



## CITY OF MURRIETA

Date: March 12, 2026

Address: 1 Town Square, Murrieta, CA 92562

**Subject: Revolving Loan Fund Fundraising Plan**

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### **INTRODUCTION**

The City of Murrieta (“City”) is working proactively to expand its housing options and meet the needs identified in its current Housing Element, which highlights the strongest demand among very low- and low-income households. With more than 1,600 units needed across these income groups alone, the City has already taken meaningful steps through zoning updates, increased residential capacity, and supportive policies aimed at creating opportunities across all affordability levels. As the City continues building momentum toward its overall Regional Housing Needs Assessment (“RHNA”) allocation of 3,043 units, this memo introduces fundraising strategic goals and strategy designed to strengthen the City’s ability to deliver high-quality affordable homes and advance its Revolving Loan Fund (“RLF”) program as its next phase of its long-term housing goals.

### **BACKGROUND**

Between 2000 and 2020, the City added approximately 22,442 residential units, representing one of the highest growth rates in Riverside County. For the 2021–2029 planning period, the Housing Element identifies a remaining need for 3,043 units, more than half of which are required to serve very low-income and low-income households. In response to these conditions, the City adopted a housing plan focused on expanding opportunities for a range of housing types through new construction, reducing regulatory constraints, and designating suitable sites for future development. The City also committed to the preservation of existing affordable housing, which currently consists of five deed-restricted projects totaling 245 units, including forty units with covenants scheduled to expire within the next decade. Implementation of the Housing Element has resulted in measurable progress, including issuance of permits that have enabled above-moderate income production to exceed RHNA targets and the construction of 258 units for low-



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income households as of April 2025. To support continued progress in lower-income categories, the City sought additional resources to accelerate development and, as a result, obtained \$4.1 million in REAP 2.0 Lasting Affordability Grant funding from the Southern California Association of Governments to establish a Revolving Loan Fund for affordable housing.

### **REVOLVING LOAN FUND STRATEGIC GOALS AND STRATEGY**

The City's Revolving Loan Fund ("RLF") was created to address early-state financing gaps for affordable housing development, with a focus on flexibility, responsiveness, and long-term sustainability. The RLF Strategic Goals ("Strategic Goals") are designed to ensure the RLF structure reflects on-the-ground needs and that the RLF is sustainable for the long-term. The primary strategic goals include:

- Increase the RLF's capitalization through external funding partnerships.
- Ensure long-term fund performance through intentional reinvestment.

#### **INCREASE THE RLF'S CAPITALIZATION THROUGH EXTERNAL FUNDING PARTNERSHIPS**

To ensure the long-term sustainability and effectiveness of the RFL the City will implement a strategy that draws on local, regional, state, federal, and philanthropic resources. The City will collaborate with potential regional partners, including Riverside County, the Western Riverside Council of Governments, and the Southern California Association of Governments, to identify joint funding initiatives and explore opportunities to layer resources. At the state and federal levels, the City will actively pursue funding streams that support affordable housing development, including competitive grants, loan-loss reserves, and flexible financing tools that can be braided with the existing REAP 2.0 allocation. The City will also seek to expand capitalization through private philanthropy by engaging foundations and mission-aligned financial institutions that provide program-related investments or impact investment capital designed to support long-term affordability.

In addition to external partnerships, the City will evaluate opportunities to leverage available municipal resources, including interest earned on RLF repayments, surplus or underutilized housing element sites.

Following the initial RLF award cycle, the City will conduct an evaluation of the program's performance and funding strategy, assessing trends observed in the first round of applications to identify additional sources of capital and refine the fundraising approach. This evaluation process



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will occur at the conclusion of each future funding cycle to ensure the RLF remains responsive to market conditions, development patterns, and emerging opportunities for partnership.

### ENSURE LONG TERM FUND PERFORMANCE THROUGH INTENTIONAL REINVESTMENT

Long-term sustainability of the RLF depends on a thoughtful reinvestment approach that keeps the fund active and available for future development cycles. The City will reinvest loan repayments, interest earnings, and other program income back into the RLF to maintain a steady pool of capital that can support ongoing early-stage financing needs. As part of this effort, the City will monitor repayment activity, review the performance of funded projects, and make periodic adjustments to program guidelines to ensure that the RLF continues to operate effectively and in alignment with broader housing goals.

### **CONCLUSION**

The City has established a strong foundation for meeting its long-term housing objectives, and the RLF represents an important next step in advancing early-stage affordable housing development. By pursuing a diversified fundraising strategy, strengthening regional partnerships, and implementing reinvestment practices that reinforce the fund's sustainability, the City is positioning the RLF to serve as a reliable and flexible tool that supports multiple generations of housing production. As the program evolves, the City will continue to monitor performance, evaluate funding opportunities, and adjust its approach to ensure the RLF remains responsive to community needs and aligned with the broader goals of the City.

Carl Stiehl  
City Planner

Attachments: Fundraising Implementation Plan



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### Fundraising Implementation Plan

#### Strategic Goals:

1. Increase capitalization through external funding partnerships
2. Ensure long-term fund performance through intentional reinvestment.

PHASE I – FOUNDATION BUILDING	
PROCESS	TIMING
<ul style="list-style-type: none"> <li>• Prepare internal guidelines &amp; metrics</li> <li>• Partner landscape mapping               <ul style="list-style-type: none"> <li>- Regional, State, Federal, Philanthropic</li> </ul> </li> <li>• Continuous program advertisement               <ul style="list-style-type: none"> <li>- Create marketing material</li> <li>- City website and social media</li> <li>- Partner agencies</li> </ul> </li> </ul>	YEAR 1
PHASE II – OPPORTUNITY DRIVEN FUNDRAISING	
<ul style="list-style-type: none"> <li>• Monitor regional, state, federal, and philanthropic funding available               <ul style="list-style-type: none"> <li>- Regional: Riverside County, WRCOG, SCAG</li> <li>- State/Federal: Grants, flexible financing tools</li> <li>- Philanthropic: Foundations, CDFIs, mission-based lenders, large-scale corporations</li> </ul> </li> <li>• Support developers in application for financing to leverage RLF dollars</li> <li>• Apply for available funding, when available</li> </ul>	ONGOING
PHASE III – EVALUATION CYCLE	
<ul style="list-style-type: none"> <li>• Year 2 – review first year of program, adjust strategies and program as needed</li> <li>• Year 5 – review first 5 years of program, adjust strategies and program as needed</li> <li>• Ongoing – assess leverage achieved and emerging opportunities</li> <li>• Ongoing - adjust strategies based on funding availability and</li> </ul>	YEAR 2 YEAR 5 ONGOING
PHASE IV – LONG TERM SUSTAINABILITY	
<ul style="list-style-type: none"> <li>• Reinvest repayments and interest earnings</li> </ul>	ONGOING



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<ul style="list-style-type: none"><li>• Update RLF guidelines as needed</li><li>• Monitor project performance and repayment patterns</li><li>• Review internal process and adjust as needed</li></ul>	
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