



City of Arts & Innovation

Successor Agency to the Redevelopment Agency of the City of Riverside

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: JANUARY 6, 2026

FROM: COMMUNITY & ECONOMIC DEVELOPMENT WARD: 1
DEPARTMENT

**SUBJECT: ADOPT A RESOLUTION APPROVING A PURCHASE, SALE, AND
DEVELOPMENT AGREEMENT WITH GRAPEVINE DEVELOPMENT LLC FOR
THE SALE OF APPROXIMATELY 1.86 ACRES OF SUCCESSOR AGENCY-
OWNED VACANT LAND, LOCATED AT 2731-2871 UNIVERSITY AVENUE,
BEARING ASSESSOR'S PARCEL NUMBERS 211-131-021, -022, -023, -
024, -026, -031, AND -032, FOR \$1,050,000 TO FACILITATE
DEVELOPMENT OF A MIXED-USE PROJECT INCLUDING 15% AFFORDABLE
HOUSING**

ISSUE:

Adopt a resolution authorizing the City of Riverside, as the Successor Agency to the former Redevelopment Agency of the City of Riverside (Successor Agency), to enter into a Purchase, Sale, and Development Agreement (Agreement) with Grapevine Development, LLC (Grapevine), for the sale of approximately 1.86 acres of Successor Agency-owned vacant land, located at 2731-2871 University Avenue, bearing Assessor's Parcel Numbers 211-131-021, -22, -23, -24, -026, -031 and -032 (Property) for \$1,050,000 to facilitate the development of a mixed-use project including 15% affordable housing units (Joint Successor Agency and Housing Authority development project).

RECOMMENDATIONS:

That the Successor Agency:

1. Adopt the attached resolution (Attachment 1) authorizing the execution of the attached Agreement with Grapevine for the sale of the Property for \$1,050,000 to facilitate the development of a mixed-use project including 15% affordable housing units (Attachment 2), contingent upon the approval and execution of a Disposition and Development Agreement between the Housing Authority of the City of Riverside and Grapevine for adjacent property located at 2882 Mission Inn Avenue, identified as Assessor's Parcel Number 211-131-001;
2. Recommend that the Countywide Oversight Board adopt a Board resolution authorizing the execution of the attached Agreement with Grapevine for the sale of the Property in accordance with the California Department of Finance approved Long-

Range Property Management Plan (State Approved LRPMP), to be presented to the Countywide Oversight Board for final consideration and approval, contingent upon the approval and execution of a Disposition and Development Agreement between the Housing Authority of the City of Riverside and Grapevine for adjacent property located at 2882 Mission Inn Avenue, identified as Assessor's Parcel Number 211-131-001; and

3. Authorize the Executive Director, or designee, to take all actions, including making minor and non-substantive changes, and execute the Agreement with Grapevine, contingent upon the approval and execution of a Disposition and Development Agreement between the Housing Authority of the City of Riverside and Grapevine for adjacent property located at 2882 Mission Inn Avenue, identified as Assessor's Parcel Number 211-131-001.

LEGISLATIVE HISTORY:

Enacted in 1968, the Surplus Land Act (SLA) requires all local agencies to prioritize affordable housing, as well as parks and open space when disposing of surplus land. As California continues to face an affordable housing crisis, all publicly owned surplus land, according to the State, has the potential to promote affordable housing developments. As such, in 2019, Governor Newsome signed into law Assembly Bill 1486 (AB 1486) to promote the use of publicly owned surplus land for affordable housing projects. Pursuant to AB 1486, the Successor Agency is required by the SLA to notify local public agencies and all affordable housing developers who registered with the State's Housing & Community Development (HCD) regarding surplus land opportunities. With the initial Notice of Availability (NOA), the SLA requires that no less than 25% of a proposed housing development be restricted to low-income qualified households. Additionally, the SLA requires an affordability covenant recorded on surplus land for 55 years (Regulatory Agreement).

