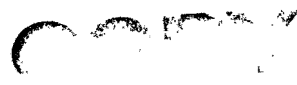


When recorded mail to:

SURVEYOR  
City of Riverside  
Public Works Department  
3900 Main Street  
Riverside, California 92522



FREE RECORDING  
This instrument is for the benefit  
of the City of Riverside and is  
entitled to be recorded without  
fee (Government Code §6103)

FOR RECORDER'S OFFICE USE ONLY

Project: P17-0489 – Myers Surplus  
Por. APN: 234-101-051  
Address: 3749 Myers Street

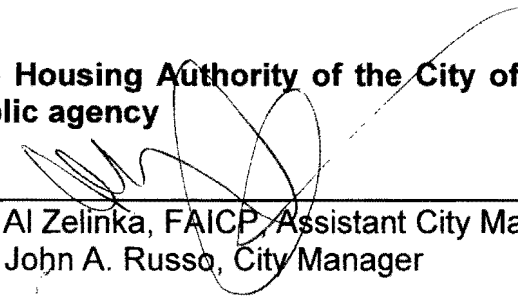
DX - 1787

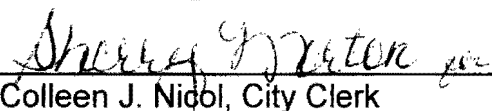
**GRANT DEED**

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **The Housing Authority of the City of Riverside, a public agency**, as Grantor does hereby grant to **Frederick H. Dungan, Trustee of the Frederick H. Dungan Revocable Trust, Dated 09/12/2013**, the real property as described in **EXHIBIT A** attached hereto and incorporated herein by this reference, located in the City of Riverside, County of Riverside, State of California.

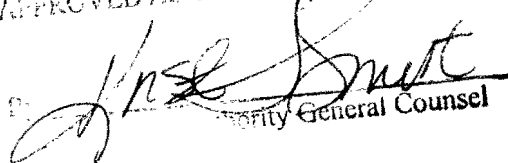
Dated September 15, 20 17

**The Housing Authority of the City of Riverside, a public agency**

By   
Al Zelinka, FAICP Assistant City Manager for  
John A. Russo, City Manager

Attest   
Colleen J. Nidol, City Clerk

APPROVED AS TO FORM:

  
City General Counsel

DX1787-1

**ACKNOWLEDGMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Riverside } ss

On September 15, 2017, before me, Lorena Verducco, Notary Public,  
notary public, personally appeared, Al Zelinka and Sherry Morton

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Lorena Verducco  
Notary Signature



**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

Project: P17-0489 – Myers Surplus  
APN: 234-101-031  
Address: 3749 Myers Street

That certain real property located in the City of Riverside, County of Riverside, State of California, described as follows:

That portion of Lot 4 in Block 26 of the Village of Arlington as shown by map on file in Book 1, Page 62 of Maps, records of San Bernardino County, California, described as follows:

The southwesterly 90.00 feet of the southeasterly 10.00 feet of the following described parcel;

**BEGINNING** at a point on the Northeasterly line of Myers Street 150 feet Southeasterly from the Northwesterly corner of said Lot 4, said point being the Northwest corner of that certain parcel of land conveyed to the City of Riverside by deed recorded November 10, 1945, in Book 714, Page 100 et seq. of Official Records of Riverside County, California;

Thence Northeasterly along the Northwesterly line of said parcel, a distance of 170 feet more or less, to the Southwesterly line of a 20 foot alley as shown by map of Taft Tract, on file in Book 7, Page 15 of Maps, Records of Riverside County, California;

Thence Southeasterly, along the Southwesterly line of said alley, a distance of 210 feet;

Thence Southwesterly and parallel with the Southeasterly line of Magnolia Avenue, as shown on said Village of Arlington, a distance of 170 feet to the Northeasterly line of Myers Street;

Thence Northwesterly, along the Northeasterly line of Myers Street, a distance of 210 feet to the **POINT OF BEGINNING.**

**EXCEPTING** therefrom the southwesterly 3.00 feet conveyed to the City of Riverside by deed recorded February 3, 1989, as Instrument No. 36326 of Official Records of said Riverside County

