

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

441



**FROM:** Economic Development Agency

**SUBMITTAL DATE:**  
10 March 2008

**SUBJECT:** Joint Public Hearing – Disposition of Property by the Redevelopment Agency for the County of Riverside to Mission Village Senior Apartments LP

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Conduct a public hearing pursuant to section 33433 of the Health and Safety Code, regarding the proposed disposition of land from the Redevelopment Agency for the County of Riverside to Mission Village Senior Apartments LP;
2. Adopt Resolution Number 2008-156 approving the disposition of real property in the unincorporated community of Glen Avon from the Redevelopment Agency to Mission Village Senior Apartments LP; and
3. Find and determine that consideration is not less than the fair market reuse value at the use and with the covenants and conditions and development costs authorized by the sale per Section 33433 of the Health and Safety Code.

**BACKGROUND:** The Redevelopment Agency for the County of Riverside desires to dispose of and facilitate development of certain real property and has negotiated a sale price of \$1.00 for approximately 3.95 acres, located on Mission Boulevard in Glen Avon. (Continued)

RZ: DL:ER

*Robin Zimpfer*  
\_\_\_\_\_  
Robin Zimpfer

F:\Shared\CDBG\HOUSING\Emilio Ramirez\Glen Avon Property\disposition\Glen Avon BOS Fm 11 Authorization to Sell.EMILIO.doc

Assistant County Executive Officer/EDA

**FINANCIAL DATA**

Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	YES
Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	NO
Annual Net County Cost:	\$ 0	For Fiscal Year:	2007/2008

**COMPANION ITEM ON BOARD OF DIRECTORS AGENDA:** Yes

**SOURCE OF FUNDS:**

Positions To Be Deleted Per A-30	<input type="checkbox"/>
Requires 4/5 Vote	<input checked="" type="checkbox"/>

**C.E.O. RECOMMENDATION:**

APPROVE

*Jennifer L. Sargent*  
\_\_\_\_\_  
Jennifer L. Sargent

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL  
BY: MICHELLE CLACK  
DATE: 3/10/08  
Departmental Concurrence

Dep't Recomm.:  Consent  Policy  
Per Exec. Ofc.:  Consent  Policy

Prev. Agn. Ref.:

District: 2

Agenda Number:

9.1

**BACKGROUND (Cont'd):**

The project site is identified as Assessor's Parcel Numbers 169-100-010, 169-100-013, 169-100-014, 169-100-015, 169-100-016 & 169-100-038 and portions of 169-100-008, 169-100-009, 169-100-044 & 169-100-045, also shown as Parcel 1 on Tentative Parcel Map Number 34696 pursuant to the proposed Disposition and Development/Affordable Housing Agreement by and between the Agency and Mission Village Senior Apartments, L.P., a California limited partnership.

The proposed Disposition and Development Agreement outlines the terms and conditions by which the Agency will sell the property to Mission Senior Apartments, L.P., for the development of affordable multifamily senior housing to be constructed and operated by Mission Village Senior Apartments, L.P and extend a loan to Mission Village Senior Apartments LP in amount of \$9,243,334 for the development of the project.

The Disposition and Development Agreement requires Mission Village Senior Apartments, L.P., to develop and construct a 102 unit multifamily rental housing community on the Property for rental to qualifying tenants who are both senior citizens and who qualify as Lower Income Households or Very Low Income Households. The Developer's acquisition of the Property and construction and operation of the Housing Project are in the vital and best interests of the Agency and of the health, safety and welfare of the residents of the County of Riverside and in accord with the public purposes and provisions of applicable federal, state and local laws and requirements which govern the Agency.

A report in compliance with Section 33433 of the Health and Safety is attached. The availability of this report has been noticed in a newspaper of general circulation.

Notice of this public hearing has been noticed in a newspaper of general circulation.

