement
- Loan Guaranty, if applicable
- Other documents as determined by the Executive Director (or designee) and Board of Directors

Fair Housing and Equal Opportunity

The SGVRHT is an equal opportunity lender. All projects receiving RLF funding must comply with applicable State and Federal fair housing and equal opportunity laws.

Prevailing Wages and Relocation

The SGVRHT will only make RLF loans to projects that are either exempt from State prevailing wages and Davis-Bacon requirements or where the Borrower has experience successfully developing projects that pay State prevailing wages or Davis-Bacon wages. Projects receiving RLF loans from revenue sources derived from local, State, or Federal sources will be subject to applicable State or Federal relocation laws.



Table 5 summarizes the underwriting standards and loan terms, as detailed above.

Table 5. Summary of Underwriting Criteria and Loan Terms

SGVRHT Loan Underwriting Standards	
Loan Term	36 months, with up to two 6-month extension options.
Loan Amount	The maximum loan amount is \$4 million per project, with the following per-unit limits, to be adjusted annually utilizing the CPI: <ul style="list-style-type: none"> • New Construction: \$80,000 for 0 and 1-bedroom units, \$84,000 for 2- or more bedroom units • Acquisition and Rehab: \$100,000 for 0 and 1-bedroom units, \$105,000 for 2- or more bedroom units
Loan to Value Ratio	Up to 100% of appraised property value, plus predevelopment and/or site improvements costs. Appraisal is required within the last 6 months.
Interest Rate	Either: <ul style="list-style-type: none"> • The rate established by the Federal Home Loan Mortgage Corporation for the average conventional commitment of a fixed-rate, 30-year mortgage, compounded annually • 3% simple interest • As otherwise determined by the Executive Director (or designee) or the Board of Directors
Loan Repayment	A take-out source must be identified. Under some circumstances, the SGVRHT may rely on a Loan Guaranty from an Applicant that can demonstrate significant financial strength in lieu of an identified take-out source. Interest only, paid monthly. Principal will be due at the earlier of conversion to construction/permanent financing or the maturity date. Borrowers must pay a 5% penalty of the loan interest payment if an interest payment is more than 10 days late. If there is not sufficient cash flow to make regular payments, an interest reserve may be considered.
Developer Fees	The total budgeted developer fee shall be limited based on the project type, scope of work, and/or whether the project will pursue tax credit financing. The developer fee will be released in stages, depending on the project type.
Predevelopment and Development Budgets	The SGVRHT will evaluate the predevelopment and development budgets in comparison to construction cost estimates; costs for other, similar projects; costs for other projects with adjustments for scope differences; industry resources such as Marshall & Swift building cost data; and other resources available to the SGVRHT.
Cash Flow and Debt Coverage Ratio	The Applicant shall submit a cash flow for the longer of the affordability term or 30 years. The cash flow should show a Year 1 debt service coverage ratio of 1.1 or higher and positive net cash flow through at least Year 15.
Operating Expenses	Total operating expenses shall not be less than those specifically listed in California Code of Regulations, Title 4, Section 10327, as minimum operating expenses. The Board of Directors may require higher operating expenses or approve lower operating expenses under certain circumstances.
Reserves	The development budget should include replacement reserves and operating reserves.
Collateral/Security	Loans will be secured by a Deed of Trust, secured by real property or other security as approved by the Board of Directors. The SGVRHT may consider a Loan Guaranty.
Fees	A loan origination fee of 1% of the loan amount will be charged for all loans. For the first year of the RLF, the SGVRHT is not charging application, underwriting, or other similar fees.
Loan Documents	All loans will require a Loan Agreement, Promissory Note, Deed of Trust, Assignment of Contracts and Plans, Memorandum of Agreement, and other documents as determined by the Executive Director (or designee) and Board of Directors.



Table 5. Summary of Underwriting Criteria and Loan Terms

SGVRHT Loan Underwriting Standards	
Fair Housing and Equal Housing Opportunity	The SGVRHT is an equal opportunity lender. All projects receiving RLF funding must comply with applicable State and Federal fair housing and equal housing opportunity laws.
Prevailing Wages and Relocation	The SGVRHT will only make RLF loans to projects that are either exempt from State prevailing wages and Davis-Bacon requirements or where the Borrower has experience successfully developing projects that pay State prevailing wages or Davis-Bacon wages. Projects receiving RLF loans from revenue sources derived from local, State, or Federal sources will be subject to applicable State or Federal relocation laws.



