



Development Committee Memorandum

City of Arts & Innovation

TO: DEVELOPMENT COMMITTEE MEMBERS DATE: JUNE 22, 2017

FROM: COMMUNITY & ECONOMIC DEVELOPMENT WARD: 1
DEPARTMENT

SUBJECT: MISSION HERITAGE DEVELOPMENT PROPOSAL FROM WAKELAND HOUSING & DEVELOPMENT CORPORATION AND FAIR HOUSING COUNCIL OF RIVERSIDE COUNTY FOR A RESIDUAL RECEIPTS LOAN IN THE AMOUNT OF \$3,000,000 FROM AFFORDABLE HOUSING RESTRICTED FUNDS TO FINANCE THE ACQUISITION OF LAND AND CONSTRUCTION OF A 72 UNIT AFFORDABLE HOUSING COMMUNITY, NEW FAIR HOUSING COUNCIL OF RIVERSIDE COUNTY OFFICES, AND A CIVIL RIGHTS INSTITUTE ON 1.47 ACRES AT 3901 AND 3933 MISSION INN AVENUE AND 3942 6th STREET - DIRECT SUBMITTAL

ISSUE:

Recommend the Housing Authority Board to conceptually approve the Mission Heritage Development proposal from Wakeland Housing & Development Corporation and Fair Housing Council of Riverside County for a residual receipts loan in the amount of 3,000,000 from Affordable Housing restricted funds to finance the acquisition of land and construction of a 72-unit affordable housing community, new Fair Housing Council of Riverside County offices and a Civil Rights Institute on 1.47 acres at 3901 and 3993 Mission Inn Avenue and 3942 6th Street.

RECOMMENDATION:

That the Development Committee recommend to the Housing Authority Board approval of the Mission Heritage Plaza proposal from Wakeland Housing & Development Corporation and Fair Housing Council of Riverside County for a residual receipts loan in the amount of 3,000,000 from Affordable Housing restricted funds to finance the acquisition of land and construction of a 72 unit affordable housing community, new Fair Housing Council of Riverside County offices, and a Civil Rights Institute on 1.47 acres at 3901 and 3993 Mission Inn Avenue and 3942 6th Street.

BACKGROUND:

Wakeland Housing & Development Corporation (Wakeland), a non-profit developer based in San Diego, has a proven track record for planning, building and operating innovative, high-quality residential communities that are integrated with service programming that offer opportunities for residents to reach greater levels of economic stability and personal growth. Wakeland most recently completed the development of the Home Front at Camp Anza community, a 30 bungalow type residential units and the adaptive rehabilitation and re-use of the Camp Anza Officers Club in the City of Riverside.

Fair Housing Council of Riverside County (Fair Housing) is a nonprofit, HUD-approved housing counseling organization that fights to protect the housing rights of all individuals. Fair Housing offers a variety of services to the community that include assistance with housing discrimination, landlord-tenant disputes, first-time homebuyer workshops, foreclosure prevention, one-on-one housing counseling, and training on fair housing laws.

Fair Housing sought an innovative way to affirmatively further fair housing, and put into practice the fair housing principals they fight for. With this mission, Fair Housing reached out to Wakeland to collaborate on the Mission Heritage Development, to develop 72 units of affordable rental units in addition to new offices for the Fair Housing Council, a flex area and a Civil Rights Institute. This development will encompass a full service campus, where Riverside residents can live affordably, seek advice on homeownership and fair housing issues, and learn and contribute to the civil rights story of inland southern California.

DISCUSSION:

The Housing Authority received a development proposal titled “Mission Heritage Plaza” from Wakeland in partnership with Fair Housing to acquire land and construct a 72-unit affordable housing community, new Fair Housing Council of Riverside County offices and a Civil Rights Institute on 1.47 acres at 3901 and 3993 Mission Inn Avenue, 3942 6th Street, and APNs 214-212-007, -008, -011, -012, and -013 that will be consolidated to facilitate the development.

Fair Housing has entered into purchase and sale agreements with the property owners of adjacent vacant land at 3942 6th Street and APNs 214-212-011, -012, 0-13. Fair Housing currently owns the property at 3901 and 3993 Mission Inn Avenue and the abutting vacant land at APNs 214-212-007, 214-212-008.

Below is the project rendering from the corner of Mission Inn Avenue and Fairmount Boulevard.



Below is the project rendering from Fairmount Boulevard.



Affordability

Of the 72 affordable units, 22 units will be reserved for veterans. Of the 22 units reserved for veterans, 11 units will be reserved for formerly homeless veterans participating in the Veterans Housing and Homeless Prevention Program (VHHP). The anticipated affordability and unit mix for the development is shown below:

BEDROOM SIZE	SQUARE FEET	INCOME LEVELS
One	643	<ul style="list-style-type: none"> • 14 units at 30% of Area Median Income (AMI) • 2 units at 45% of AMI • 8 units at 50% of AMI • 6 units at 60% of AMI
Two	788	<ul style="list-style-type: none"> • 3 units at 30% of AMI • 7 units at 45% of AMI • 7 units at 50% of AMI • 6 units at 60% of AMI
Three	1,086	<ul style="list-style-type: none"> • 2 units at 30% of AMI • 6 units at 45% of AMI • 6 units at 50% of AMI • 4 units at 60% of AMI

These units would remain affordable for a 55 year period and the City would conduct annual inspections to ensure the property is being well maintained and the rent and income limits are being adhered to.