BACKGROUND:

In 2006, the former Redevelopment Agency acquired property located at 2731- 2871 University Avenue (Successor Agency Property). The Successor Agency Property consists of seven contiguous parcels of vacant land, identified as Assessor's Parcel Numbers 211-131- 021, - 022, - 023, - 024, - 026, 031, and - 032. In 2008, the former Redevelopment Agency, on behalf of the Housing Authority, acquired the property located at 2882 Mission Inn Avenue, identified as Assessor's Parcel Number 211- 131- 001 (Housing Authority Property). The Successor Agency Property is approximately 1. 9 acres of vacant land. The Housing Authority Parcel is approximately 0. 22 acres of vacant land.

On July 18, 2019, the Countywide Oversight Board Approved Resolution No. 2019- 037 for a Purchase and Development Agreement with Grapevine Economic Development Fund, Inc., for the disposition of the Successor Agency Property and the construction of a mixed-use retail and multi -family affordable housing project. However, on December 2, 2019, escrow was canceled with Grapevine Economic Development Fund, Inc. due to its failure to submit the security deposit required for 2731- 2871 University Ave / 2882 Mission Inn Ave Development Proposal.

On October 9, 2019, Assembly Bill 1486 (" AB 1486") was signed into law by Governor

Newsom. AB 1486 has revised the procedural requirements for the disposition of local agency surplus property and has expanded the definition of "local agency" to include land owned by a Successor Agency to a former redevelopment agency and the Housing Authority.



DISCUSSION:

On April 29, 2020, pursuant to the SLA, the Successor Agency adopted a resolution declaring various vacant parcels as surplus, including the Property.

On May 26, 2020, staff released an initial 60-day Notice of Availability for the sale of the Property, with a 25% affordable housing units requirement, as required by HCD; no interested buyers responded by the deadline.

On July 8, 2021, the Successor Agency issued an RFP with 15% affordable housing development opportunity; on or by the deadline of October 6, five proposals were received and evaluated; Grapevine was selected.

On April 21, 2022, the Economic Development, Placemaking and Branding/Marketing Committee reviewed the development proposal from Grapevine Development, LLC for 1.9 acres of Successor Agency -owned vacant land, located at 2731- 2871 University Avenue (Assessor's Parcel Numbers 211- 131- 021, - 022, - 023, - 024, - 026, - 031, and - 032) and 0.22 acres of Housing Authority -owned vacant land located at 2882 Mission Inn Avenue (Assessor's Parcel Number 211- 131- 001) for the proposed development of a 64-unit, 15% affordable mixed- use retail project *and unanimously approved that staff negotiate a*

Purchase, Sale, and Development Agreement for the Successor Agency property with Grapevine Development, LLC for the proposed development project to be presented to the Successor Agency Board, Oversight Board and Department of Finance for final consideration and approval; and to negotiate a Disposition and Development Agreement for the Housing Authority Property for the proposed development project to be presented to the Housing Authority Board for final consideration and approval (Joint Successor Agency and Housing Authority development project).

On May 8, 2023, HCD notified the Successor Agency and acknowledged compliance with AB 1486 on the disposition of the property to Grapevine Development LLC.

As part of the surplus disposition process, an independent third-party appraisal was obtained on February 27, 2023, in the amount of \$1,242,000. Staff reviewed the appraisal and determined that the sale price of \$1,050,000 represents a current fair market value of the Property. Key trends and data report that real property prices in Riverside flattened due to lower interest rates in comparison to peaks in 2023 and early 2024 due to high interest rates during those years.