Exhibit A: Revolving Loan Fund Preliminary Application

REPORT

DATE: January 22, 2025
TO: Board of Directors
FROM: Marisa Creter, Executive Director
RE: BOARD MEETING CALENDAR UPDATE

RECOMMENDED ACTION

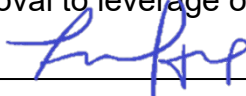
Approve SGVRHT Board Meeting Calendar.

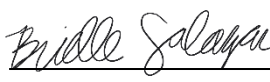
BACKGROUND

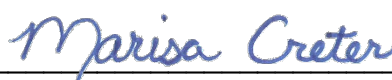
The San Gabriel Valley Regional Housing Trust Board of Directors (SGVRHT Board) intends to meet quarterly to address general organizational needs. Per the Brown Act teleconference rules, Board members may attend meetings virtually if their locations are posted on the agenda and the location is made accessible to the public. Staff proposes adopting following the SGVRHT Board meeting calendar:

Meeting Date	Topics
February 19, 2025	General business
March 12, 2025	General business, RLF loan commitments, FY 25-26 draft budget
June 18, 2025	General business, RLF loan commitments, FY 25-26 Budget
September 17, 2025	General business, RLF loan commitments
November 19, 2025	General business

In addition to the above scheduled SGVRHT Board meetings, staff anticipates there may be occasional special meetings to address urgent business needs such as project financing approval to leverage other funding sources.

Prepared by: 
Lucia Hwang
Management Analyst

Prepared by: 
Brielle Salazar
Regional Housing Trust Manager

Approved by: 
Marisa Creter
Executive Director

REPORT

DATE: January 22, 2025

TO: Board of Directors

FROM: Marisa Creter, Executive Director

RE: TRAVEL AND EXPENSE POLICY

RECOMMENDED ACTION

Adopt Resolution 25-02 approving the SGVRHT Travel and Expense Policy.

BACKGROUND

SGVRHT staff have drafted a Travel and Expense Policy for SGVRHT Board members and staff. The Policy establishes responsibilities and guidelines for Board members and staff when attending professional conferences or other travel on authorized SGVRHT business, ensuring compliance with all federal and state regulations. The document includes an overview of the travel approval process, travel expenses that are eligible for reimbursement, examples of authorized and unauthorized expenses, and expense forms.

All future travel expenses for SGVRHT board members and staff will be evaluated using this framework. The Policy has been modeled after other local government agencies, including Cities and the SGVCOG policy, and it is a standard operating document. The SGVRHT expects to reimburse reasonable costs incurred by board members and staff on approved travel, as long as the written guidelines are followed. Therefore, staff recommends that the Board adopt the resolution approving the Travel and Expense Policy.

Prepared by: *Rosalie Lansing*
Rosalie Lansing
Management Aide

Reviewed by: *Brielle Salazar*
Brielle Salazar
Regional Housing Trust Manager

Approved by: *Marisa Creter*
Marisa Creter
Executive Director

Attachment A: Resolution 25-02

RESOLUTION NO. 25-02

RESOLUTION OF THE SAN GABRIEL VALLEY REGIONAL HOUSING TRUST (SGVRHT) APPROVING THE TRAVEL AND EXPENSE POLICY

WHEREAS, San Gabriel Valley Regional Housing Trust (SGVRHT) staff have drafted a Travel and Expense Policy (Policy) for SGVRHT Board Members and staff; and

WHEREAS, the Policy establishes responsibilities and guidelines for board members and staff on authorized SGVRHT business travel, the reimbursement process, and eligible expenses; and

WHEREAS, all future travel expenses will be evaluated within the Policy’s framework.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the SGVRHT approve the Travel and Expense Policy incorporated herein as Exhibit A.

PASSED AND ADOPTED by the Board of Directors of the San Gabriel Valley Regional Housing Trust, in the County of Los Angeles, State of California, on the 22nd day of January 2025.