Design

The project architect has drawn design inspiration from the surrounding neighborhood by including a promenade element along Mission Inn Avenue and spacious courtyards typical of nearby historical buildings. The building facing Mission Inn Avenue has massing that corresponds to the Fox Theater's large, prominent features. Whereas the building Fairmount Boulevard emphasizes a front porch presence, providing a connection with the single-family homes on Sixth Street that is pedestrian in nature.

Programming & Services

Fair Housing will continue to provide the aforementioned services to the public within the new development. They will continue to hold training sessions and events open to the public on evening and weekends. The Civil Rights Institute, further described below, is also expected to be open during normal business hours and hold special events and programming on nights and weekends, in compliment to the existing vibrant nature of Downtown Riverside.

Civil Rights Institute

The Civil Rights Institute of Inland Southern California (CRI) has been created as the voice of all civil rights within the inland region. It embraces the entire spectrum of the region's diversity, and includes voices from every race and ethnicity, from senior to women's rights groups, from disenfranchised and discriminated groups, and individual to people with disabilities.

Specifically, CRI is intended as:

1. An archive, library, museum and repository for display of civil rights materials from Inland Southern California;
2. A diversity center, multimedia center and meeting space for the region's many organizations that preserve, protect and celebrate diversity and civil rights;
3. A performance space for readings, renditions and performances focused on civil rights, both historical and contemporaneous;
4. A collaborative space for the region's civil rights groups, universities, colleges and school districts for civil rights projects, grants and exhibitions;
5. A discussion and unity platform for discussions about, and leadership on contemporaneous-and emerging—civil rights challenges and issues;
6. An academic resource for the region's universities, colleges and schools for research and scholarship on civil rights;
7. A meditation space for reflecting on civil rights movements, past and present, and for facilitating solutions
8. Meeting space for community organizations; and

9. Annual celebration space for CRI related events.

Financing

The estimated total development cost is \$31,949,664, which a breakdown is provided below.

Uses of Funds	
Land Acquisition	\$ 1,865,000
Construction	\$23,566,256
Professional Fees/ Soft Costs	\$ 6,518,408
Total Development Cost	\$31,949,664

The development cost is expected to be financed through the following funding sources:

Sources of Funds	
9% Tax Credit Equity	\$10,420,440
Permanent Loan	\$ 672,065
Affordable Housing and Sustainable Communities Program	\$11,406,586
Veterans Housing and Homelessness Prevention Program (VHHP)	\$ 2,850,573
Sponsorship/Other Sources	\$ 3,600,000
City Housing Authority Loan	\$ 3,000,000
Total Sources of Funds	\$31,949,664

The identified sources of funds is estimated to be \$28,949,664, which will leave a subsidy gap of \$6,600,000. Staff is requesting that \$3 million in Housing Authority funds (former Redevelopment Housing Set-aside funds) be used to fill a portion of the subsidy gap. The remaining \$3.6 million subsidy gap will be covered by Wakeland and Fair Housing through fundraising efforts such as the proposed Civil Rights Institute Walk of Fame plaques that will be placed in the public right-of-way in front of the project on Mission Inn Avenue. Sponsorship will be solicited at \$10,000 per plaque.

Community Meetings

Wakeland and Fair Housing have presented the project to the following community groups:

1. Neighborhood Partnership Housing Services (NPHS)
2. Eleanor Jean Grier Leadership Academy

3. The Group
4. Omega Psi Phi Fraternity, Inc.
5. La Sierra University
6. Riverside East Rotary Club
7. Downtown Area Neighborhood Alliance
8. NAACP – Riverside Branch
9. Housing Opportunities Collaborative
10. Path of Life Ministries
11. Riverside African-American Historical Society, Inc.
12. Riverside County Black Chamber of Commerce
13. Riverside Latino Network
14. Greater Riverside Chamber of Commerce
15. Adjacent property owners and residents
16. Riverside County Supervisor Tavaglione
17. Senator Richard Roth's Office
18. Mayor's Multicultural Forum

FISCAL IMPACT:

There is no fiscal impact to the General Fund. The Housing Authority has \$3 million available in the Housing Authority Fund account number 0000280-298000 to contribute towards development costs. The \$3 million loan will be provided at a simple interest rate of 3% with a 55 year term. The developer will repay the loan in annual payments equal to fifty percent (50%) of the residual receipts for the prior fiscal year.

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

Attachments:

1. Location Map
2. Presentation