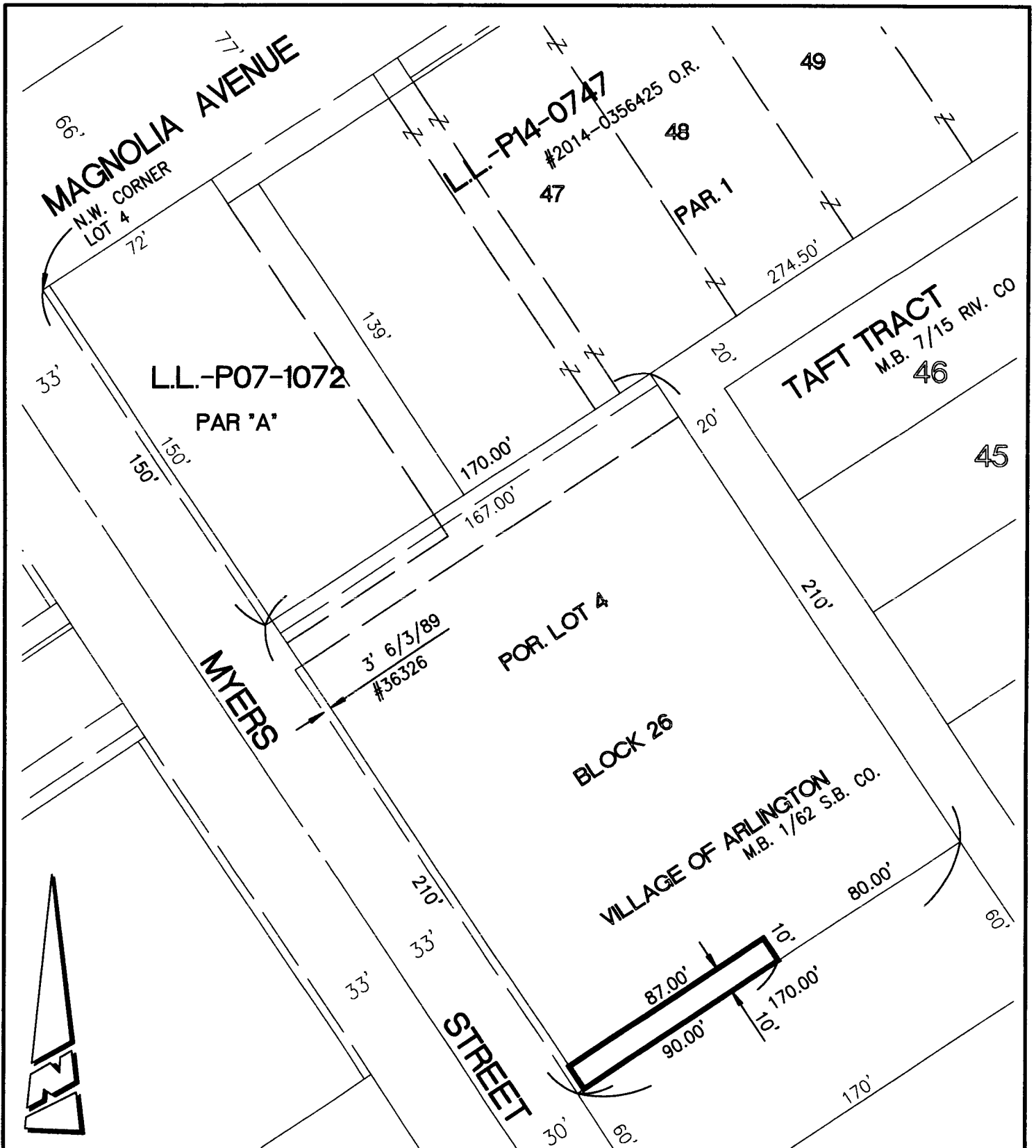
Area – 870 S.F. more or less

This description was prepared by me or under my direction in conformance with the requirements of the Land Surveyors Act.