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 25-02 was adopted at a regular meeting of the Governing Board held on the 22nd day of January 2025, by the following vote:

AYES:	
NOES:	
ABSTAIN:	
ABSENT:	

Marisa Creter, Secretary

Exhibit A

San Gabriel Valley Regional Housing Trust (SGVRHT) Travel and Expense Policy

Purpose

The purpose of the Travel and Expense Policy is to establish responsibilities and guidelines for board members and staff when attending business or professional conferences, training seminars or other travel on authorized SGVRHT business.

It is the intent of this Policy to assure compliance with all federal and state regulations and laws.

Policy

In general, all reimbursements to board members and staff are a use of public funds. The SGVRHT expects to reimburse reasonable costs incurred by board members and staff when traveling on SGVRHT business.

All expenses on official SGVRHT business should be pre-approved and paid directly through the SGVRHT when feasible. In cases where pre-payment by the SGVRHT is not feasible, reimbursement of business-related expenses is allowable; however, board members and staff must substantiate the expenses with original receipts. A detailed record of all reimbursable expenses incurred during the travel must be submitted on a Travel/Expense form. Expenses on a reimbursement basis shall follow the requirements outlined in the Travel Approval Process section of this Policy.

Travel Approval Process

Before incurring any expense(s), preapproval is required and mandatory for all SGVRHT board members and staff for the purpose of business travel, training and the travel associated with the training by submitting a completed Travel/Expense form with all required approval signatures. An event (i.e., training, workshop, conference, etc.) informational brochure or flyer with detailed information must be attached to the Travel/Expense form.

SGVRHT shall review all requests for travel expense preapproval and reimbursement from board members and staff for non-budgeted, and/or out-of-county travel, prior to such travel. Any number of board members and staff may attend conferences if funds for such purposes are specifically provided for and included in the annual budget, and the number of attendees is justified in consideration of the additional cost. In the absence of an annual budget approval, such travel must be approved in advance by the SGVRHT Board of Directors.

All international travel and any travel exceeding \$2,500 is subject to prior approval by the SGVRHT Board of Directors and shall be placed on the agenda of any regular or special meetings of the SGVRHT Board of Directors. No SGVRHT board member or staff travel

shall be approved without prior submission of the detailed travel itinerary to the Board of Directors.

All reimbursable expenses incurred for travel must be reported on the SGVRHT Travel/Expense form. All board members and staff participating in travel must provide an informational report at the next regularly scheduled SGVRHT board meeting following the completion of such travel.

SGVRHT board members and staff must submit a Travel/Expense form for all travel/training under \$2,500 to the SGVRHT Finance Director for approval.

Travel Expenses

Travel expenses include air and ground transportation, personal automobile usage, car rentals for business purposes, meals and tips, lodging, non-meal tips, telephone, parking, tolls and other related expenses. Original itemized receipts are required for all expenses. For SGVRHT credit card usage during travel/training, original itemized receipts must be attached to a copy of the completed Travel/Expense form for submission with the monthly credit card reconciliation. Original itemized receipts for reimbursement of personal funds used to pay for expenses during approved travel/training must be submitted with the Travel/Expense form within ten (10) business days upon return from travel.

Transportation

1. Air Travel

Air travel will be arranged and paid by the SGVRHT accounting division with the SGVRHT credit card. SGVRHT approved air travel shall be routed through the airport that is the most practical. Every effort should be made to travel at the lowest cost. The class of air travel shall be coach only. The class of ticket is to be utilized as issued. If a lesser cost ticket is substituted for any reason, the cost savings is to be remitted to the SGVRHT.

2. Automobile Travel

Reimbursement for mileage driven may not exceed the cost of appropriate air fare and related ground transportation. The current approved rate will be the prevailing IRS mileage allowance rate available at the IRS website. No board member or staff shall operate his/her privately-owned vehicle on SGVRHT business without being in compliance with the provisions of the California Vehicle Code and meet the minimum requirements of the California Insurance Code.

3. Car Rental

When traveling, vehicles should be rented with the company offering the best price. Government rates may be available and should be requested when renting a vehicle. Only compact or mid-size vehicles should be rented. The rental of a vehicle should only be for previously approved travel dates. Original itemized receipts of all rentals of vehicles must be submitted within ten (10) business days upon return from travel and reported on the Travel/Expense form when the expense was paid with personal funds. Original itemized receipt for payment with

the SGVRHT credit card must be attached to the monthly credit card statement reconciliation along with a copy of the Travel/Expense form.