2  
3 **RESOLUTION NO. 2008-156**  
4 **APPROVING THE DISPOSITION OF PROPERTY**  
5 **BY THE REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE TO**  
6 **MISSION VILLAGE SENIOR APARTMENTS LP**  
7 **(Second Supervisorial District)**

8 **WHEREAS**, the Redevelopment Agency for the County of Riverside ("Agency")  
9 is a Redevelopment Agency duly created, established and authorized to transact business and  
10 exercise its powers, all under and pursuant to the provisions of the Community Redevelopment  
11 Law which is Part 1 of Division 24 of the California Health and Safety Code (commencing with  
12 Section 33000 et seq.); and

13 **WHEREAS**, Riverside County Board of Supervisors adopted Redevelopment Plans for  
14 Redevelopment Project Area Nos. 1-1986, Jurupa Valley, Mid-County, Desert Communities, and  
15 I-215 Corridor, as amended, hereinafter referred to as "Project Areas"; and

16 **WHEREAS**, the Agency owns real property consisting of approximately 3.95 acres and  
17 has negotiated a sale price of \$1.00 for Assessor's Parcel Numbers 169-100-010, 169-100-013,  
18 169-100-014, 169-100-015, 169-100-016 & 169-100-038 and portions of 169-100-008, 169-100-  
19 009, 169-100-044 & 169-100-045 ("Property"), as shown as Parcel 1 on Tentative Parcel Map  
20 Number 34696 and more particularly described in Exhibit "A", attached hereto and incorporated  
21 herein by reference; and

22 **WHEREAS**, Mission Village Senior Apartments, L.P, ("Developer") proposes to  
23 develop and construct a 102 unit multifamily rental housing community ("Project") on the  
24 Property to be conveyed from Agency to Developer pursuant to a certain Disposition and  
25 Development Agreement ("DDA"); and

26 **WHEREAS**, Health and Safety Code Section 33433 requires the Board of Supervisors to  
27 make certain findings and approve the sale of the Property by the Agency; and

28 **WHEREAS**, the Property is located in the Glen Avon area, within the Jurupa Valley

FORM APPROVED COUNTY COUNSEL  
BY:  DATE: 2/17/08  
MICHELLE CLACK

1 Redevelopment Project Area; and

2       **WHEREAS**, the Project will increase and improve the supply of low-and moderate-  
3 income housing and assist in implementing the redevelopment plan for the Jurupa Valley Project  
4 Area; and

5       **WHEREAS**, on March 25, 2008, the Agency Board of Directors and the Riverside County  
6 Board of Supervisors held a joint public hearing on the DDA.

7       **NOW THEREFORE, BE IT RESOLVED, DETERMINED, FOUND AND**  
8 **ORDERED** by the Board of Supervisors of the County of Riverside, State of California, in  
9 regular session assembled on March 25, 2008, as follows:

- 10       1. That the Board of Supervisors hereby finds and declares that the above recitals are true  
11       and correct.
- 12       2. That the sale of the Property will assist in the elimination of blight and increase and  
13       preserve low-and moderate-income housing by replacing dilapidated apartments with 102  
14       new units.
- 15       3. That the DDA is consistent with the Implementation Plan adopted pursuant to Section  
16       33490, which calls for the implementation of affordable housing projects to increase and  
17       preserve the supply of affordable housing.
- 18       4. That the consideration is not less than the fair market reuse value at the use and with the  
19       covenants and conditions of development costs authorized by the sale.
- 20       5. That the Board of Supervisors approves the Agency selling the real property consisting of  
21       approximately 3.95 acres, in the unincorporated community of Glen Avon, County of  
22       Riverside, to Developer pursuant to the DDA.  
23

# THE PRESS-ENTERPRISE

3512 Fourteenth Street  
Riverside CA 92501-3878  
951-684-1200  
951-368-9018 FAX

PROOF OF PUBLICATION  
(2010, 2015.5 C.C.P.)

