



MISSION HERITAGE PROJECT

Community & Economic
Development Department

October 17, 2017
Housing Authority

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DEVELOPMENT TEAM

Collaborative development between:



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DEVELOPMENT SITE



1. 3901 and 3933 Mission Inn Avenue and 3932 6th Street
2. APNs: 214-212-007, -008, -011, -012, -013
3. 1.47 acres
4. Raincross District
5. 72-unit affordable housing community
6. Fair Housing offices
7. Civil Rights Institute



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DEVELOPMENT ELEVATIONS



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PROPOSED ELEVATION



- Sponsorship: Civil Rights Institute Walk of Fame placques



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DEAL POINTS

- \$3 million Housing Authority Loan
- Loan proceeds will be used to acquire property and pay for soft and hard construction costs
- Development of 71 affordable housing units and one manager's unit
 - Restricted to household's earning 60% of AMI or less
- Loan repayment will begin at Certificate of Occupancy
- Loan will be repaid out of residual receipts, 50% of projects proceeds above the total costs of operating the project.
- Loan term and affordability period is 55 years



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AFFORDABLE UNITS

BEDROOM SIZE	SQUARE FEET	INCOME LEVELS
One	643	<ul style="list-style-type: none"> • 14 units at 30% of Area Median Income (AMI) • 2 units at 45% of AMI • 8 units at 50% of AMI • 6 units at 60% of AMI
Two	788	<ul style="list-style-type: none"> • 3 units at 30% of AMI • 7 units at 45% of AMI • 7 units at 50% of AMI • 6 units at 60% of AMI • 2 units at 30% of AMI
Three	1,086	<ul style="list-style-type: none"> • 6 units at 45% of AMI • 6 units at 50% of AMI • 4 units at 60% of AMI

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DEVELOPMENT BUDGET

Uses of Funds		Sources of Funds	
Land Acquisition	\$ 1,865,000	9% Tax Credit Equity	\$11,046,677
Construction	\$23,811,851	Permanent Loan	\$ 1,970,763
Professional Fees/ Soft Costs	\$ 2,980,823	Affordable Housing and Sustainable Communities Program	\$14,117,808
Financing Cost	\$ 6,578,146	Veterans Housing and Homelessness Prevention Program (VHHP)	\$ 2,850,573
Total Development Cost	\$35,235,820	GP Capital Contribution	\$ 1,499,999
		Sponsorships/Other Sources	\$ 750,000
		City Housing Authority Loan	\$ 3,000,000
		Total Sources of Funds	\$35,235,820

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HOUSING AUTHORITY LOAN

- Up to \$1 million will be provided to Fair Housing to acquire the properties for the development of the project
 - Fair Housing will transfer the property to the Mission Heritage LP
- \$2 million will be provided to the Mission Heritage LP to cover costs for design, engineering and construction costs



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COMMUNITY PRESENTATIONS

- Neighborhood Partnership Housing Services (NPHS)
- Eleanor Jean Grier Leadership Academy
- The Group
- Omega Psi Phi Fraternity, Inc., Pi Rho Chapter
- La Sierra University
- Riverside East Rotary Club
- Downtown Area Neighborhood Alliance
- NAACP – Riverside Branch
- Housing Opportunities Collaborative
- Path of Life Ministries
- Riverside African-American Historical Society, Inc.



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COMMUNITY PRESENTATIONS

- Riverside County Black Chamber of Commerce
- Riverside Latino Network
- Greater Riverside Chamber of Commerce
- Adjacent Neighborhoods
- Riverside County Supervisor Tavaglione
- Senator Richard Roth's Office
- Mayor's Multicultural Forum



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DEVELOPMENT COMMITTEE

- Met on June 22, 2017
- Members Present: Chair Gardner, former Vice Chair Davis, and Member Melendrez
- Recommended to the Housing Authority Board approval of the Mission Heritage proposal from Wakeland Housing & Development Corporation and Fair Housing Council of Riverside County for a residual receipts loan in the amount of \$3 million from Affordable Housing restricted funds to finance the acquisition of land and construction of a 72-unit affordable housing community, new Fair Housing Council of Riverside County offices, and a Civil Rights Institute on 1.47 acres at 3901 and 3933 Mission Inn Avenue and 3942 6th Street



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RECOMMENDATIONS

That the Housing Authority Board:

1. Approve a Loan Agreement, Promissory Note, Deed of Trust, Regulatory Agreement, Notice of Affordability Restrictions, Release of Construction Covenants, Request for Notice of Default, Assignment of Plans, Reports and Data (a sample set is included as Attachments 1-8) between the Housing Authority of the City of Riverside the Fair Housing Council of Riverside County and Mission Heritage LP for a \$3 million residual receipts loan to finance the acquisition of land and construction of a 72 unit affordable housing community, new Fair Housing Council of Riverside County offices, and a Civil Rights Institute on 1.47 acres at 3901 and 3933 Mission Inn Avenue, 3942 6th Street, known as APNs 214-212-007, -008, -009, -010, -011, -012, and -013 to be finalized by the Housing Authority Executive Director in consultation with the City Attorney, per the deal points included in this staff report, making minor changes as necessary, to conform to the deal.



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RECOMMENDATIONS

1. Cont'd. The potential changes will include:
 - a. Revisions of the sample agreements (Attachments 1-8) to tri-party agreements between the Housing Authority, Fair Housing Council of Riverside County and Mission Heritage LP;
 - b. Defining the uses of Housing Authority Funds as identified on Page 6 of the staff report between property acquisition and Project construction financing;



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RECOMMENDATIONS

2. Authorize the Executive Director, or his designee, to execute the Loan Agreement, Regulatory Agreement, Notice of Affordability Restrictions, Release of Construction Covenants and Request of Notice of Default and other related documents to carry out the project identified in this staff report, including making minor and non-substantive changes.
3. Authorize a supplemental appropriation of \$3 million from the Housing Authority Fund Balance Account Number No. 0000280-298000 to a project account to be established by Finance under the Housing Authority 280 Fund.
4. Staff will return to the Housing Authority Board if substantial changes are made to the Agreement.

