

RESOLUTION NO. 2026-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY APPROVING THAT CERTAIN SITE CONTROL AWARD LETTER WITH OPTION AGREEMENT BY WHICH THE CITY PROVIDES SITE CONTROL TO RANCHO BELAGO DEVELOPERS, INC., A CALIFORNIA CORPORATION IN CONNECTION WITH RBD'S APPLICATION ("RBD") TO HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, RFP NO. 2026-001 SEEKING AN AWARD AND ALLOCAITON OF SECTION 8 PROJECT-BASED HOUSING VOUCHERS; THE SITE CONTROL AND OPTION AGREEMENT AFFECTS CERTAIN REAL PROPERTY LOCATED AT THE SOUTHEAST CORNER OF ALESSANDRO BOULEVARD AND LASSELLE AVENUE, ASSESSOR PARCEL NUMBER 486-280-044; AND MAKING CERTAIN OTHER FINDINGS

WHEREAS, the City of Moreno Valley ("City") is a California municipal corporation;
and

WHEREAS, Rancho Belago Developers, Inc., a California corporation ("RBD" or "Developer") has an interest in development and operation of a new 150-unit senior affordable rental housing project called "Legacy Ridge"; and

WHEREAS, the Developer is experienced in the construction, development, operation and management of high quality housing in Southern California, including multiple affordable housing projects in the City; and

WHEREAS, the City owns certain real property comprising one vacant parcel of approximately 8.47 acres, located at the southeast corner of Alessandro Boulevard and Lasselle Avenue in the City of Moreno Valley, County of Riverside, Assessor Parcel Number 486-280-044 ("Site"); and

WHEREAS, the City has undertaken the procedures under the Surplus Land Act, Government Code Section 54220, *et seq.* ("SLA"), including (i) issuance of the Notice of Availability, (ii) receipt of three Notices of Interest proposing development of affordable housing on the Site, including from the Developer, with the other two interested entities thereafter withdrawing due to business reasons, (iii) good faith negotiations with Developer, and (iv) submission of Developer's proposal to, and approval by the State of California, Department of Housing and Community Development ("HCD") to sell the Site for development of the Legacy Ridge Project as stated in that certain approval letter dated February 10, 2026 issued by HCD pursuant to the SLA; and

WHEREAS, capitalized terms used in this Resolution are as defined in that certain Site Control Award Letter presented in connection with, and approved by, this Resolution ("Award Letter"); and

WHEREAS, City desires to issue to Developer, and the Developer desires to agree to and implement the Award Letter dated as of April 21, 2026 that provides "site control" by grant

of an Option to Developer pursuant to that certain Option Agreement (Legacy Ridge Site) in the form of Exhibit A to the Award Letter; and

WHEREAS, the Award Letter also sets forth the basic terms of a subsequent MoVal Funding Award and MoVal Loan that will be later presented to the City Council (and Moreno Valley Housing Authority) for consideration and action, including an estimated financial assistance of approximately Nine Million Six Hundred Thousand Dollars and Zero Cents (\$9,600,000.00), to be sourced from (A) Authority's low to moderate income housing asset fund ("LMIHAF"), (B) Prohousing Investment Program ("PIP") funds, (C) the City's annual allocation or the City's future supplemental funds deposited to the Permanent Local Housing Allocation ("PLHA") pursuant to the Settlement Agreement dated July 15, 2024 between the City of Moreno Valley and HCD; or (D) other funding sources; (ii) carry back financing of the fair market value of the Site and purchase price for the Site; (iii) cumulative fees, costs, and expenses incurred by City (and Authority) for preparation of the Site for development, including but not limited to environmental assessment, clearance or remediation (if any), engineering, economic analysis, and other consulting or professional services (excluding in-house staff time), incurred from September 30, 2024 through the Closing of Financing date; and