Press-Enterprise

PROOF OF PUBLICATION OF

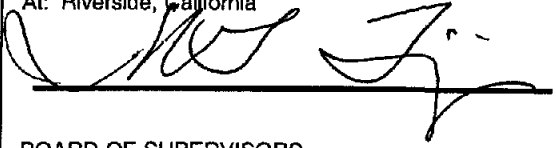
Ad Desc.: NOI - Glen Avon Area Property

I am a citizen of the United States. I am over the age of eighteen years and not a party to or interested in the above entitled matter. I am an authorized representative of THE PRESS-ENTERPRISE, a newspaper of general circulation, printed and published daily in the County of Riverside, and which newspaper has been adjudicated a newspaper of general circulation by the Superior Court of the County of Riverside, State of California, under date of April 25, 1952, Case Number 54446, under date of March 29, 1957, Case Number 65673 and under date of August 25, 1995, Case Number 267864; that the notice, of which the annexed is a printed copy, has been published in said newspaper in accordance with the instructions of the person(s) requesting publication, and not in any supplement thereof on the following dates, to wit:

02-26-08  
03-04-08  
03-11-08

I Certify (or declare) under penalty of perjury that the foregoing is true and correct.

Date: Mar. 11, 2008  
At: Riverside, California

  
BOARD OF SUPERVISORS  
P.O. BOX 1147  
COUNTY OF RIVERSIDE  
RIVERSIDE CA 92502

Ad #: 9096944

PO #:

Agency #: \_\_\_\_\_

## Ad Copy:

**NOTICE OF INTENTION TO SELL REAL PROPERTY IN THE GLEN AVON AREA OF THE COUNTY OF RIVERSIDE AND HOLD A JOINT PUBLIC HEARING BEFORE THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE AND THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE**

On March 25, 2008, at 9:00 a.m., or as soon thereafter as the matter may be heard, in the Board Chambers, located at the County Administrative Center, 4080 Lemon Street, Riverside, California, the Board of Supervisors of the County of Riverside (the "County") and the governing board of the Redevelopment Agency for the County of Riverside (the "Agency") will hold a joint public hearing to consider the disposition and development of certain real property consisting of approximately 3.95 acres, located within a portion of unincorporated territory known as Glen Avon, Assessor's Parcel Numbers 169-100-010, 169-100-013, 169-100-014, 169-100-015, 169-100-016 & 169-100-038 and portions of 169-100-008, 169-100-009, 169-100-044 & 169-100-045, also shown as Parcel 1 on Tentative Parcel Map Number 34696 (herein, the "Site") pursuant to sections 33431, 33433 & 6063 G.C. of the California Community Redevelopment Law Health and Safety and the proposed Disposition and Development/Affordable Housing Agreement (the "Agreement") by and between the Agency and Mission Village Senior Apartments, L.P., a California limited partnership (the "Developer"). A copy of the proposed Agreement and map, together with a summary of the Agreement, are available for public inspection during office hours at 1325 Spruce Street, Suite 400, Riverside, CA 92507, Riverside County EDA.

The purpose of the joint public hearing is to receive testimony from the public regarding the proposed disposition and use of the Site all as more particularly set forth in the proposed Agreement. All interested parties are invited and encouraged to attend said meeting and express their opinions for or against this item. The Agreement provides for the sale of the Site to the Developer for use limited to affordable rental housing, all as more particularly set forth in the Agreement. All operative terms as more fully described in the Agreement.

Further information may be obtained by contacting Emilio Ramirez, Deputy Director, Housing, by telephone at (951) 955-3422 or in person during the normal operating hours of the County.

If you challenge the item listed above in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in a written correspondence delivered to the Board of Supervisors or the governing board of the Agency at, or prior to, the public hearing. Furthermore, you must exhaust any administrative remedies prior to commencing a court challenge to the County Board's or the Agency's action.

Dated: February 22, 2008  
2/26, 3/4, 11

**SUMMARY REPORT FOR THE  
DISPOSITION AND DEVELOPMENT/AFFORDABLE HOUSING  
AGREEMENT**

**BY AND BETWEEN**

**THE REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE,  
(AGENCY)**

**AND**

**MISSION VILLAGE SENIOR APARTMENTS, L.P.  
(A California Limited Partnership)  
(DEVELOPER)**

**MARCH 2008**

**REUSE ANALYSIS  
SUMMARY REPORT**

**DISPOSITION AND DEVELOPMENT/AFFORDABLE HOUSING AGREEMENT  
BY AND BETWEEN  
THE REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE  
(AGENCY)  
AND  
MISSION VILLAGE SENIOR APARTMENTS LP,  
a California Limited Partnership  
(DEVELOPER)**