4. Public Ground Transportation

Taxi, airport limousine, bus, light rail, train or other public transportation expenses incurred for a business-related purpose are reimbursable and must be submitted and reported on the Travel/Expense form with original itemized receipts attached. Prudent business judgment should be applied in determining the means of public transportation to be used.

5. Parking and Tolls

Parking and tolls incurred for business trips are reimbursable.

Meals

Travelers are expected to consume any meals provided at the trainings, conference, seminar, etc. and board members and staff will not be reimbursed for meals covered by the registration fee. Meal expenses incurred will be reimbursed either with receipts for actual expenses or at the current per diem rates published by the U.S General Services Administration, with the per diem rate prorated at 20% for breakfast, 25% for lunch, and 55% for dinner. Receipts for actual expenses must be broken down accordingly in the request for reimbursement. Receipts are not required for the per diem reimbursement.

Lodging

Lodging/hotel accommodations should be booked at a government rate if available. Rooms will be booked at a standard rate if a government rate is not available. Lodging must be approved before incurring the expense.

Travel Advance

The SGVRHT will pay in advance for training/conference registration, lodging, and/or airfares. All other expenses paid with the traveler's personal funds will be reimbursed after the submittal of a Travel/Expense form with the appropriate original itemized receipts and information attached.

Authorized Expenses

Expenses incurred by SGVRHT board members and staff engaging and/or participating in the following activities and/or events constitute authorized and reimbursable expenses:

1. Communicating with representatives of regional, state and federal government and their various agencies and entities on SGVRHT adopted or authorized policy positions.
2. Attending educational seminars designed to improve SGVRHT members' skill and information levels.
3. Participating in regional, state and national organizations whose activities affect the SGVRHT's interests.
4. Attending SGVRHT-sponsored events.
5. International travel, with prior approval of the SGVRHT Board of Directors.

All other requirements of this policy must also be met to constitute an authorized expense.

Unauthorized Expenses

1. Items of a personal nature are not reimbursable, including movies, entertainment, premium television services, alcoholic beverages, snacks, gift certificates, laundering or dry-cleaning, spas, gyms, barbers, magazines, shoeshine, travel insurance, purchase of clothing or toiletries, loss of tickets, fines or traffic violations, non-mileage personal automobile expenses, including repairs, insurance or gasoline, personal losses incurred while on SGVRHT business, excess baggage, spouse and/or guest accommodations, office equipment and other items of a personal nature.
2. Spouses and guests are allowed to accompany the SGVRHT official on travel and at conferences, seminars and meetings when using public or private transportation. Any additional costs associated with the participation of the spouse or other guests are the SGVRHT official's responsibility including any increased lodging rate due to double occupancy. Any increase in cost due to a spouse or guest accompanying an SGVRHT official is not to be charged to the SGVRHT and must be paid for directly by the official.
3. Expenses for which the SGVRHT board member or staff receive reimbursement from another agency are not reimbursable.
4. If unauthorized expenses have been paid by the SGVRHT, the board member or staff will be responsible for immediate reimbursement to the SGVRHT. Payment shall be made to the SGVRHT within twenty (20) calendar days after the event.

Travel/Expense Form

Upon return from the event, the board member or staff must submit an approved Travel/Expense Form to the SGVRHT Finance Director within ten (10) calendar days. This form itemizes all expenses associated with the event. All original receipts must be attached, as well as a copy of the conference/training schedule. Electronic receipts will also be accepted.

In the event of a lost receipt for a travel-related item, a memo is required. The memo must include the following:

- a. Explain the circumstances in detail, such as time, activity, and reason for losing the receipt.
- b. Include all receipt information such as place of business, amount, date, description of item, etc. The memo must be signed by the impacted traveler.

REPORT

DATE: January 22, 2025

TO: Board of Directors

FROM: Marisa Creter, Executive Director

RE: **MEASURE A AUTHORIZATION**

RECOMMENDED ACTION

Adopt Resolution 25-03 authorizing the Executive Director to negotiate and execute Agreements for the acceptance and implementation of Measure A funds.