Curtis C. Stephens / Prep. CS  
Curtis C. Stephens, L.S. 7519                      Date



DX1787-3



• CITY OF RIVERSIDE, CALIFORNIA •

THIS PLAT IS SOLELY AN AID IN LOCATING THE PARCEL(S) DESCRIBED IN THE ATTACHED DOCUMENT. IT IS NOT A PART OF THE WRITTEN DESCRIPTION THEREIN.

SHEET 1 OF 1

DX1787-4

SCALE: 1"=50'

DRAWN BY: CURT

DATE: 8/15/17

SUBJECT: LL-P17-0489 - POR. APN 234-101-051 - MYERS STREET

\*\*\*\*\*Please Do Not Remove This Slip\*\*\*\*\*

DEVELOPMENT DEPARTMENT ROUTING SLIP

Date: 08/30/17  
Grant Deeds (a)

Contract  Agreement/PSA  Other (Specify) Grant Deeds (a)

Agency/Council Approval Date:

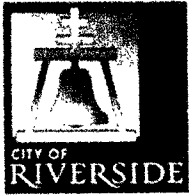
Title of Document: Grant Deeds (Authority & Dunigan)

Staff Member: Jeff Mac Ext. No. 951565 CA's # 7198

Signatures Required:

- Division Manager: Michelle Date: 8/30/17
- Fiscal Manager: [Signature] Date: \_\_\_\_\_
- Funds Available? [Signature]  No  Yes Account #
- Assistant Director: \_\_\_\_\_ Date: \_\_\_\_\_
- Department Head: [Signature] Date: 9.5.17
- Finance Director: [Signature] Date: \_\_\_\_\_
- (For Non-Agency/Council Approved Items) [Signature] Date: \_\_\_\_\_
- City Attorney's Office: \_\_\_\_\_ Date: \_\_\_\_\_
- City Clerk's Office: \_\_\_\_\_ Date: \_\_\_\_\_
- City Manager/Executive Director: \_\_\_\_\_ Date: \_\_\_\_\_

SIGN & NOTARIZE BY AL



## Memorandum

City of Riverside

**Date:** August 30, 2017

**To:** Al Zelinka, FAICP, Assistant City Manager

**From:** Jeff McLaughlin, Ph.D., Acting Housing Project Manager  
Housing Authority

**RE:** EXPLANATION OF GRANT DEEDS FOR SIGNATURE

---

The Housing Authority owns land located on Myers Street (APN # 234-101-051) and is parcelizing the lot with the goal of developing four single-family homes for low income veterans. The attached Grant Deed for your signature completes this process. The Authority is, in effect, deeding itself the parcelized lot.

In completing the lot reconfiguration, the Authority is also deeding a narrow band of land to an adjacent landowner so that he can better access his property. This property is deemed to have negligible value. The attached Grant Deed for your signature completes this process.

For backup, please reference the attached Housing Authority staff report dated 25 July 2017.

If you have any questions, do not hesitate to contact me. Your time and attention are most appreciated.



*City of Arts & Innovation*

# City Council and Housing Authority Memorandum

**TO:** HONORABLE MAYOR, CITY COUNCIL AND HOUSING AUTHORITY COMMISSIONERS **DATE:** JULY 25, 2017

**FROM:** COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT **WARDS:** 5

**SUBJECT:** HOME INVESTMENT PARTNERSHIPS PROGRAM LOAN AGREEMENT WITH HABITAT FOR HUMANITY RIVERSIDE, INC. TO PROVIDE \$950,000 OF HOME PROGRAM FUNDS TOWARDS THE DEVELOPMENT OF FOUR SINGLE-FAMILY HOUSES LOCATED AT 3753 MYERS STREET FOR VETERANS' HOMEOWNERSHIP OPPORTUNITIES AND FIRST AMENDMENT FOR 3753 MYERS STREET WITH HABITAT FOR HUMANITY RIVERSIDE, INC. TO THE DISPOSITION AND DEVELOPMENT AGREEMENT TO DECREASE THE DEVELOPMENT SIZE FROM TWELVE TO FOUR RESIDENTIAL UNITS

## ISSUES:

City Council to approve the Home Investment Partnerships Program Loan Agreement with Habitat for Humanity Riverside, Inc., to provide \$950,000 of HOME Program funds towards the development of four single-family houses located at 3753 Myers Street for veterans' homeownership opportunities.