**INTRODUCTION**

Mission Village Senior Apartments LP, a California limited partnership, (hereinafter the "Developer") has proposed to enter into a Disposition and Development/Affordable Housing Agreement (hereinafter the "Agreement") with the Redevelopment Agency for the County of Riverside (hereinafter the "Agency")

The purposes of the Agency to be advanced by the Agreement include the effectuation of the Agency's Redevelopment Plan (the "Plan") pursuant to which the Agency seeks to eliminate blight and to provide affordable housing within unincorporated territory within the County (the "County") within a portion of the County known as Glen Avon; more specifically, the Agreement provides for the creation of 102 new rental units to be subject to long-term affordability covenants, at least 49 of which units would be restricted to rental to "Very Low Income Households" at "Affordable Rent" (as such terms are defined in the Agreement in accordance with Sections 33334.2, 50105, 50052.5 and 50053 of the California Health and Safety Code). In accordance with the Plan and the terms of the Agreement, Developer desires to acquire and develop that certain real property located within the Glen Avon area, specifically consisting of Assessor's Parcel Numbers 169-100-010, 169-100-013, 169-100-014, 169-100-015, 169-100-016 & 169-100-038 and portions of 169-100-008, 169-100-009, 169-100-044 & 100-100-045, also shown as parcel 1 on Tentative Parcel map Number 34696 (herein, the "Site").

California Community Redevelopment Law requires a Report be prepared to provide information about the provisions of this Agreement as provided under Health and Safety Code section 33433 as follows:

- (i) The cost of the agreement to the Agency, including land acquisition costs, clearance costs, relocation costs, the costs of any improvements to be provided by the agency, plus the expected interest on any loans or bonds to finance the agreements.
  
- (ii) The estimated value of the interest to be conveyed or leased, determined at the highest and best uses permitted under the plan.

(iii) The estimated value of the interest to be conveyed or leased, determined at the use and with the conditions, covenants, and development costs required by the sale or lease. The purchase price or present value of the lease payments which the lessor will be required to make during the term of the lease. If the sale price or total rental amount is less than the fair market value of the interest to be conveyed or leased, determined at the highest and best use consistent with the redevelopment plan, then the Agency shall provide as part of the summary an explanation of the reasons for the difference.

(iv) An explanation of why the sale or lease of the property will assist in the elimination of blight, with reference to all supporting facts and materials relied upon in making this explanation.

It is the intent of this Report to meet all of these requirements and provide the necessary information and data.

This Report is organized into the following sections:

- Salient Points of the Proposed Agreement
- Cost of the Agreement to the Agency
- Estimated Value of the Interest to be Conveyed
- Comparison of Purchase Price to the Fair Re-Use Value
- How The Agreement Contributes to the Elimination of Blight
- Facts Pertinent to the Agreement

## **SALIENT POINTS OF THE PROPOSED AGREEMENT**

### Description of the Property

The property to be conveyed by the Agency to the Developer is identified above under the caption "INTRODUCTION." The Site is owned by the Redevelopment Agency for the County of Riverside.

The Site consists of approximately 3.95 acres and is currently clear of all improvements. It is on an improved public street.

### Agency Responsibilities

Subject to the satisfaction by the Developer of conditions precedent to closing, including without limitation demonstration of the availability of other funding sources and readiness to

fund in amounts sufficient to complete construction of those improvements required to be constructed under the Agreement (the "Improvements"):

