

REQUEST FOR PROPOSALS (RFP)

for

**Development of Single Family Affordable Housing Units at
11th and Ottawa (APN: 221-063-028)**

Housing RFP No. 7

Issued: August 15, 2012

Proposals Due: 3PM August 31, 2012



HOUSING AUTHORITY OF THE CITY OF RIVERSIDE

Request for Proposals

Table of Contents

Section	Page
1. Purpose	2
2. Background	2
3. Project Site Description.....	3
4. Development Overview.....	4
7. Site Control.....	4
8. Proposal Requirements.....	4
9. Instructions and Schedule for Submittal of Proposals.....	5
10. Public Records.....	5
11. Evaluation Process and Selection Criteria.....	6

Exhibit A – Application

Exhibit B – Site Plan APN: 221-063-028

Exhibit G – Sample CC&Rs



1. PURPOSE

Purpose

The Housing Authority of the City of Riverside (Authority) is seeking a qualified developer/contractor for the construction of three single-family dwelling units on the subject in-fill parcel. Once constructed the dwelling units must be sold at an “affordable price” to income-qualified, first-time homebuyers.

An “Affordable Price” means the monthly Principal, Interest, Taxes and Insurance (PITI) does not exceed 35% of the households gross monthly income.

An “Income-Qualified” household is a household whose annual income is between 50% and 80% of the Area Median Income (AMI).

2012 Area Median Income for the City of Riverside:

# of Persons	1	2	3	4	5	6	7	8
80% of Median	\$27,550	\$42,900	\$48,250	\$53,600	\$57,900	\$62,200	\$66,500	\$70,800
50% of Median	\$23,450	\$26,800	\$30,150	\$33,500	\$36,500	\$38,900	\$41,550	\$44,250

2. BACKGROUND

City of Riverside

As of 2011, the City of Riverside had an estimated population of 303,871 and is currently ranked the 12th largest city in California. Located in the Santa Ana River Valley approximately 60 miles east of Los Angeles and 100 miles north of San Diego, the City has historic roots, a progressive outlook, and a tradition of stable, elected civic leaders committed to maintaining a diversified economy, balanced land uses, quality developments and cultural amenities.

The City is home to four internationally recognized colleges and universities, including the prestigious University of California, Riverside with an expanding student population of 20,746 (Fall 2010). Riverside has a large and diverse economy with the Inland Empire’s largest number of businesses and total jobs. Incorporated in 1883, Riverside is a Charter City with a unique blend of historic charm and modern city features. The community is rich in history, art and culture, and its residents enjoy excellent ballet, symphony, art, museums, theater and the Citrus State Historic Park and public school districts that are applying innovative techniques to develop a highly sought after workforce.

The City is an important financial and professional center with numerous legal, accounting, brokerage, architectural, engineering, software firms and banking institutions. The downtown is anchored by the historic Mission Inn, which has earned a reputation as the “Downtown of the Inland Empire.” The downtown is also home to many state government offices, the Riverside County Administrative Center and a system of county, state and federal courts serving the Inland Empire.

Riverside’s diverse manufacturing base includes such sectors as electrical instruments, plastics, wood and metal fabrication, food processing and recreational vehicles. Technological and manufacturing companies are supported by educational institutions offering specialized training and research



partnerships. Businesses benefit from excellent freeways, rail access, high-speed fiber optic telecommunications, reasonable land and building costs, city owned electrical and water systems and a large general aviation airport. Riverside citizens are proud of the city’s unique character born from a tradition of careful planning. Through the City’s Office of Historic Preservation, it is committed to preserving the past as a firm foundation for the future. Over 100 City Landmarks, 20 National Register Sites offer enjoyment and education to city residents and visitors.

The Project Site

The Project Site is owned by the Housing Authority of the City of Riverside and was acquired using Low and Moderate Income Housing funds for the purpose of developing affordable single-family homes. The property is being offered for-sale and development for the same purpose to a third-party.

PROJECT SITE DESCRIPTION

APN	Street Address (if available)	Gross Size	See Exhibit for Additional Information
221-063-028	Generally located at the northeast corner of 11 th and Ottawa	0.51 ac	B

The 22,215 square foot project site is located within the Eastside Neighborhood of Ward 2 and is bounded to the:

- North by: existing single-family residences
- West by: Ottawa Avenue, single-family residences
- South by: Eleventh Street, single family residences
- East by: 75-unit Multi-family housing (senior apartments)

The project site has a General Plan land use designation of Medium High Density Residential (MHDR). The project site is zoned R-1-7,000 which will accommodate single family dwellings.

Demographics

The Eastside Neighborhood is characterized by a diverse population of over 16,700 people. It is important to note that 73% of the Eastside residents are reported as being Hispanic. This is a much higher concentration of Hispanic persons, as compared to the Citywide average of approximately 38%.

