



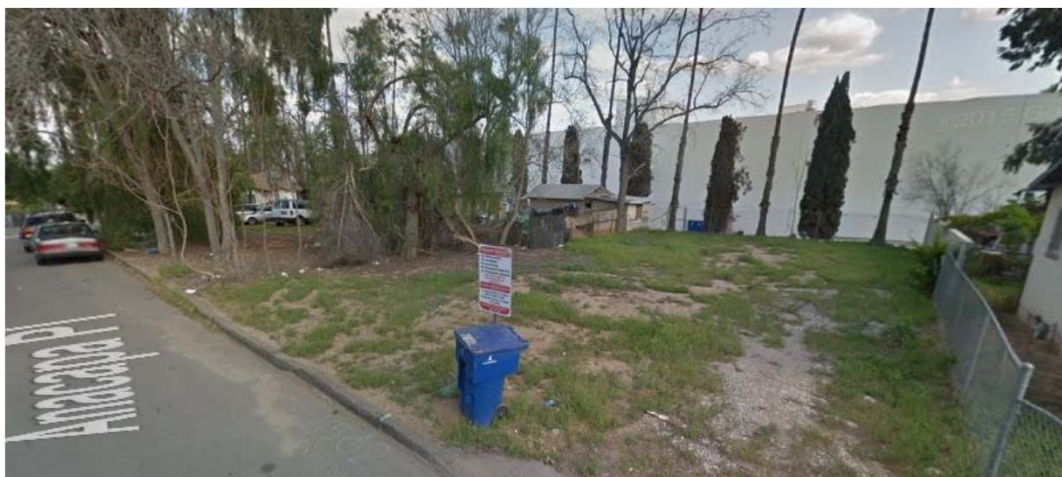
DEVELOPMENT AGREEMENT WITH NORTHTOWN HOUSING

Office of Homeless Solutions

City Council
Housing Authority Board
February 12, 2019

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11502 ANACAPA PLACE



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PROPOSED DEVELOPMENT

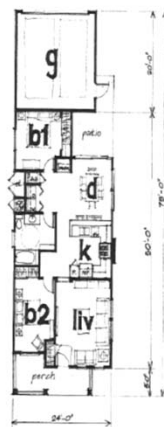
1. Development of two units to be rented to persons earning at-or below 80% of area median income;
2. Craftsman style elevations; and
3. Two and three bedroom floor plans.



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SITE ELEVATIONS



Floor Plan Plan 2
1,090 s.f.



Front



Rear



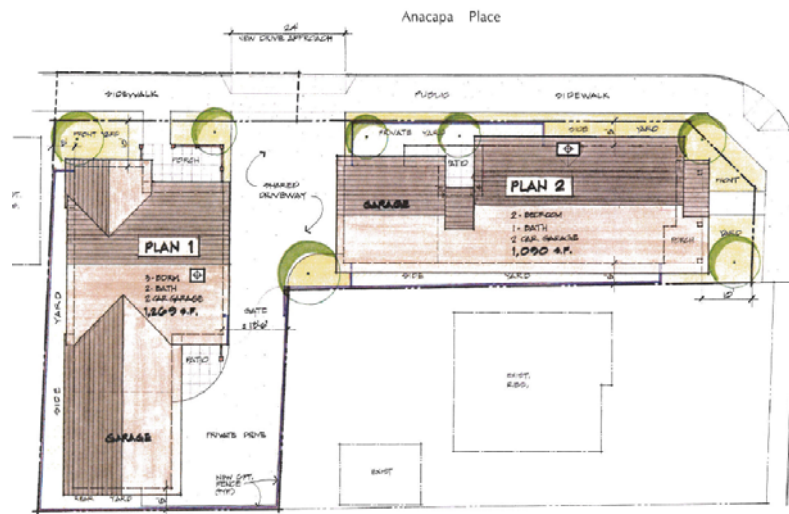
Right Side



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SITE LAYOUT



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FINANCING

USES OF FUNDS	
Land Acquisition	\$12,001
Construction	\$488,377
Professional Fees	\$76,500
Developer Fee	\$56,000
Total Development	\$632,878

SOURCES OF FUNDS	
Bank Loan	\$253,151
AHP	\$25,000
City HOME Loan	\$354,726
Northtown Housing	\$1
Total Development	\$632,878



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DEVELOPMENT COMMITTEE

1. June 21, 2018 - presented a single-family housing project with for-sale units;
2. Committee conceptually approved the development project; and
3. Project is being changed from a homeownership project to a rental project due to rising interest rates and construction costs making it financially infeasible to assist lower income homebuyers.



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HOME INVESTMENT PARTNERSHIPS LOAN

1. \$354,726 HOME Investment Partnerships loan bearing 3% simple interest, repaid with residual receipts over a 55-year period;
2. Loan proceeds will be used to cover development costs;
3. Loan repayment begins once the Certificate of Occupancy has been issued; and
4. Loan will mature in 55-years; units will remain affordable for the same period.



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RECOMMENDATIONS

That the Housing Authority:

1. Conduct a public hearing in accordance with the California Health and Safety Code Section 34312.3 for the conveyance of 11502 Anacapa Place to Northtown Housing Development Corporation for \$1; and
2. Approve a Disposition and Development Agreement with Northtown Housing Development Corporation to dispose of the property located at 11502 Anacapa Place for \$1 for the development of two affordable rental units; and
3. Authorize the Executive Director, or his designee, to execute the Disposition and development Agreement, including making minor and non-substantive changes.



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RECOMMENDATIONS

That the City Council:

1. Approve a HOME Investment Partnerships Loan Agreement with Northtown Housing Development Corporation for a loan in the amount of \$354,726 for pre-development and construction costs for the development of two affordable rental units to be rented to families earning at-or-below 80% of the Area Median Income;
2. Authorize the City Manager, or his designee, to execute the HOME Investment Partnership Loan Agreement with Northtown Housing Development Corporation, including making minor and non-substantive changes; and
3. Authorize the transfer of \$354,726 from the HOME Unprogrammed Account No. 2835200-450098 to the Anacapa Project Account No. 2835200-453045.



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