



3105 Redwood Drive

Community & Economic
Development Department

Development Committee

January 19, 2017

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3105 REDWOOD DRIVE



1. **General Plan:** Medium Density Residential
2. **Zoning:** R-1-7000
3. **Lot Size:** 6,615 sq. ft.

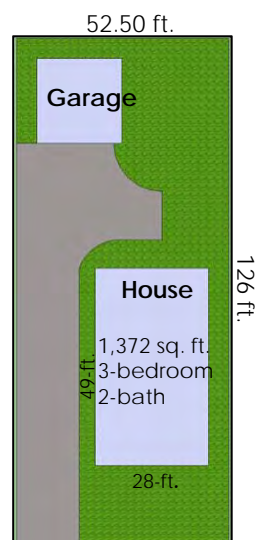


2

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PROPOSAL

Estimated Sales Price: \$330,000



3

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DEVELOPMENT BUDGET

Uses of Funds	
Land Acquisition	\$46,305
Unit Construction	\$254,318
Permit/Impact/ Utility Connection Fees	\$38,316
Construction Loan Fees	\$3,447
Developer Fee	\$42,934
TOTAL DEV. COST:	\$421,189

Sources of Funds	
Private Equity & Construction Loan	\$308,750
GAP	\$112,439
Subsidy Requested	
Write Down of Land Value to \$1	\$46,304
HOME Loan – Forgivable	\$66,135
TOTAL AVAILABLE SOURCES:	\$421,189

4



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AFFORDABILITY

Affordable Mortgage		Housing Cost vs. Affordable Mortgage	
Annual Household Income (80% AMI)	\$51,100	Est. Market Rate of Home	\$330,000
Affordable Housing Cost (35% of Annual Income)	\$1,490.42	Affordable Mortgage	\$280,000
Affordable Mortgage Amount	\$280,000	Affordability Gap	\$50,000

Down Payment Assistance Requested: Up to \$50,000



5

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TOTAL SUBSIDY REQUESTED

1. \$116,135 of HOME Funds
 - a. Development Subsidy: \$66,135
 - b. Up to \$50,000 for Down Payment Assistance
2. \$46,304 of unrealized sales proceeds, write down of land value



6

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RECOMMENDATIONS

Recommend City Council to:

1. Approve a proposal from Lyle Castillo, doing business as Twin Builders, to develop a single family home and provide an affordable homeownership opportunity at 3105 Redwood Drive.
2. Provide development subsidy in the form of a write down of land value of \$46,305 and development loan of up to \$116,135 in Federal HOME Investment Partnership Program Funds



7

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