The Eastside Neighborhood is home to more children under the age of 18 than many other areas of the City. Approximately 37% of the Eastside’s population is under 18. This fact is important in considering the size of the residential structure to construct. There are proportionately fewer owner-occupied residential units on the Eastside than Citywide.



3. Development Overview

1. Submit attached application including all necessary attachments noted on the application.
2. Submitted proposal MUST:
 - a. Legally subdivide the subject site to be consistent with the surrounding development.
 - b. Address all required off-site improvements deemed necessary by the City and Public Utilities.
 - c. Design and Construct three (3) detached, single-family residences.
 - i. Residences must be designed to enhance the surrounding neighborhood and comply with the City of Riverside Design Guidelines. Design Guidelines for residential dwellings can be found at:
http://www.riversideca.gov/planning/2008-0909/DG/Citywide_Design_and_Sign_Guidelines-OK.pdf
 - d. Meet all zoning and applicable government codes and regulations.
 - i. Apply for and process all necessary amendments/changes.
 - e. Reflect practices that implement “green” materials.
3. Successful developer(s)/contractor(s) will be required to take title to the subject parcel.
4. The subject parcel(s) awarded will be sold to the successful party for the sum of \$1.00 each.
 - a. Covenants, Conditions and Restrictions (CC&Rs) will be placed on the property. A copy of the CC&Rs are attached as Exhibit G and are summarized below:
 - i. Home must be sold at an affordable price, to an income qualified first time homebuyer and to subsequent buyers.
 - ii. Home must be owner-occupied for the full term of the CC&Rs – 20-years
 - iii. Prorated equity share provision that will be triggered if the provisions of the CC&Rs are violated by the developer and/or subsequent homeowners.
EXAMPLE: Lot #1 has an appraised value of \$60,000. The lot is sold to the developer of \$1.00. \$59,999 of equity remains in the property. Should the CC&Rs be violated all or a portion of the \$59,999 is due back to the Housing Authority.
All provisions and obligations enumerated in the CC&Rs carry forward to subsequent property owners.
Housing Authority Staff is available to answer any questions regarding the provisions of the CC&RS.
5. Construction of the homes must commence within 120 days of the executed Development and Disposition Agreement
6. Development must meet all or exceed all minimum requirements and Development Standards of all City Departments.
7. Development must be consistent with all applicable Citywide Design Guidelines and blend into the neighborhood in which it is located.



4. SITE CONTROL

The Housing Authority of the City of Riverside owns the subject Project Site. It is the intent of the Authority to enter into an agreement for the sale and development of the Project Site/(s) for the sum of \$1.00.

5. PROPOSAL REQUIREMENTS

Should the developer have concerns about meeting any requirements of this RFP, the developer shall include a clearly labeled subsection with individual Statements specifically identifying the concerns and exceptions.

Though the developer may submit a Proposal organized according to its preference, it must be clear and concise. The Proposal must contain:

- Application (Exhibit A) including all required attachments/references to the application

6. INSTRUCTIONS AND SCHEDULE FOR SUBMITTAL OF PROPOSALS

All Proposals shall be signed and sealed by a duly authorized representative of the Company. The name and mailing address of the individual executing the Proposal must be provided.

The Authority shall not be liable for any pre-agreement expenses incurred by any company in relation to the preparation or submittal of Proposals. Pre-agreement expenses include, but are not limited to, expenses by company in: preparing a Proposal or related information in response to RFP; negotiations with Authority on any matter related to this RFP; and costs associated with interviews, meetings, travel or presentations. Additionally, Authority shall not be liable for expenses incurred as a result of Authority's rejection of any Proposals made in response to this RFP.

Submittal Method

Submit 2 hard copies of proposal to:

City of Riverside
Housing & Neighborhoods Division
3900 Main Street, 5th Floor
Riverside, CA 92522
Attn: Shonda Herold, Housing Project Coordinator

LATE PROPOSALS WILL NOT BE CONSIDERED

Submittal Date:

Proposals are to be submitted on or before **3:00 pm, August 31, 2012.**

The Housing Authority reserves the right to reject any and all proposals and to waive information and minor irregularities in any proposal received.



7. PUBLIC RECORDS

All Qualifications/Proposals submitted in response to this RFP become the property of the Authority and under the Public Records Act (Government Code § 6250 et. seq.) are public records, and as such may be subject to public review at least ten (10) days before selection and award.

If a Company claims a privilege against public disclosure for trade secret or other proprietary information, such information must be clearly identified in the Proposal.

Note that under California law, price proposal to a public agency is not a trade secret.