1. The Agency will convey the Site to the Developer, subject to long-term affordability covenants, for a purchase price of \$1.00.
2. The Agency will loan to the Developer the amount of not to exceed \$9.8 million [such amount to be reduced based upon the financial participation which the Developer obtains under the MHP Program], plus an additional amount of approximately \$2,000,000 representing County fees (as combined, the "Agency Loan" to be used to reduce the cost of development to allow for the provision of one hundred two (102) rental units, of which forty-nine (49) shall be restricted as to affordability; dwelling units are also restricted on the basis of age (excepting two manager's units); under the age restriction, each household shall include at least one person 55 years of age or older who intends to reside in the unit as his or her primary residence on a permanent basis (as more particularly set forth in the Agreement). All of the 49 units will be restricted to Very Low Income Households at Affordable Rents (as defined under the Redevelopment Law, and set forth with greater particularity in the Agreement, including the Regulatory Agreement which is Attachment No. 5 thereto). The restrictions of the Regulatory Agreement shall remain in effect over a 56-year period. "Very Low Income Households" are households earning fifty percent (50%) or less of Median Income for the County of Riverside. Additional units may be restricted in connection with the provision of other funding sources proposed to be obtained by the Developer, including a loan under the State of California's multifamily housing program ("MHP") and a loan under the Federal Home Loan bank's affordable housing program ("AHP").

The Agency has previously advanced to the Developer moneys in the form of a predevelopment loan, in an amount of not to exceed \$750,000, under a Memorandum of Understanding and an amendment thereto as previously authorized by the Agency. The amount of financial participation being made by the Agency under the proposed Agreement is inclusive of such amounts.

3. The Agency or the Housing Authority will act as an issuer of multifamily housing bonds in connection with the Improvements. Such bonds are to be a conduit issue, with the obligation for repayment being that of the Developer (mainly in the form of project-generated revenues), and without obligation of the Agency in connection therewith.

The proceeds of Agency Loan are to be disbursed as follows:

- a. That amount attributable to County fees shall be disbursed by the Agency to the County at the time the County customarily collects County fees; and
- b. Other amounts, if any, shall be committed at such time as the Developer provides proof that it has obtained binding commitments for funding sufficient, when

combined with the proceeds of the Agency Loan, to defray the cost of all of the Improvements.

### Developer Responsibilities

1. The Developer will convey the Site from the Agency for \$1.00, subject to long-term affordability restrictions as set forth in the Regulatory Agreement. The Developer will seek to obtain other funding sources sufficient for the development of the Improvements (when combined with proceeds of the Agency Loan). It is contemplated that such funding will include moneys from the MHP Program, the AHP Program and proceeds in connection with the marketing of tax credits. Developer will exercise diligence in seeking such moneys.
2. The Developer will enter into the Agency Loan. All proceeds of the Agency Loan shall be used solely for development of the Site. The Agency Loan shall bear interest as provided in the Agreement (and, specifically, the Agency Note, which is set forth as Attachment No. 13 to the Agreement). The Agency Loan is to be repaid with residual receipts (essentially, revenues generated from operation of the rental housing project at restricted rents, less required debt service, reserves and operating expenses as more particularly set forth in the Agreement).
3. The Developer shall obtain adequate financing to complete the Improvements; sources of funding are anticipated to include tax credit proceeds and funds under the MHP Program operated by the Department of Housing and Community Development of the State of California. Other funding sources may be utilized.
4. In connection with the issuance of multifamily housing bonds, the Developer will pay the Housing Authority's customary issuance costs and its consulting and legal costs.
5. The Developer shall operate and maintain, or cause to have operated and maintained, the apartments being developed on the Site in accordance with sound business practices and sound property maintenance practices for the entire 56-year period that affordability covenants are to remain in effect.

### COST OF THE AGREEMENT TO THE AGENCY

The cost of acquiring and clearing the Site borne by the Agency is approximately \$4,015,911.56; such cost includes consideration paid for land, consulting fees, appraisal costs, relocation expenses, title expenses and various other costs and expenses; the foregoing figure reflects amounts paid to third parties and does not include either an allocation of interest (in respect to the expenditures made by the Agency to third parties) or an allocation of the cost of staff time expended on the acquisition of the Site or the negotiation of the Agreement.

As noted above, the Agency will make the Agency Loan, as described above; the sum of the Agency Loan and the acquisition and clearing expense (\$4,015,911.56) is the total cost to the Agency.

In return for this investment, the Agency eliminates and redevelops what has been a blighted Site. In addition, the Agency receives long-term affordability covenants.

