



Report to City Council

TO: Mayor and City Council

FROM: Felicia London, Chief Financial Officer/City Treasurer

AGENDA DATE: April 21, 2026

TITLE: APPROVAL OF SITE CONTROL FOR LEGACY RIDGE 150-UNIT AFFORDABLE SENIOR HOUSING PROJECT AT ALESSANDRO & LASSELLE (APN 486-280-044) (REPORT OF: FINANCIAL & MANAGEMENT SERVICES) (DISTRICT 3)

TITLE SUMMARY: Adopt City Council Resolution No. 2026-XX

DISTRICT: District 3

Recommendation(s)

The City Council:

1. Adopt City Council Resolution No. 2026-XX approving the Site Control Award Letter with Option Agreement issued by the City of Moreno Valley to Rancho Belago Developers, Inc., a California corporation (“RBD” or “Developer”) or its affiliate for development of the Legacy Ridge Senior Affordable Housing Project, including authority for the City Manager in consultation with the City Attorney to execute and implement the Site Control Award Letter and Option Agreement.

SUMMARY

Staff presents to the City Council and recommends adoption of City Council Resolution approving a Site Control Award Letter with Option Agreement. The Award Letter with Option Agreement intends to fulfill the requirements of RBD’s application to the Housing Authority of the County of Riverside (“HACR”) for its Request for Proposals, RFP No. 2026-001, that requires RBD, as applicant, to HACR to evidence “site control” of the Site, which will be provided by the Award Letter and Option Agreement (Legacy Ridge Site) between the City and RBD in the form presented with this agenda matter.

The proposed Legacy Ridge Project will be a 150-unit affordable senior apartment complex to be developed on the “Site”, that is an approximate 8.47-acre single vacant parcel located at the southeast corner of Alessandro Boulevard and Lasselle Avenue (APN 486-280-044).

The Project will be undertaken by a limited partnership to be formed by RBD, as administrative general partner, and Kingdom Development, Inc., a California nonprofit public benefit corporation (“KDI”), as managing general partner, and the tax credit investor(s) as limited partner. RBD and KDI are experienced in the construction, development, operation, and management of high-quality housing in Southern California, including multiple affordable housing projects located in the City.

DISCUSSION

As to the Site, the City has undertaken the procedures under the Surplus Land Act, Government Code Section 54220, *et seq.* (“SLA”), including (i) issuing the Notice of Availability on September 30, 2024, with a deadline to submit a statement by December 2, 2024; (ii) receiving a written statement of interest from RBD on December 1, 2024 with respect to the Site; (iii) receiving two additional statements of interest during the response period, and on January 17, 2025, issuing identical letters to all interested parties requesting supplemental information regarding the development of the Site by February 21, 2025; (iv) receiving the requested data from RBD by the established deadline, while the other development entities withdrew due to business reasons attributed to current workload and differences in business model focus; (v) initiating good faith negotiations with RBD regarding the purchase and sale of the Site and the development and operation of the Legacy Ridge Project, including proposed development plans, financing strategies with project proformas, and development schedules; and (vi) submitting RBD’s proposal, as the selected developer, proposal to, and obtaining written approval letter and authorization to sell the Site to RBD as issued by the State of California, Department of Housing and Community Development (“HCD”) by letter dated February 10, 2026 pursuant to the SLA.

Pursuant to the Site Control Award Letter with Option Agreement that was prepared by Special Counsel, Celeste Stahl Brady from Stradling Yocca Carlson & Rauth, LLP, RBD intends to apply to the Housing Authority of the County of Riverside (“HACR”) for an allocation and award of 37 Section 8 project-based housing vouchers (“PBVs”) pursuant to a HACR Request for Proposals RFP No. 2026-001, which application is due on or before April 30, 2026. The RFP requires RBD evidence its “site control” of the Site, which is the subject of the Site Control Award Letter with Option Agreement. The PBVs, if awarded, will be utilized for Extremely Low and Very Low income tenant household, for occupancy by persons who at time of application for tenancy are homeless, at-risk of homelessness, and/or military veterans, which terms and conditions will be established by HACR, and the provisions in the later negotiated *Disposition, Development and Affordable Housing Agreement* (“AHA”) between the RBD and KDI limited partnership and the City and Housing Authority.

Developer intends to develop Legacy Ridge Project on the Site, and the City desires to issue to Developer the Site Control Award Letter with Option Agreement, with the HACR PBVs, if awarded, to be part of the Project financing, and later site control is necessary for the RBD and KDI limited partnership’s application to California Tax Credit Allocation

Committee ("TCAC") for a reservation of 4% tax credits, to be paired with an application to California Debt Limit Allocation Committee ("CDLAC") for a bond allocation. Under the Award Letter and Option Agreement, the City grants an Option to RBD to acquire the Site for the construction, development, and operation of the Project.

