



City of Arts & Innovation

City Council and Housing Authority Memorandum

TO: HONORABLE MAYOR, CITY COUNCIL, AND HOUSING AUTHORITY COMMISSIONER **DATE: JULY 28, 2015**

FROM: COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT **WARD: 5**

SUBJECT: NOTICED HEARING – AMENDMENT TO THE CITY OF RIVERSIDE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) ANNUAL ACTION PLAN FOR PROGRAM YEAR 2013-2014 TO ALLOCATE \$150,000 OF HOME INVESTMENT PARTNERSHIPS PROGRAM FUNDS TOWARDS THE DEVELOPMENT OF A VETERANS' HOMEOWNERSHIP COMMUNITY OF TWELVE SINGLE-FAMILY HOMES LOCATED AT 3753 MYERS STREET AND THE DISPOSITION OF HOUSING AUTHORITY OWNED PROPERTY TO HABITAT FOR HUMANITY RIVERSIDE, INC.

ISSUES:

The first issue for City Council consideration is whether to approve an amendment to the City's 2013-2014 HUD Annual Action Plan to allocate \$150,000 of HOME Investment Partnerships (HOME) Program funds towards the development of a veterans' homeownership community of twelve single-family homes located at 3753 Myers Street (Project).

The second issue for City Council consideration is whether to approve a HOME Loan Agreement (Attachment 1) for the use of \$150,000 of 2013-2014 HOME Program Funds for the Project.

The issue for Housing Authority consideration is whether to approve a Development and Disposition Agreement (Attachment 2) with Habitat for Humanity Riverside, Inc. for the Project.

RECOMMENDATIONS:

That the City Council:

1. Amend the City of Riverside's HUD Annual Action Plan for Program Year 2013-2014 to allocate \$150,000 of HOME Program funds towards the Project;
2. Authorize the City Manager or his designee to execute the HOME Agreement with Habitat for Humanity Riverside, Inc. for the Project; and
3. Authorize the transfer of \$150,000 from the HOME Unprogrammed Account No. 2835200-453001 to the 3743 Myers Street Account #2835200-450084.

That the Housing Authority:

1. Conduct a public hearing in accordance with California Health and Safety Code Section

34312.3 for the conveyance of land at 3753 Myers Street to Habitat for Humanity Riverside, Inc.; and

2. Authorize the Executive Director or his designee to execute the DDA between the Housing Authority and Habitat for Humanity Riverside, Inc. for the Project and make any non-substantive changes as necessary to implement the DDA.

Committee Recommendation:

On May 22, 2015, the Development Committee, with Chair Gardner, Vice Chair Adams and Councilmember Mac Arthur present, unanimously recommended approval of the proposed Project.

BACKGROUND:

In 2005 the Redevelopment Agency of the City of Riverside acquired property located at 3753 Myers Street for affordable housing purposes. In 2012, redevelopment agencies were dissolved by Assembly Bill x1 26 leaving the City's Housing Authority with the obligation to meet the affordable housing duties of the former redevelopment agency. The Housing Authority also assumed the housing assets of the former redevelopment agency, including 3753 Myers Street (Attachment 3).

Habitat for Humanity Riverside, Inc. (Habitat) recently submitted a proposal to the Housing Authority for the Project that will provide veterans and their families with the opportunity to achieve the dream of homeownership. The Project will include the development of six three- and six four-bedroom residential units that range in size from 1,542 square feet to 1,731 square feet. The City will review and approve the architectural design, materials, colors and interior treatments (Attachment 4).

Habitat is requesting the Housing Authority to write down the land to \$1 and the City to provide a \$150,000 HOME and Community Housing Development Organization (CHDO) development loan that is forgiven after the 12 homes have been developed and sold to low income (at or below 80% of Area Median Income) veterans who are first-time homebuyers. The California Department of Veterans Affairs (CalVet) will be providing Habitat with \$2,640,000 for construction and permanent financing.

The homebuyers will be provided with pre- and post-homebuyer education and financial fitness courses. Title to the homes will include recorded 5 year HOME affordability and 45 year Housing Authority affordability, owner-occupancy and property maintenance covenants. Habitat will comply with all City, HOME and Housing Authority regulations.

On April 2, 2014 Habitat and City staff held a community meeting to present the proposed Project and to receive comments. A few residents voiced concern about the street conditions in the surrounding neighborhood and how this project might increase vehicular traffic, but overall, the attendees supported the Project.

FISCAL IMPACT:

There is no impact to the General Fund. There is \$150,000 available in the HOME Unprogrammed Funds Account No. 2835200-453001 to assist Habitat for Humanity Riverside, Inc. with the Project.

Prepared by: Emilio Ramirez, Interim Community & Economic Development Director

Certified as to availability of funds: Brent A. Mason, Finance Director/Treasurer

Approved by: Al Zelinka, FAICP, Assistant City Manager

Approved as to form: Gary G. Geuss, City Attorney

Concurs with:

MIKE GARDNER, Chair
Development Committee

Attachments:

1. HOME Loan Agreement
2. Development and Disposition Agreement
3. 3753 Myers Street Site Map
4. Proposed Elevations and Floor Plans