WHEREAS, it is contemplated under the Award Letter, and thereafter an implementing Disposition, Development and Affordable Housing Agreement ("AHA") will be negotiated between City (and Authority), and the developer limited partnership to exercise the Option and acquire the Site from the City and develop and operate the Legacy Ridge Project to be maintained and managed in accordance with the AHA and other implementing instruments, for operation throughout the Affordability Period for a term of not less than 55 years; and

WHEREAS, as a part of Developer's Notice of Interest and selection approval by the City (and Authority), and thereafter by HCD and pursuant to the Award Letter Developer shall apply to HACR for an award and allocation of PBVs, and thereafter apply to TCAC for a reservation of tax credits, and to CDLAC for an allocation to issue certain housing bonds as part of the financing for the Project; and

WHEREAS, the Project is subject to, (i) the California Environmental Quality Act, Public Resources Code Section 21000, *et seq.*, and the implementing Guidelines set forth at Title 14 California Code of Regulations Section 15000, *et seq.* ("CEQA"), and, if applicable, (ii) the National Environmental Policy Act, 42 U.S.C. 4321, *et seq.* ("NEPA"); and

WHEREAS, the City's General Plan designates the Site as, and the Site is zoned Residential-30 ("R-30") for residential development; and thereby the proposed Legacy Ridge Project is consistent with the General Plan and zoning; and, as a part of the future application for land use entitlement, the 100% affordable housing development will qualify as an exempt "by right" project and exempt project under CEQA, subject to the next recital; and

WHEREAS, together the above-described land use and environmental quality actions will comprise the "Entitlement" and Developer shall obtain all necessary approvals from the City Council (and Authority Board), and as applicable zoning administrator for applicable discretionary and ministerial approvals, including conditions of approval to such Entitlement; and

WHEREAS, Developer shall satisfy the conditions precedent in the Award Letter, and subsequent MoVal Funding Award, if approved when presented at a later date, all in connection with its applications to HACR, the County of Riverside for a HOME program loan, and for the limited partnership's applications to TCAC and CDLAC; and

WHEREAS, the City Council has duly considered all terms and conditions of the proposed Site Control Award Letter and desires to approve the Award Letter with Option Agreement, and believes the Legacy Ridge Project is in the best interests of the City and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable state and local laws and requirements.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. Recitals. The foregoing recitals are true and correct and are hereby incorporated by this reference.

2. Approval Site Control Award Letter. The City Council hereby approves the Site Control Award Letter between the City and Rancho Belago Developers, Inc., as Developer, including the Option Agreement by which the City grants Developer the Option to acquire the Site, as set forth in the form submitted. Copies of the final form of the Site Control Award Letter and Option Agreement, when duly executed, shall be placed on file in the office of the City Clerk.

3. City Manager Authorization. The City Manager is authorized to execute the Site Control Award Letter and Option Agreement, and subject to compliance with the conditions set forth therein, negotiate the terms and conditions of the Disposition, Development and Affordable Housing Agreement and other implementing agreements and instruments on behalf of the City so long as such actions, in substance, are consistent with the transaction contemplated by the Site Control Letter (and subsequent MoVal Funding Award Letter, if approved.) In such regard, the City Manager (or designee) is authorized to sign the final version of the Site Control Award Letter and Option Agreement, after completion of non-substantive, minor revisions or technical changes, if any.

3.1 Interpretations. City Manager is further authorized to make reasonable interpretations of the Site Control Award Letter and Option Agreement, provided any and all such actions shall not in any manner materially affect the rights and obligations of the City under the Site Control Award Letter and Option Agreement.

4. Effective Date. This Resolution shall be effective immediately upon the date of adoption.

5. Certification. The City Clerk shall certify to the adoption of this Resolution and enter it into the book of original resolutions.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

APPROVED AND ADOPTED this 21st day of April 2026.

Ulises Cabrera
Mayor
City of Moreno Valley

ATTEST:

M. Patricia Rodriguez, City Clerk

APPROVED AS TO FORM:

Steven B. Quintanilla, City Attorney