



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: AUGUST 23, 2016

FROM: COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT WARD: 4

SUBJECT: 30-YEAR PROMISSORY NOTE AND DEED OF TRUST BETWEEN THE CASA BLANCA HOME OF NEIGHBORLY SERVICE AND THE CITY OF RIVERSIDE IN THE AMOUNT OF \$525,000, USING 2007 CASA BLANCA REDEVELOPMENT TAXABLE BOND PROCEEDS TO FINANCE THE PURCHASE OF IMPROVED LAND IDENTIFIED AS 7680 CASA BLANCA STREET, BEARING ASSESSOR PARCEL NUMBER 230-243-003, AND VACANT LAND IDENTIFIED AS ASSESSOR PARCEL NUMBER 230-244-005 – CASA BLANCA REDEVELOPMENT PROJECT AREA

ISSUE:

Approve a 30-year Promissory Note and Deed of Trust between the Casa Blanca Home of Neighborly Service and the City of Riverside in the amount of \$525,000, using 2007 Casa Blanca Redevelopment Taxable Bond Proceeds to finance the Casa Blanca Home of Neighborly Service's purchase of improved land identified as 7680 Casa Blanca Street, bearing Assessor Parcel Number 230-243-003, and vacant land bearing Assessor Parcel Number 230-244-005 (Property) (Attachment 1).

RECOMMENDATION:

That the City Council approve a 30-year Promissory Note and Deed of Trust (Attachments 2 and 3) between the Casa Blanca Home of Neighborly Service and the City of Riverside in the amount of \$525,000, using 2007 Casa Blanca Redevelopment Taxable Bond Proceeds to finance the Casa Blanca Home of Neighborly Service's purchase of the Property.

BACKGROUND:

On September 22, 2015 and September 23, 2015, the City, as Successor Agency to the former Redevelopment Agency of the City of Riverside, and the Oversight Board approved the transfer of unexpended redevelopment bond proceeds to the City for purposes consistent with the Bond Indentures, Redevelopment Plans and Redevelopment Law for the various former redevelopment project areas in the total amount of \$9,052,068.73, of which \$1,691,919.47 is available in the former Casa Blanca Redevelopment Project Area. On November 13, 2015, the State Department of Finance (DOF) approved Oversight Board Resolution Number 84 acquiescing to the transfer.

DISCUSSION:

The Casa Blanca Home of Neighborly Service (Home) seeks a loan for the acquisition of the

Property using available 2007 taxable bond proceeds from the Casa Blanca Redevelopment Project Area (Project Area). The Home currently operates a community center facility for seniors and children at the Property. The Property is currently available for purchase. Should the Home not acquire the Property, the Property may be sold for an unknown future use.

As such, the Home has requested a 30-year loan at 3% interest, with monthly payments of \$2,213.42, to acquire the Property in order to continue its operation and community benefit. Debt will be evidenced by a promissory note and secured with a deed of trust recorded against the Property.

Staff proposes to fund this loan with bond proceeds from the former Redevelopment Agency's Casa Blanca Project Area as identified above.

The loan documents require that the Home:

1. Rehabilitate, conserve and maintain the property and improvements;
2. Provide services for the social, economic, and psychological growth and well-being of all citizens including job training for jobless and underemployed members of the Casa Blanca community; and
3. Continue to provide tutoring, financial planning, and other related services to assist low and moderate income households within the Casa Blanca community.

The terms included in the Promissory Note and Deed of Trust will reduce blight in the Casa Blanca Project Area through the improvement of a community facility, as well as provide increased social services for seniors and children and promote the health, safety, and welfare of the surrounding community.

FISCAL IMPACT:

There is no fiscal impact to the General Fund. Sufficient funds in the amount of \$525,000 are available in the 2007 Casa Blanca Redevelopment Taxable Bond Funds Account Number 9824600-440446.

Prepared by:	Rafael Guzman, Community & Economic Development Director
Certified as to availability of funds:	Scott G. Miller, Interim Finance Director/Treasurer
Approved by:	Al Zelinka, FAICP, Assistant City Manager
Approved as to form:	Gary G. Geuss, City Attorney

Attachments:

1. Site Map
2. Promissory Note
3. Deed of Trust