



MISSION HERITAGE PLAZA – DEVELOPER REQUESTED PROJECT AMENDMENTS

City Manager/Housing Authority

City Council
Housing Authority
October 6, 2020

RiversideCA.gov

1

Mission Heritage Project



Project: 72-units of affordable and permanent supportive housing with integrated Civil Rights Institute and Fair Housing Council Offices.

Developer:
Wakeland Housing and Development

Total Project Cost (Approximate):
\$47,000,000

Timeline:
Financing closes in November 2020
Construction to start in early 2021. ²



RiversideCA.gov

2

AHSC Program Award – City and Wakeland

2019 AHSC Program Award:

1. **Mission Heritage Plaza**
Wakeland Housing and Development
\$7,030,231 (loan)
2. **Related Transit Projects**
City of Riverside
\$9,796,700 (grant)
3. **Total Award: \$16,826,931**



3

RiversideCA.gov

3

Developer Requested Amendments

Amended and Restated Resolution:

1. Replaces Resolution No. 23415;
2. Requested by State Department of Housing and Community Development; and
3. Allows State to issue Standard Funding Agreement.



4

RiversideCA.gov

4

Developer Requested Amendments

Affordable Housing and Sustainable Housing Program (AHSC) Partnership Agreement:

1. Delineates duties and liability across housing component (Wakeland Housing) and transit project (City) component of AHSC Grant; and
2. Follow up item mentioned in February 9, 2019 staff report requesting AHSC Resolution.



5

RiversideCA.gov

5

Developer Requested Amendments

Amendment to Housing Authority Loan Agreement:

1. Lowers interest rate of Authority loan from 3% to 1%;
2. Allows "float up" of unit affordability from 50% AMI to 60% AMI if Project Section 8 vouchers ever expire;
3. Allows Project to meet future capital loss requirements (State is also requested to make interest reduction); and
4. Potentially reduces any future payback from Project.



6

RiversideCA.gov

6

Developer Requested Amendments

Subordination Agreement:

1. Requested by Bank of America – Majority Project Investor;
2. Subordinates Authority Deed of Trust:
 - a) Traditional and allowed in Authority Funding Agreement.
3. Subordinates Authority Regulatory Agreement:
 - a) Not in current policy;
 - b) Rare but potential of Authority losing project affordability in default.



7

RiversideCA.gov

7

Recommendations

That the City Council:

1. Approve a restated and amended Resolution No. 23415 enabling the City of Riverside to sign a Standard Agreement as a co-applicant with Wakeland Housing and Development Corporation for an award of \$16,826,931 from the State of California's Affordable Housing and Sustainable Communities Program;
2. Approve an AHSC Co-Applicant Agreement with Wakeland Housing and Development Corporation specifying joint responsibilities and liability under the grant to facilitate development of the Mission Heritage housing project and transit improvements related to the project; and



8

RiversideCA.gov

8

Recommendations

3. Authorize the City Manager, or his designee, to sign Affordable Housing and Sustainable Communities Program Standard Agreement and the AHSC Co-Applicant Agreement, making minor corrections as necessary including substitution of the project legal description to accommodate a new parcel map for the project.



9

RiversideCA.gov

9

Recommendations

That the Housing Authority Board:

1. Approve a Subordination Agreement request from Bank of America to place the Housing Authority's loan and affordability contracts behind the bank's loan documents, making a finding under California Health and Safety Code Section 33334.14 that the subordination of the Authority's Regulatory Agreement is of financial necessity for the Project, and that no other financially viable alternative exists for this action;
2. Authorize the Executive Director, or his designee, to execute the Subordination Agreement, making minor corrections as necessary including substitution of the project legal description to accommodate a new parcel map for the project;



10

RiversideCA.gov

10

Recommendations

3. Approve the Modification to Loan Documents with Mission Heritage Plaza LP to reduce the interest rate on the Housing Authority's \$3 million residual receipts loan from three percent to one percent simple interest; and
4. Authorize the Executive Director, or his designee, to sign the Modification to Loan Documents, making minor corrections as necessary including substitution of the project legal description to accommodate a new parcel map for the project.