Below is a summary of Grapevines' development proposal for the Property:

Approved LRPMP:	Site 19 – disposition approved in 2014 by the State
Parcel Size:	1.86 acres
Zoning:	Mixed-Use Urban
General Plan:	Commercial Retail - University Avenue Specific Plan
Purchase Price:	\$1,050,000
Proposed Project:	Mixed-use with at least 64 dwelling units of which at least 15% will be restricted to affordable housing
Estimated Job Creation: 78	
Annual Property Tax Revenue: \$211,000	
Total Investment: 26.5m	

The attached Agreement with Grapevine include the following key provisions:

1. Grapevine to purchase the Property for \$1,050,000, less all title, escrow and miscellaneous closing costs;
2. Grapevine must comply with all zoning, planning, and building laws, including the applicable design standards, other Land Use Laws, the Agreement, and the applicable project entitlements in the development of the Project;

3. Grapevine must complete all due diligence reviews and inspections of the Property within 60 calendar days from the Effective Date of the Agreement;
4. Grapevine must submit applications to the Planning Division for Design Review and entitlements within 90 days from the Effective Date;
5. Grapevine must obtain all necessary entitlements, including grading and building permits, and close escrow within 24 months from Effective Date;
6. Grapevine must start construction of the Project within 60 days from the Close of Escrow and complete construction within 24 months from the start of construction; and
7. Grapevine must concurrently enter into a Disposition and Development Agreement between the Housing Authority of the City of Riverside and Grapevine for the adjacent property located at 2882 Mission Inn Avenue, identified as Assessor's Parcel Number 211-131-001. The reason for this is that this development will include the Property and the Housing Authority parcel, will be a mixed-use development with at least fifteen percent (15%) shall be restricted to persons and families of low or moderate income, as defined in Section 50079.5 of the Health and Safety Code, with an affordable rent, as defined in Sections 50052.5 or 50053 of the Health and Safety Code, for a minimum of fifty-five (55) years for rental housing, and in no event shall the maximum affordable rent level be higher than twenty percent (20%) below the median market rents for the neighborhood in which the site is located. Both the Property and the Housing Authority parcel purchase and sale agreements specifically provide that concurrent disposition is an absolute condition of the property transactions and such affordability requirement will be recorded against all parcels.

Community Benefit

The Property, identified as Site 19 in the State Approved LRPMP, was acquired by the former Redevelopment Agency and approved for disposition by the California Department of Finance (DOF) over a decade ago. In addition to the sales proceeds and monetary savings on the continued property maintenance and site management for the Successor Agency, the development of the Property will benefit the City and taxing entities by generating additional real property taxes and sales revenue and produce additional housing options for the community. Increasing housing availability and affordability, economic growth, builds safe and sustainable communities.

Grapevine Development, LLC

Grapevine was founded in 1983 by James and Leticia Acevedo. Grapevine's mission is to empower and enhance overlooked communities through thoughtful real estate development that fosters growth, economic opportunity, and cultural vitality.

Grapevine expertise is in transit-oriented mixed-use master planned communities, Urban Planning, Mixed-Use development, and Community revitalization.

The Project represents a significant benefit to the University Corridor community. As such, staff recommends that the Successor Agency approve the attached Agreement with Grapevine to

facilitate the development of the Property.

FISCAL IMPACT:

The sales price for the Property is \$1,050,000. The City's portion of the sales proceeds is approximately 14% of the total sales price less all title, escrow, and miscellaneous closing costs (Net Sales Proceeds), which will be remitted to the Riverside County Auditor Controller's Office (ACO). Proceeds received will be deposited in the Successor Agency Trust Fund, Sales of Land & Buildings revenue account number 2830605-380010. The ACO will distribute the Net Sales Proceeds to the various taxing entities (including the City) and report on the sale of the Property to the DOF.

Prepared by:	Benjamin Morales, Real Property Services Manager
Approved by:	Jennifer A. Lilley, Community & Economic Development Director
Certified as to	
availability of funds:	Kristie Thomas, Chief Financial Officer
Approved by:	Mike Futrell, City Manager
Approved as to form:	Rebecca Mckee-Reimbold, Interim City Attorney

Attachments:

1. Resolution
2. Purchase, Sale, and Development Agreement