DISCUSSION

On November 5, 2024, ballot Measure A was passed by Los Angeles County voters, authorizing a half-cent countywide tax to address housing and homelessness on an ongoing basis. Measure A repeals and replaces Measure H, the current ¼ cent tax that funds housing and homelessness efforts in LA County which was set to sunset in 2027. Measure A is estimated to levy as much as \$1 billion in revenue in its first fiscal year per the LA County Auditor Controller. In the legislation, the San Gabriel Valley Regional Housing Trust (SGVRHT) was named as an entity eligible to potentially receive Measure A funds. The estimated revenues will be split such that 60% of the funds will address Comprehensive Homeless Services led by LA County, 3% will be dedicated to Local Housing Production led by Los Angeles County Development Authority (LACDA), and 35.75% for Affordable Housing and Preservation led by Los Angeles County Affordable Housing Solutions Agency (LACAHSAs)¹. Based on these percentages, LACAHSAs is anticipated to receive \$383 million which will be split between its agency allocation and eligible jurisdiction allocations. In LACAHSAs's enabling legislation (SB679), the SGVRHT is named as an eligible jurisdiction such that LACAHSAs can allocate the San Gabriel Valley region's share of Measure A funding to the SGVRHT. The regional share is based on very-low/low Regional Housing Needs Assessment (RHNA) numbers, with the San Gabriel Valley totaling 11.35% of the County total, or an estimated \$21 million annually.

On December 17, 2024, the Los Angeles County Board of Supervisors took action to allow their Executive Officer to execute agreements with the State for the implementation of Measure A. Measure H, will expire on March 30th and Measure A is anticipated to begin collection on April 1st. Although the framework and mechanics for funding determination and distribution are unknown at this time, this is anticipated to be a quickly evolving process and there is a need to act quickly to support local housing and homelessness needs. This proposed action mirrors the County action to allow the SGVRHT to take immediate action to participate in any relevant negotiation efforts, or receive funds if

¹ The remaining 1.25% will go to accountability, data, and research

REPORT

appropriated. Staff anticipates presenting contracts to the board for review provided there is sufficient time to meet any implementation timelines. All project funding allocations from Measure A funds would return to the Board for consideration.

Reviewed by: *Brielle Salazar*
Brielle Salazar
Regional Housing Trust Manager

Approved by: *Marisa Creter*
Marisa Creter
Executive Director

Attachment A: Resolution 25-03

RESOLUTION NO. 25-03

RESOLUTION OF THE SAN GABRIEL VALLEY REGIONAL HOUSING TRUST (SGVRHT) AUTHORIZING EXECUTIVE DIRECTOR TO NEGOTIATE AND EXECUTE AGREEMENTS FOR MEASURE A FUNDS

WHEREAS, the County of Los Angeles voters approved Measure A, a half cent countywide tax to address housing and homelessness; and

WHEREAS, the San Gabriel Valley Regional Housing Trust is potentially eligible to receive Measure A funds; and

WHEREAS, the SGVRHT would accept the funds through an Agreement or Agreements.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors authorizes the Executive Director to negotiate and execute agreements for Measure A funds.

PASSED AND ADOPTED by the Board of Directors of the San Gabriel Valley Regional Housing Trust, in the County of Los Angeles, State of California, on the 22nd day of January 2025.

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 25-03 was adopted at a regular meeting of the Board of Directors held on the 22nd day of January 2025, by the following vote:

AYES:	
NOES:	
ABSTAIN:	
ABSENT:	

Marisa Creter, Secretary

REPORT

DATE: January 22, 2025

TO: Board of Directors

FROM: Marisa Creter, Executive Director

RE: MARIPOSA PREDEVELOPMENT AND CONSTRUCTION LOAN AGREEMENT ASSIGNMENT AND REVISED LETTER OF INTENT

RECOMMENDED ACTION

Adopt Resolution 25-04 authorizing the Executive Director to negotiate and execute

- 1) An Assignment of loan documents for Mariposa on Second (formerly 46 South Second or Mariposa Apartments)(Project) in the amount of \$3,392,510.00 to Cesar Chavez Foundation; and
- 2) A Letter of Intent for \$1,000,000.00 in construction to permanent financing with Cesar Chavez Foundation for the Project

BACKGROUND

In February 2024, the SGVRHT Board of Directors adopted Resolution 24-04 awarding \$3,392,510 in Revolving Loan Fund (RLF) funding for Mariposa on Second (Project) to support predevelopment expenses. The project developer was American Family Housing (AFH), and in April 2024, loan documents were executed by AFH and SGVRHT for the Project including the Loan Agreement, Memorandum of Agreement, Promissory Note, and Assignment of Contracts and Plans. Per the Loan Agreement, *Article 12 Prohibition Against Transfer* states that the Developer shall not transfer the Agreement or any interest herein directly or indirectly, without the prior written consent of the Lender. The SGVRHT has received a request from AFH to transfer their interest in the Project to Cesar Chavez Foundation (CCF).

