



# City Council and Housing Authority Memorandum

*City of Arts & Innovation*

**TO: HONORABLE MAYOR, CITY COUNCIL,  
AND HOUSING AUTHORITY MEMBERS**

**DATE: JUNE 5, 2018**

**FROM: OFFICE OF HOMELESS SOLUTIONS**

**WARD: 5**

**SUBJECT: SECOND AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT  
3753 MYERS STREET WITH HABITAT FOR HUMANITY RIVERSIDE, INC. TO  
EXTEND THE CLOSING DATE TO MAY 2, 2019 WITH AN OPTION TO EXTEND  
AN ADDITIONAL SIX MONTHS; FIRST AMENDMENT TO HOME INVESTMENT  
PARTNERSHIPS PROGRAM LOAN AGREEMENT 3753 MYERS STREET WITH  
HABITAT FOR HUMANITY RIVERSIDE, INC. TO EXTEND THE CLOSING DATE  
TO MAY 2, 2019, WITH AN OPTION TO EXTEND AN ADDITIONAL SIX MONTHS**

## **ISSUES:**

Approve the Second Amendment to Disposition and Development Agreement 3753 Myers Street with Habitat for Humanity Riverside, Inc., to extend the closing date to May 2, 2019 with an option to extend an additional six months, and the First Amendment to HOME Investment Partnerships Program Loan Agreement with Habitat for Humanity Riverside, Inc. 3753 Myers Street with Habitat for Humanity Riverside, Inc., to extend the closing date to May 2, 2019 with an option to extend an additional six months.

## **RECOMMENDATIONS:**

That the Housing Authority:

1. Approve the Second Amendment to Disposition and Development Agreement 3753 Myers Street with Habitat for Humanity Riverside, Inc., to extend the closing date to May 2, 2019, with an option to extend an additional six months;
2. Authorize the Executive Director, or his designee, to execute the Second Amendment to Disposition and Development Agreement with Habitat for Humanity Riverside, Inc., including the optional six month time extension, and any amendments to the Agreement, as may be required by the Planning Department, to bring the project into compliance with General Plan and zoning requirements, making minor and non-substantive changes as necessary;

That the City Council:

1. Approve the First Amendment to HOME Investment Partnerships Program Loan Agreement with Habitat for Humanity Riverside, Inc. 3753 Myers Street with Habitat for Humanity Riverside, Inc., to extend the closing date to May 2, 2019, with an option to extend an additional six months; and

2. Authorize the City Manager, or his designee, to execute the First Amendment to HOME Investment Partnerships Program Loan Agreement with Habitat for Humanity Riverside, Inc. including the optional six month time extension, and any amendments to the Agreement, as may be required by the Planning Department, to bring the project into compliance with General Plan and zoning requirements, making minor and non-substantive changes as necessary.

### **BACKGROUND:**

On July 28, 2015 the Housing Authority approved a Disposition and Development (DDA) Agreement and the City Council approved a HOME Investment Partnerships Program (HOME) Loan Agreement for \$150,000 with Habitat for Humanity Riverside, Inc. (Habitat) for the development of twelve single-family homes on Housing Authority-owned property located at 3753 Myers Street in Riverside. The property at 3753 Myers Street had been purchased by the former City Redevelopment Agency in 2005 and subsequently transferred to the Housing Authority for affordable housing development.

On July 25, 2017 the City Council and Housing Authority amended the Project to reduce the residential development size from twelve houses to four houses to be more consistent with neighborhood densities, and because the veterans funding originally envisioned for the Project conflicted with federal HOME regulations, which resulted in project being redesigned. The HOME Loan Agreement for the project was increased by an additional \$800,000 in recognition that fewer homes would result in higher project costs per house, as economies of scale would not be realized on a smaller project.

### **DISCUSSION:**

The project had been delayed due to a peripheral land use issue that is moving toward resolution. In order to proceed with the project and open escrow the DDA and HOME Loan Agreements need to be amended to extend the term from July 28, 2017 to December 31, 2019. The City and Housing Authority cannot open escrow on the 3753 Myers Street property without an active DDA Agreement.

The Community & Economic Development Director concurs.

### **FISCAL IMPACT:**

There is no fiscal impact in amending the above two agreements for additional time.

Prepared by:	Emilio Ramirez, Office of Homeless Solutions Director
Certified as to availability of funds:	Adam Raymond, Chief Financial Officer/City Treasurer
Approved by:	Alexander T. Nguyen, Assistant City Manager
Approved as to form:	Gary G. Geuss, City Attorney

### **Attachments:**

1. Second Amendment to Disposition and Development Agreement
2. First Amendment to HOME Investment Partnerships Program Loan Agreement