



City of Arts & Innovation

Housing Authority Memorandum

TO: HONORABLE MAYOR AND HOUSING AUTHORITY MEMBERS DATE: NOVEMBER 14, 2023

FROM: DEPARTMENT OF HOUSING AND HUMAN SERVICES WARD: 2

SUBJECT: RESOLUTION TO DECLARE HOUSING AUTHORITY-OWNED PROPERTY LOCATED AT 2882 MISSION INN AVENUE AS SURPLUS PURSUANT TO ASSEMBLY BILL 1486

ISSUE:

Adopt a Resolution to declare Housing Authority-owned property located at 2882 Mission Inn Avenue as surplus pursuant to Assembly Bill 1486.

RECOMMENDATION:

That the Housing Authority adopt a Resolution to declare Housing Authority-owned property at 2882 Mission Inn Avenue as surplus pursuant to Assembly Bill 1486.

BACKGROUND:

In 2006, the former Redevelopment Agency acquired the property located at 2731-2871 University Avenue (Successor Agency Property). The Successor Agency Property consists of seven contiguous parcels of vacant land, identified as Assessor's Parcel Numbers 211-131-021, -022, -023, -024, -026, -031, and -032.

In 2008, the former Redevelopment Agency, on behalf of the Housing Authority, acquired the property located at 2882 Mission Inn Avenue, identified as Assessor's Parcel Number 211-131-001 (Housing Authority Property). The Housing Authority Property contained a single-family dwelling that was destroyed in a fire and was subsequently demolished.

The Successor Agency Property is approximately 1.9 acres of vacant land zoned Commercial Retail (CR), and the General Plan land use designation is Mixed Use - Neighborhood (MU-N). The Housing Authority Parcel is approximately 0.22 acres of vacant land zoned R-1-7000 and the General Plan designation is Medium Density Residential (MOR).

On July 18, 2019, the Countywide Oversight Board approved Resolution No. 2019-037 for a Purchase and Development Agreement with Grapevine Economic Development Fund, Inc., for the disposition of the Successor Agency Property and the construction of a mixed-use retail and multi-family affordable housing project. However, on December 2, 2019, escrow was canceled with Grapevine Economic Development Fund, Inc. due to its failure to submit the security deposit required for acquisition of the Successor Agency Property and Housing Authority Property.

On October 19, 2019, Assembly Bill 1486 (, AB 1486) was signed into law by Govern Newsom. This bill required in part that any local agency, when disposing of surplus land, offer it first for sale or lease for the purpose of developing low- to moderate-income housing.

On April 7, 2020, the Successor Agency requested the Housing Authority/Successor Agency to the Redevelopment Agency of the City of Riverside to declare Successor Agency-owned properties located at 2731-2871 University Avenue and a Housing Authority-owned property located at 2882 Mission Inn Avenue as surplus land. Successor Agency staff requested to market the Housing Authority and Successor Agency together to garner better development proposals. These requests were approved. The Successor Agency Resolution and Notice of Availability (NOA) was submitted to the California Department of Housing and Community Development (HCD) for the 2731-2871 University Avenue properties for approval, which was received.

On May 28, 2021, as required by AB 1486, Successor sent a written NOA to the required public agencies and to all affordable housing developers who registered with State’s Housing and Community Development Department (HCD). On July 27, 2020, the deadline for interested developers to respond, staff received five development proposals.

To evaluate all proposals received, an evaluation committee (consisting of Successor Agency, Public Utilities, Public Works, Economic Development, Housing Authority, Planning, and an Eastside Community member) was convened. The RFP evaluation committee carefully reviewed and considered each proposal received and collectively determined that the Grapevine Development, LLC proposal was most responsive, offering a greater variety of uses for the community while creating the largest number of needed new housing units. Furthermore, the RFP evaluation committee also determined that they have sufficient development experience and the financial capacity to undertake the acquisition and development of the Successor Agency and Housing Authority properties as proposed.

DISCUSSION:

Staff discovered the Resolution that was submitted to HCD did not include 2882 Mission Inn Avenue. To comply with AB 1486, staff submitted a new draft Resolution declaring 2882 Mission Inn Avenue as surplus to HCD for review and approval. Staff received conceptual approval on the draft Resolution from HCD. The next step is for the attached draft Resolution to be approved by the Housing Authority Board. If approved, the Resolution will be uploaded to HCD’s online portal for final review and approval. Once approved by HCD, staff will send out a NOA to housing sponsors on the HCD’s surplus interest list requiring the property to be developed with 100% affordable housing units. Housing sponsors will have 60 days to respond to the NOA.

STRATEGIC PLAN ALIGNMENT:

This item contributes to the achievement of the following Goal: Goal 2.1 Facilitate the development of a quality and diverse housing supply that is available and affordable to a wide range of income levels.

The project aligns with each of the Cross-Cutting Threads as follows:

1. **Community Trust** – The City of Riverside has identified the need for affordable housing as a priority need in the City’s Housing Element process. The Housing Element outreach process gathered information from specific focus groups and interviews with various

organizations and service providers in the housing and community development field, as well as residents of the city.

2. **Equity** – The affordable housing development will ensure that all eligible persons receive equitable access to service and are served with dignity, respect, and compassion regardless of the circumstances, ability, or identity.
3. **Fiscal Responsibility** – There is no fiscal impact associated with this item. The affordable housing development will utilize a combination of state and federal funds.
4. **Innovation** – This item will allow the Housing Authority to capitalize on new and changing funding sources in partnership with state programs to meet ongoing and changing needs of low-income members of the community.
5. **Sustainability & Resiliency** – This item promotes a sustainable community and economic development and projects to encourage community engagement and resiliency.

FISCAL IMPACT:

There is no fiscal impact related to this report. When Successor Agency property is sold, all sale proceeds of the Property less related title, escrow and miscellaneous closing costs are remitted to the Riverside County Auditor Controller’s Office (ACO). The ACO will distribute the sale proceeds to the various taxing entities (including the City) and report the sale to the State Department of Finance.

Prepared by: Michelle Davis, Housing and Human Services Director
Certified as to
availability of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by: Mike Futrell, City Manager
Approved as to form: Phaedra Norton, City Attorney

Attachment: Resolution