The RLF was the second loan committed to this Project. At its June 28, 2021 meeting, the SGVRHT Board of Directors authorized the Executive Director to issue a Letter of Intent for \$1,000,000 in Pipeline funds to the Project as for construction to permanent financing. This allocation includes \$500,000 of SGVRHT Capital Funds and a matching \$500,000 of Local Housing Trust Funds for a total of \$1,000,000 (LHTF Project Pipeline funding). The Letter of Intent is addressed to American Family Housing, as the project applicant and intended Project developer and AFH also intends to transfer this interest to CCF.

DISCUSSION

In October 2024, Cesar Chavez Foundation (CCF) informed staff of a Memorandum of Understanding between CCF and American Family Housing (AFH) to assign the Project from Alhambra Second Street, LP, a limited partnership created by AFH, to CCF as

developer and sponsor. The assignment is necessary for Mariposa on Second to reach completion, including construction and conversion to permanent financing. The project transfer depends on an Assignment of the RLF Loan and a revised Letter of Intent for the construction to permanent loan. CCF has proposed some updated project details to make the Project more competitive for tax credits. It is not uncommon for unit mixes and special needs populations to update during the predevelopment period to secure additional financing and a Construction Lender. An updated description of the project is below:

Mariposa on Second, Alhambra is currently envisioned as a 36-unit, 100% affordable housing development with on-grade and subterranean parking spaces located at 46 South Second Street, Alhambra. The development will provide support for extremely low-, very low-, and low-income families (30% to 60% of the area median income) by planning, building, operating, and offering residential services. CCF is committed to serving the neediest households, with 30% of the units designated for households experiencing homelessness. Due to the special needs designation by the County of Los Angeles, tenants must qualify as either homeless households or households at risk of becoming homeless. Mariposa on Second has been awarded Project Based Voucher for the special needs units by LACDA. The special needs units will be 9 one-bedroom at 30% AMI, 6 two-bedroom at 30% AMI, and 1 three-bedroom at 30% AMI will be for homeless persons and persons with special needs.

Mariposa on Second has secured additional public sources including \$1,000,000 construction to permanent financing from the SGVRHT, \$1,400,000 in Los Angeles Community Development Authority Affordable Housing Trust funds, and \$5,830,000 in City of Alhambra funds. CCF will apply for 9% Tax Credits in February 2025.

Changes to the proposed project comply with RLF Guidelines and the LHTF Project Pipeline Funding requirements. Project details not outlined in the summary chart remain unchanged. A summary of the changes to the project description is below:

	Current	New
Number of Units	50	36
Percentage of 30% AMI units:	48%	44%
AMI range:	30%-50%	30%-60%
Bedroom Types:	35 one-bedrooms, 14 two-bedrooms	16 one-bedrooms, 10 two-bedrooms, 9 three-bedrooms
Construction start:	07/2024	03/2026
Construction complete:	06/2026	09/2027

FISCAL IMPACT

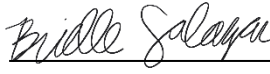
There is no fiscal impact associated with this action, the previously allocated funding amounts will remain the same and only the recipient will change. To date, \$1,676,251.70 has been drawn on the RLF loan. After execution of the assignment, CCF will be authorized to draw the remaining funds, an amount not to exceed \$1,716,258.30, to

support project development. CCF will repay the RLF loan of \$3,392,510 in full, or the total amount drawn, at construction closing, estimated to be March 2026. Repayment allows future RLF allocations for other projects and is required for the Project to receive its \$1,000,000 in Pipeline funds for construction.