Further, for informational purposes related to the Site Control Award Letter, the letter explains the City's (and Housing Authority) desire to later consider for approval a MoVal Funding Award Letter to provide an "enforceable financial commitment" to the RBD and KDI limited partnership to issue a residual receipts loan ("MoVal Loan") for an estimated loan amount of up to Nine Million Six Hundred Thousand Dollars and Zero Cents (\$9,600,000.00), or an amount as may be determined by the completion of a financial gap analysis and set forth in the later, subsequent Funding Award Letter with funds estimated to be sourced from: (A) Authority's low to moderate income housing asset fund ("LMIHAF"), (B) Prohousing Investment Program funds ("PIP"), (C) City's Permanent Local Housing Allocation ("PLHA") annual allocation and/or the City's future supplemental funds deposited to PLHA account per the Settlement Agreement dated July 15, 2024 by and between the City of Moreno Valley and HCD; and/or (D) other funding sources, plus, (ii) potential carry back financing of the purchase price for the Site at its appraised value established not less than 60 days prior to the limited partnership's applications to TCAC and CDLAC, plus (iii) the cumulative fees, costs, and expenses incurred by MoVal, if any, for preparation of the Site for development as incurred during the period commencing on September 30, 2024 to the date of Closing of Financing, such as but not limited to environmental assessment, clearance or remediation (if any), engineering, economic analysis, and other consulting or professional services, but excluding in-house staff time, incurred during the period commencing on September 30, 2024 and ending on the date of the Closing of Financing.

Developer proposes to plan, design, construct, complete, and operate the Project, a new approximately 150-unit affordable senior housing development (148 rental units plus two on-site manager units). The Project will include two (2) three-story buildings, with a gross building area of approximately 121,876 square feet ("sq.ft."). The Project will include a total of one hundred and forty-eight (148) 1-bedroom units, approximately 565 sq. ft., and two (2) 2-bedroom Manager Units. The Project will include an on-site community space with a patio, BBQ grills, basketball courts, secure indoor bicycle storage, approximately 4,376 sq. ft. of common indoor space in the form of a community room, refreshment bar, and on-site resident services (including supportive, social, and other services), and community laundry rooms. The onsite landscaping will utilize drought-tolerant planting, and decorative landscaping, and provide passive areas that include seating for the residents and their guests. There will be 135 standard and 25 van accessible on-site vehicular parking spaces. The Project will provide a robust, supportive, and social services package to the residents in partnership with the Developer's service providers, with an emphasis on residents' health and wellness.

The Award Letter with Option Agreement will facilitate sale of the Site for development and operation of the Project, will further the goals and objectives set forth in the City's Housing Element of the General Plan, will achieve additional covenanted housing units to satisfy in part the City's Regional Housing Needs Assessment obligation and allocation, and will implement state law for continued development of affordable housing in the community.

ALTERNATIVES

1. Approve and adopt City Council Resolution approving the Site Control Award Letter with Option Agreement that also authorizes the City Manager to execute project-related documents and carry out the Site Control Award Letter and Option Agreement.
2. Do not approve and adopt City Council Resolution approving the Site Control Award Letter with Option Agreement, nor authorize the City Manager to execute and carry out the Site Control Award Letter with Option Agreement. Staff does not recommend this alternative.

FISCAL IMPACT

Pursuant to the Site Control Award Letter with Option Agreement, the City intends to provide RBD an Option to acquire the Site, including assignment of the Option to the RBD and KDI limited partnership. Later, under the MoVal Funding Award Letter to be presented to the City Council (and Housing Authority), MoVal will consider, and if approved, authorize funding the MoVal Loan, for an amount to be determined upon Site valuation and AHA negotiations. The parties will negotiate the terms and conditions of the MoVal Funding Award Letter, then the Disposition, Development and Affordable Housing Agreement, in connection with applications to the County of Riverside, TCAC. and CDLAC. The MoVal Funding Award Letter will be presented to the City Council and Housing Authority at a later date and prior to Developer's applications to the County for a HOME Program loan, to TCAC for a reservation of tax credits, and CDLAC for an award and allocation to issue housing bonds.

NOTIFICATION

Publication of the City Council Agenda.

PREPARATION OF STAFF REPORT

Prepared By:
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Department Head Approval:
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Concurred By:
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Stradling Yocca Carlson & Rauth, LLP

CITY COUNCIL GOALS

Community Image, Neighborhood Pride and Cleanliness: Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

CITY COUNCIL STRATEGIC PRIORITIES

1. **Economic Development**

2. **Public Safety**
3. **Library**
4. **Infrastructure**
5. **Beautification, Community Engagement, and Quality of Life**
6. **Youth Programs**

Objective 5.4: Actively and aggressively address homelessness in Moreno Valley.

Report Approval Details

Document Title:	STAFFREPORT_FMS_GSD_RESOLUTION SITE CONTROL SE CORNER OF LASSELLE AND ALESSANDRO.docx
Attachments:	- 2) City Council RESOLUTION-Draft.docx - 4) Option Agreement to Site Control Award Letter-Draft.pdf - 3) Site Control Award Letter - Legacy Ridge - Draft 4.13.26.pdf
Final Approval Date:	Apr 16, 2026

This report and all of its attachments were approved and signed as outlined below:

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