### **ESTIMATED VALUE OF THE INTEREST TO BE CONVEYED**

Based upon available multi-family property in the area, the value of the apartment site is estimated to approximate the consideration paid to acquire the Site (approximately \$3,450,000).

### **COMPARISON OF PRICE TO THE FAIR MARKET VALUE AND THE FAIR RE-USE VALUE**

The fair market value of the Site is clearly significantly greater than \$1.00.

In comparing the sales price of \$1.00, plus an obligation to repay the Agency Loan as provided under the Agency Note from residual receipts, the price provided under the Agreement is believed to be consistent with the fair reuse value of the Site, in view of the significant effect the requirements for affordability covenants, particularly those involving households having Very Low Incomes with rents restricted to not greater than 30% of 50% of Median Income, have on the potential of the Site to generate an income. By requiring that the Site be developed as an affordable rental project subject to such affordability restrictions, the resulting value is believed to be fairly reflected by what will be experienced as a portion of net cash flow after accounting for debt service, reserves and operating expenses; this is essentially what the Agreement provides.

### **HOW THE AGREEMENT CONTRIBUTES TO THE ELIMINATION OF BLIGHT**

The Agency has purchased the Site from numerous owners. The condition of the purchased properties was blighted, with underutilization, code violations and certain structures which did not meet minimum standards for habitability. In place of the 'before' condition, under the Agreement, the result will be the creation of one hundred two (102) new rental units, which will be enforceably restricted as indicated above. In addition to removing blighting conditions, the Agreement thus effects construction of new development to modern standards, adds to the rental housing stock of the community, and earmarks rental units for senior citizen households of limited income at affordable housing cost, as indicated above. Thus, the proposed Agreement also implements the Agency's affordable housing requirements.

### **FACTS PERTINENT TO THE AGREEMENT**

1. The sale of the Site for redevelopment under the conditions set forth in the Agreement will assist in the elimination of blight.

### Statement of Support

The Agreement provides for the demolition of what were and are blighted properties and returns them to their full investment potential and productive use with a new development. The Agreement also provides the Agency with long-term affordable housing covenants relating to Very Low Income Households and occupancy.

2. The sale of the Site will provide housing for a very-low and lower income households.

### Statement of Support

The Agreement establishes covenants on the property requiring forty-nine (49) of the units being developed on the Site to remain to affordable for fifty-six (56) years, which is consistent with the requirements of California Redevelopment Law. Additional units may be restricted in connection with other funding sources sought by the Developer.

3. The sale of the Site is consistent with the Agency's Implementation Plan adopted pursuant to California Health and Safety Code Section 33490.

### Statement of Support:

The Implementation Plan adopted by the Agency calls for projects to eliminate blight, to cooperate with the private sector to redevelop property within the Project Area and to provide housing for low-and-moderate income households. This Agreement accomplishes all three of these objectives, and particularly contributes to production of housing affordable to Very Low Income Households.

4. The consideration to be paid for the Site is not less than the fair reuse value in accordance with the Plan.

### Statement of Support:

The Agreement establishes a purchase price of \$1.00, with the Developer being obligated to repay the Agency Loan as described above; the resulting amount is deemed to be not less than the fair use value of the Site based on the very-low and lower income covenants and conditions, including development requirements, that will be provided. This was done to fulfill the Agency's obligations to provide low-to-moderate income housing as required by the State Community Redevelopment Law and the Agency's Redevelopment Plan for the Project Area, as well as the economical development of the Site.

5. The consideration to be paid for the Site is not less than the fair reuse value at the use and with the covenants and conditions and development costs authorized by the Agreement.

Statement of Support:

The sales price of \$1.00, together with the obligation of the Developer to repay the Agency Loan, is based on the very-low and lower income conditions and covenants that will be placed on the Site pursuant to the Agreement and to ensure the continued use of the Site for affordable apartments.

6. The sale of the Site and the improvements to be financed are a benefit to the Project Area.

Statement of Support

The elimination of severe blight and the on-going provision of low-to-moderate income housing is an integral part of the Redevelopment Plan for the Project Area. The sale and development of the Site consistent with the Agreement furthers the implementation of the Redevelopment Plan.