

OVERSIGHT BOARD

FOR THE

CITY OF RIVERSIDE AS SUCCESSOR AGENCY

TO THE

REDEVELOPMENT AGENCY OF THE CITY OF RIVERSIDE

TO: OVERSIGHT BOARD MEMBERS **DATE:** SEPTEMBER 13, 2017

FROM: COMMUNITY & ECONOMIC DEVELOPMENT WARD: 2
DEPARTMENT

SUBJECT: PURCHASE AND DEVELOPMENT AGREEMENT WITH RIVERSIDE
HOUSING DEVELOPMENT CORPORATION IN PARTNERSHIP
WITH RIVERIDE ART MUSEUM FOR DISPOSITION OF 4307 PARK
AVENUE TO FACILITATE DEVELOPMENT OF A SINGLE-FAMILY HOME
AND DETACHED GARAGE – SALE AMOUNT OF \$38,500

ISSUE:

Adopt a resolution authorizing the City of Riverside as Successor Agency to the Redevelopment Agency of the City of Riverside (Successor Agency) to enter into a Purchase and Development Agreement with the Riverside Housing Development Corporation in partnership with the Riverside Art Museum for the disposition and development of the property located at 4307 Park Avenue, identified as Assessor's Parcel Number 211-233-001 for the sale amount of \$38,500, in accordance with the Successor Agency's Long Range Property Management Plan.

RECOMMENDATIONS:

That the Oversight Board:

1. Adopt the attached resolution (Attachment 1) authorizing execution of the attached Purchase and Development Agreement (Attachment 2) with the Riverside Housing Development Corporation for the disposition and development of the property located at 4307 Park Avenue, identified as Assessor's Parcel Number 211-233-001 for the sale amount of \$38,500, in accordance with the Successor Agency's Long Range Property Management Plan; and
2. Authorize the Executive Director, or his designee, to take any and all actions including making minor and non-substantive modifications and execute the attached Purchase and Development Agreement with the Riverside Housing Development Corporation.

BACKGROUND:

Pursuant to the dissolution process of Assembly Bills x1 26 and 1484, the Successor Agency completed its Long Range Property Management Plan (Plan), which governs the disposition and use of real property assets of the former Redevelopment Agency of the City of Riverside. In the Plan, the Successor Agency recommended the sale of the property located at 4307 Park Avenue, identified as Assessor's Parcel Number 211-233-001 (Property). The Oversight Board approved the Plan on February 27, 2014 and the State Department of Finance subsequently approved the same on March 6, 2014.

On July 11, 2017, the City Council and Housing Authority, approved a Development Agreement and a Loan with RHDC in partnership with the Riverside Art Museum to finance acquisition of the Property and construction of a single-family home and detached garage to be rented to a low-income household and provide a loan of \$252,662 from the federal HOME Investment Partnerships Program fund and \$183,238 from Housing Authority funds.

On August 8, 2017, the Successor Agency recommended that the Oversight Board adopt a resolution authorizing execution of the attached Purchase and Development Agreement with RHDC for the disposition and development of the Property in accordance with the Successor Agency's Long Range Property Management Plan.

DISCUSSION:

The Property shown below is approximately 5,494 square feet and is zoned Commercial Retail with a General Plan 2025 land use designation of Commercial. Staff had the Property appraised by an independent third-party appraiser, which concluded to a value of \$38,500. Staff agrees that this amount represents the current fair market value of the Property. The Successor Agency is requesting authorization to execute a Purchase and Development Agreement (Agreement) for the disposition of the Property to Riverside Housing Development Corporation (RHDC) in partnership with Riverside Art Museum (RAM) for the full appraised value of \$38,500 to facilitate the development of a single-family home and detached garage (Project).

A 1,300 square foot, three-bedroom, two-bath, single-family home and two car garage, will be developed on the Property. The small square footage is of appropriate scale for the small lot size. A General Plan amendment and Zone change will be required at Buyer's sole cost and expense.

RAM and RHDC have formed a partnership wherein RHDC will acquire the property, facilitate development, and provide property management services, including enforcement of RAM's compliance with all federal and state regulations surrounding affordable housing for their artist who will occupy the Property. RHDC anticipates acquiring and holding title to the Property.



Terms of Sale

The terms of the sale of the Property include:

1. Purchase Price: \$38,500 in an “as-is” condition (less all escrow related fees not to exceed \$5,000).
2. Deposit: \$2,500. Deposit becomes non-refundable after 90 days unless Seller defaults.
3. Due Diligence: RHDC has 90 days following the Effective Date of the Agreement to complete its review of the Property.
4. Project Funding: RHDC to provide evidence of financing or cash, including a Loan from the Housing Authority, for the Purchase Price and cost of construction within 18 months from the Effective Date of the Agreement.
5. Planning Application: RHDC to submit an application to the Planning Division for Design Review and entitlements within 90 days following the Effective Date of the Agreement.
6. Entitlements and Environmental Clearance: RHDC to obtain all of the necessary entitlements, including Grading and Building Permits and Close Escrow within 18 months following the Effective Date of the Agreement.
7. Construction: RHDC to start construction within 90 days following the Close of Escrow and complete construction within 24 months following the Close of Escrow.

Staff recommends that the Oversight Board adopt the attached resolution authorizing execution of the attached Agreement with RHDC for the disposition of the Property for \$38,500 to facilitate the development of the Property in accordance with the Successor Agency's Long Range Property Management Plan.

Prepared by: Emilio Ramirez, Development Director
Approved as to form: Gary G. Geuss, Successor Agency General Counsel

Attachments:

1. Resolution
2. Purchase and Development Agreement