Housing Authority to approve a First Amendment to Disposition and Development Agreement with Habitat for Humanity Riverside, Inc., to reduce the development size from twelve to four residential units.

## RECOMMENDATIONS:

That the City Council:

1. Approve and authorize the City Manager, or designee, to execute the Home Investment Partnerships Program Agreement between the City and Habitat for Humanity Riverside, Inc. to allocate \$950,000 of Home Investment Partnerships Program funds towards the development of four single-family houses located at 3753 Myers Street for veterans' homeownership opportunities, including making minor and non-substantive changes; and
2. Authorize a funds transfer in the amount of \$800,000 from the Home Investment Partnerships Program Unprogrammed Funds Account No. 2835200-453001 to the 3753 Myers Street Account No. 2835200-450084.

That the Housing Authority:

1. Approve the First Amendment to Disposition and Development Agreement with Habitat for Humanity Riverside, Inc., to reduce the development size from twelve to four residential units; and
2. Authorize the Executive Director, or designee, to execute the First Amendment to Disposition and Development Agreement with the Habitat for Humanity Riverside.

### **BACKGROUND:**

Habitat for Humanity Riverside, Inc. (Habitat) submitted a proposal to the Housing Authority and City for the development of 12 attached houses that would provide veterans and their families with the opportunity to achieve the dream of homeownership. Habitat requested the Housing Authority to write down the land located at 3753 Myers Street to \$1 and the City to provide a \$150,000 Home Investment Partnerships Program (HOME) predevelopment loan that is forgiven after the 12 homes have been developed and sold to low income (at or below 80% of Area Median Income) veterans who are first-time homebuyers. The California Department of Veterans Affairs (CalVet) would be providing Habitat with \$2,640,000 for construction and permanent financing.

On July 28, 2015, the Housing Authority approved a Disposition and Development Agreement with Habitat to sell them the property located at 3753 Myers Street for \$1 and the City Council approved a HOME Predevelopment Loan Agreement to provide a \$150,000 HOME pre-development loan for the development of a veterans' homeownership community of twelve single-family homes.

### **DISCUSSION:**

As part of the pre-development period, Habitat worked to negotiate the funding terms associated with the CalVet program construction funds. It became apparent that the requirements of the CalVet loan conflicted with the HOME Investment Partnerships Program requirements, specifically CalVet requires that an income qualified buyer obtain title to the home, then transfer title to CalVet, a government entity, for the duration of the 30-year mortgage.

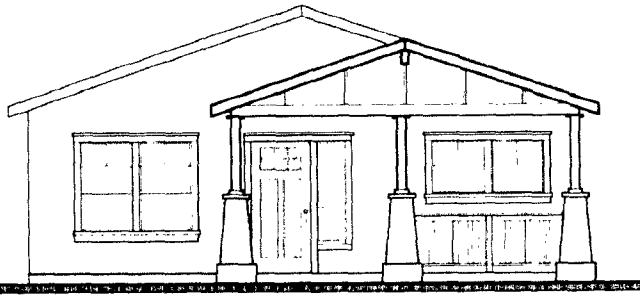
Further, agreements provided by CalVet stated that specific project costs are deemed ineligible for funding, such as any and all common areas, amenities, and any construction that is owned-in-common. The proposed development is a common-interest-development, the building structures are to be owned in-common, making the construction of the buildings and common areas ineligible for CalVet funding. This stipulation was not known at the time of the original CalVet commitment and leaves the project without construction funding.

Due to the conflicts between CalVet and federal HOME Investment Partnerships Program regulations coupled with the inability to secure construction financing through CalVet, a 12-unit, for-sale condominium development is infeasible at 3753 Myers Street. Habitat respectfully requests that the Housing Authority consider amending the Disposition and Development Agreement to reduce the development size from twelve to four residential units and enter into a HOME Loan Agreement to merge the \$150,000 HOME predevelopment loan and the newly requested \$800,000 HOME loan to cover construction costs that are no longer being provided by CalVet. The homes will still be sold to low income first-time homebuyer veterans.

