

Development Committee Memorandum

City of Arts & Innovation

TO: DEVELOPMENT COMMITTEE MEMBERS DATE: NOVEMBER 29, 2018

FROM: OFFICE OF HOMELESS SOLUTIONS WARD: 1

SUBJECT: HOUSING FIRST – MULBERRY VILLAGE DEVELOPMENT PROPOSAL FROM
HABITAT FOR HUMANITY RIVERSIDE FOR THE CONSTRUCTION OF TEN
SMALL COTTAGE STYLE HOMES - DIRECT SUBMITTAL

ISSUE:

Conceptually approve the Mulberry Village development proposal from Habitat for Humanity Riverside for the construction of ten small cottage style homes on 0.49 acres of Housing Authority-owned property located at 2825-2841 Mulberry Street.

RECOMMENDATION:

That the Development Committee conceptually approve and recommend to the City Council and Housing Authority Board approval of the Mulberry Village development proposal from Habitat for Humanity Riverside for construction of ten small cottage style homes on 0.49 acres of Housing Authority owned property located at 2825-2841 Mulberry Street.

BACKGROUND:

The Housing Authority purchased the land at 2825-2841 Mulberry Street as vacant land of judicial foreclosures in 2012. The Housing Authority has advertised the site for development continually on the Housing Authority's Request for Proposals webpage. On April 9, 2018 the Housing Authority received an over-the-counter proposal from Habitat for Humanity Riverside for the Mulberry Village development of ten small cottage style homes on the site to serve chronically homeless individuals.

DISCUSSION:

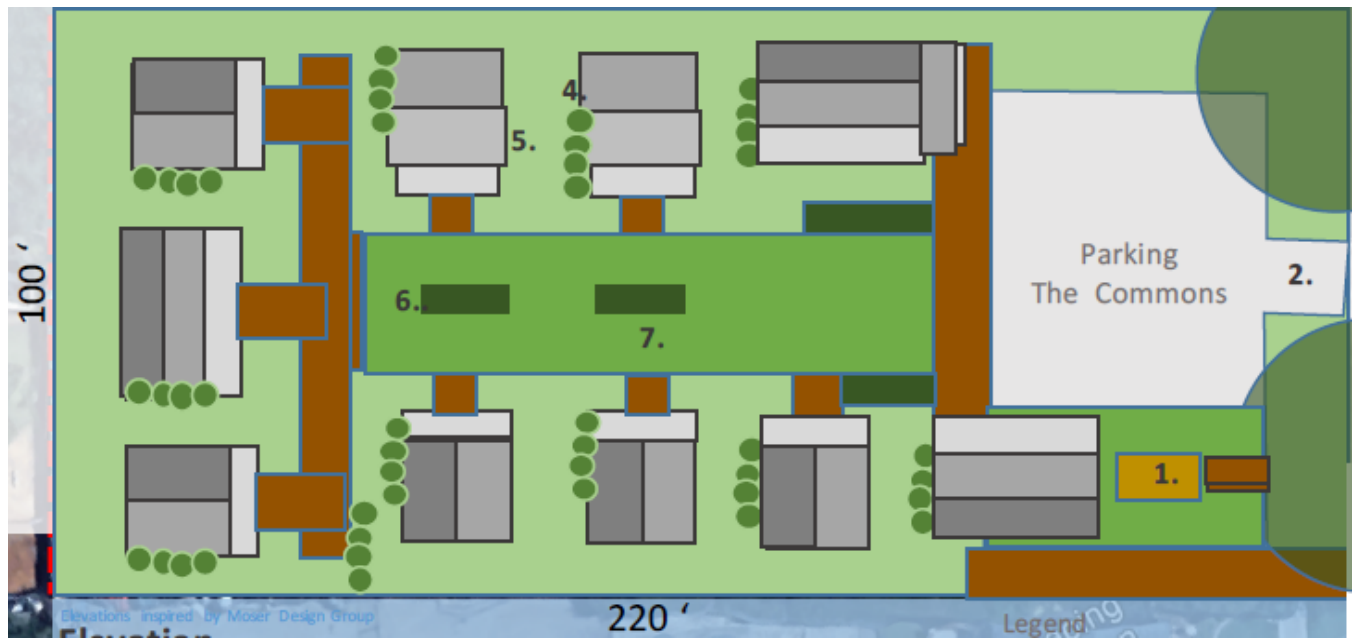
The proposed project would be a partnership between the Housing Authority of the City of Riverside, Habitat for Humanity Riverside as developer, and the Riverside Housing Development Corporation (RHDC) as property manager. The proposed project's mission is to provide access to stable and affordable housing; provide case management and supportive services based on client's needs; and assist clients with graduating into permanent housing. The Housing Authority is proposing to retain ownership of the property, which must remain affordable for 55-years. The project site at 2825-2841 Mulberry Street will require rezoning and a General Plan amendment to accommodate the project as currently envisioned.

The proposed project has received approval and support from the Downtown Area Neighborhood Alliance, the Northside Improvement Association, and the community meeting with surrounding property owners. A letter from the Downtown Area Neighborhood Alliance is presented as Attachment 1 of this report.

Development Proposal

1. Development of ten small cottage style homes to be rented to persons earning at-or-below 50% of area median income.
2. Victorian style elevations.
3. Efficiency and 1-bedroom floor plans; the homes will total around 400 square feet.

A proposed site schematic and site elevations are presented below.



Proposed Site Layout



Proposed Elevations

Proposed Financing

The proposed project cost is \$1,129,752. On August 14, 2018 the Housing Authority conceptually approved the Mulberry Village Project as part of a \$715,000 application for National Housing Trust Fund monies to construct the project. National Housing Trust Fund dollars are competitive. If NHTF dollars are awarded, the Housing Authority would contribute \$414,752 in HOME Community Housing Development Organization set-aside funds to complete development and hard cost funding.

Uses of Funds	
Land Acquisition and Closing Costs	\$0
Construction	\$785,886
Professional Fees/Soft Costs	\$64,096
Permit Fees	\$179,770
Developer Fee	\$100,000
Total Development Cost	\$1,129,752

Sources of Funds	
Bank Loan	\$0
National Housing Trust Fund	\$715,000
City HOME Grant	\$414,752
Total Development Cost	\$1,129,752

To maintain long-term affordability, restrictive covenants will be recorded against the property for the 55 years.

FISCAL IMPACT:

The fiscal impact of this project is \$414,752 in federal HOME Investment Partnerships Program funds. Sufficient funding is available in the HOME Unprogrammed Funds Account 2835200 - 453001 to provide Habitat for Humanity Riverside with a forgivable development loan.

Prepared by: Emilio Ramirez, Office of Homeless Solutions Director
 Certified as to availability of funds: Edward Enriquez, Interim Chief Financial Officer/City Treasurer
 Approved by: Rafael Guzman, Assistant City Manager
 Approved as to form: Gary G. Geuss, City Attorney

- Attachments:
1. DANA Support Letter
 2. Presentation