NEXT STEPS

If the Assignment and LOI are approved, staff and general counsel will work with CCF to complete any predevelopment draws and work towards construction closing, including execution of required assignment, and revised Letter of Intent.

Prepared by: 
Lucia Hwang
Management Analyst

Prepared by: 
Brielle Salazar
Regional Housing Trust Manager

Approved by: 
Marisa Creter
Executive Director

ATTACHMENTS

Attachment A – Resolution 25-04 authorizing the Executive Director to negotiate and execute 1) An Assignment of Mariposa on Second Loan Agreement of \$3,392,510.00; and 2) Letter of Intent for \$1,000,000.00 to the Cesar Chavez Foundation

RESOLUTION NO. 25-04

RESOLUTION OF THE SAN GABRIEL VALLEY REGIONAL HOUSING TRUST (SGVRHT) AUTHORIZING EXECUTIVE DIRECTOR TO NEGOTIATE AND EXECUTE AN ASSIGNMENT OF LOAN DOCUMENTS FOR MARIPOSA ON SECOND IN THE AMOUNT OF \$3,392,510.00 AND A REVISED LETTER OF INTENT OF \$1,000,000 TO THE CESAR CHAVEZ FOUNDATION

WHEREAS, the San Gabriel Valley Regional Housing Trust allocated \$7,800,000 to develop a Revolving Loan Fund (RLF) to support acquisition, predevelopment, and construction of affordable housing;

WHEREAS, the San Gabriel Valley Regional Housing Trust allocated \$7,800,000 to develop a Revolving Loan Fund (RLF) to support acquisition, predevelopment, and construction of affordable housing;

WHEREAS, the SGVRHT awarded \$3,392,510.00 in RLF to American Family Housing for the affordable housing project Mariposa on Second (Project), formerly 46 South Second, Alhambra or Mariposa Apartments; and

WHEREAS, the Loan Agreement, Article 12 Prohibition Against Transfers states that the Developer shall not transfer the Agreement or any interest herein directly or indirectly, without the prior written consent of the Lender; and

WHEREAS, American Family Housing requested transferring the Loan Documents to Cesar Chavez Foundation as the new project applicant and Developer; and

WHEREAS, the SGVRHT issued a Letter of Intent \$1,000,000 in construction to permanent financing to American Family Housing for Project; and

WHEREAS, the SGVRHT agrees an Assignment of loan documents to Cesar Chavez Foundation from American Family Housing is for the benefit of the Project; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors authorizes the Executive Director to negotiate and execute

- 1) An Assignment of loan documents for Mariposa on Second in the amount of \$3,392,510.00 to Cesar Chavez Foundation; and
- 2) A Letter of Intent for \$1,000,000.00 in construction to permanent financing with Cesar Chavez Foundation for the Project.

PASSED AND ADOPTED by the Board of Directors of the San Gabriel Valley Regional Housing Trust, in the County of Los Angeles, State of California, on the 22nd day of January 2025.

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 25-04 was adopted at a regular meeting of the Board of Directors held on the 22nd day of January 2025, by the following vote:

AYES:	
NOES:	
ABSTAIN:	
ABSENT:	

Marisa Creter, Secretary

REPORT

DATE: January 22, 2025

TO: Board of Directors

FROM: Marisa Creter, Executive Director

RE: **VIENNA SOCIAL HOUSING**

RECOMMENDED ACTION

For discussion only.

BACKGROUND

At its December 9, 2024 meeting, the SGVRHT Board received a presentation from the Global Policy Leadership Academy (GPLA) about its Vienna Social Housing Program which includes a field study trip to learn about the city's successful efforts in providing housing and shelter. GPLA offers two field studies each year which include delegates from the public sector, philanthropy, education, healthcare, social services, and other interested parties to foster collaboration. The cost of the weeklong program is \$7,800 per person, plus airfare.

At the meeting, Board members requested the item return at a future meeting for discussion. At today's meeting, the Board is also considering a Travel and Expense Policy to ensure compliance with all state and federal regulations. The policy would provide a formal method for approving international travel such as the Vienna field study. Pending adoption of the policy, this discussion item can provide insight on program participation and may provide additional direction to staff.

Reviewed by: *Brielle Salazar*
Brielle Salazar
Regional Housing Trust Manager

Approved by: *Marisa Creter*
Marisa Creter
Executive Director