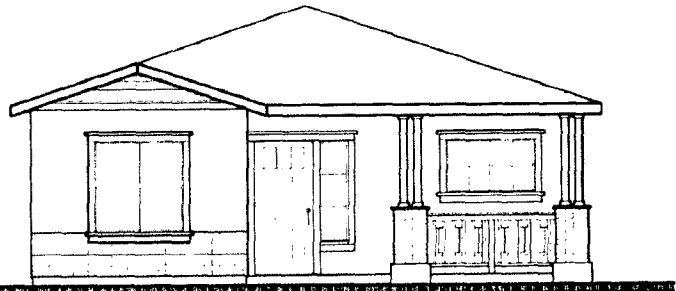
The revised scope will include the development of two houses consisting of three bedrooms and two bathrooms with a total living space of 1,230 square feet and two houses consisting of four bedrooms and two bathrooms with a total living space of 1,350 square feet. The revised elevations



are shown below.



3 BEDROOM | CRAFTSMAN STYLE



4 BEDROOM | PRAIRIE STYLE

Below is the development budget and source of funds for the project.

Uses of Funds	
Land Acquisition	\$ 1
Construction	\$ 708,000
Professional Fees/Soft Costs	\$ 445,120
Contingency	\$ 25,000
<b>Total Development Cost</b>	<b>\$1,178,121</b>

Source of Funds	
Gifts-in-Kind Already Secured	\$ 68,000
Grant Funding	\$ 102,500
HOME Loan	\$ 950,000
Habitat Construction Funds	\$ 57,621
<b>Total Sources</b>	<b>\$1,178,121</b>

To proceed with the development of 3753 Myers Street, staff is requesting an amendment to the Disposition and Development Agreement to decrease the development size from twelve to four residential units and provide \$800,000 in HOME Program funds to cover the cost of predevelopment and construction costs. Staff is also requesting to merge the \$150,000 HOME Predevelopment Loan with the new \$800,000 HOME loan under the attached HOME Loan Agreement.

**FISCAL IMPACT:**

There is no fiscal impact to the General Fund. There is \$800,000 available in the HOME Unprogrammed Account No. 2835200-453001 to fund the Project. The \$150,000 previously allocated HOME Program funds were committed and expended from the 3753 Myers Street Account No. 2835200-450084.

Prepared by:	Rafael Guzman, Community & Economic Development Director
Certified as to availability of funds:	Scott G. Miller, PhD, Chief Financial Officer/Treasurer
Approved by:	Al Zelinka, FAICP, Assistant City Manager
Approved as to form:	Gary G. Geuss, City Attorney

Attachments:

1. HOME Loan Agreement
2. First Amendment to Disposition and Development Agreement

\*\*\*\*\*Please Do Not Remove This Slip\*\*\*\*\*  
DEVELOPMENT DEPARTMENT ROUTING SLIP

Date: 08/30/17  
Grant Deeds (2)  
Other (Specify) Grant Deeds

Agreement/PSA  
 Agency/Council Approval Date: \_\_\_\_\_  
Agency/Council Approval Date: \_\_\_\_\_  
CA's # \_\_\_\_\_

Title of Document: Grant Deeds  
Ext. No. 051505  
CA's # 2198  
Staff Member: Jeff Mc  
Date: \_\_\_\_\_  
Date: \_\_\_\_\_

Staff Member: \_\_\_\_\_  
Date: \_\_\_\_\_  
Date: \_\_\_\_\_

Signatures Required:  
 Division Manager: \_\_\_\_\_  
 Fiscal Manager: \_\_\_\_\_  
 Funds Available? \_\_\_\_\_  
 Assistant Director: \_\_\_\_\_  
 Department Head: \_\_\_\_\_  
 Finance Director: \_\_\_\_\_  
 (For Non-Agency/Council Approved Items) \_\_\_\_\_

City Attorney's Office: \_\_\_\_\_  
 City Clerk's Office: \_\_\_\_\_  
 City Manager/Executive Director: \_\_\_\_\_