11. EVALUATION PROCESS AND SELECTION CRITERIA

The Authority will conduct the selection process. The Authority is the final decision-maker regarding this selection, and it reserves the right to reject any or all responses or to terminate development negotiations at any time. Responses to this RFP will be initially reviewed and evaluated by an advisory committee. The advisory committee will issue recommendations to the Housing Authority Board. The Authority reserves the right to request clarification or additional information from individual respondents and to request some or all respondents to make presentations to Authority staff, community groups, or others. As part of the evaluation process, the Authority expects to interview some, but not necessarily all, of the developers submitting proposals.

The selection of a qualified developer will be based generally upon their credentials, relevant experience, financial capacity, willingness to carry out the Housing Project in a careful and coordinated manner with the full collaboration of the Authority.

Proposals will be reviewed and scored on a competitive basis using the evaluation criteria below:

- A. Development Team with demonstrated experience completing projects of similar size and scope. (20 points possible)
- B. Proposed Project: Site Plan, Elevations, Floor Plan and Landscape Plan/Plant Palette (15 points possible)
- C. Developer Capacity: Design, Construction and Re-Sale to Qualified Household (20 points possible)
- D. Demonstrated Financial Capacity to complete the project: Development Budget, Profit and Loss Statement (45 points possible)



Maximum Points Available: 100

5 additional preferential points will be awarded to those respondents who demonstrate they are:

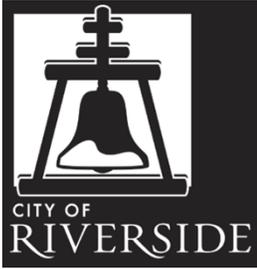
- Minority Owned Business Enterprise/Women Owned Business Enterprise Participation
- and/or
- Section 3 Participation
- and/or
- Local Businesses



Exhibit A

Application

APPLICATION TO DEVELOP VACANT PROPERTIES WITH AFFORDABLE HOUSING



Housing Authority of the City of Riverside
 3900 Main Street
 Riverside, CA 92522
 951.826.5879

Respondent/Company Name: _____

Contact Person (please print): _____

Address: _____

Phone #: _____ **E-Mail:** _____

This Application is for Development of the Following Parcel(s):

Assessor Parcel #	Street Address	Total Dev. Cost	Source & Amt. of Funding

Development Team

Project Manager: _____

Address: _____

City: _____ **State:** _____ **Zip:** _____

Phone #: _____ **E-Mail:** _____

Number of Years of Experience _____

Attach 3 Examples of projects of similar size and scope (photos/addresses)

Architect: _____ **Lic.#** _____ **Exp. Date:** _____

Address: _____

City: _____ **State:** _____ **Zip:** _____

Phone #: _____ **E-Mail:** _____

APPLICATION TO DEVELOP VACANT PROPERTIES WITH AFFORDABLE HOUSING

Engineer: _____ Lic.# _____ Exp. Date: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone #: _____ E-Mail: _____

Contractor: _____ Lic.# _____ Exp. Date: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone #: _____ E-Mail: _____

Number of Years of Experience _____

Attach 3 Examples of projects of similar size and scope (photos/addresses)

Real Estate Agent: _____ Lic.# _____ Exp. Date: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone #: _____ E-Mail: _____

3 References for first-time homebuyers
____ ATTACH: 3 Examples (photographs & address) of new Single Family Construction

Development Team

Optional Team Members: _____ (may be required depending upon property selected)

Cultural Resource Consultant: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone #: _____ E-Mail: _____

____ Number of Certificate of Appropriateness Applications
Processed in the City of Riverside

APPLICATION TO DEVELOP VACANT PROPERTIES WITH AFFORDABLE HOUSING

Development Team

Optional Team Members: _____ (may be required depending upon property selected)

Company & Type of Service Provided: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone #: _____ E-Mail: _____

Company & Type of Service Provided: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone #: _____ E-Mail: _____

Project Description

ATTACH THE FOLLOWING:

_____ Conceptual Site Plan for Each Lot

The Site Plan must:

Be To Scale

Accurately Reflect the Project Site

Depicts a Project Requiring **NO** Variances from City Development Standards

_____ Conceptual Elevations

Elevations must:

Elevations contain a minimum of two finish materials

Blend with or complement Elevations blend with or compliment the surrounding neighborhood

_____ Conceptual Floor Plan is Provided

Floor Plan must:

Be measurable

_____ Conceptual Landscaping/Plant Palette is provided

Plan/Plant Selection is drought tolerant

APPLICATION TO DEVELOP VACANT PROPERTIES WITH AFFORDABLE HOUSING

Developer Capacity

If multiple properties are proposed for development, explain the timing of construction: _____
(for example: concurrent, consecutive, multiple in construction at one time)

Is your firm currently working on other projects? Yes No
If yes, how many and what type? _____

Will the current project(s) cause a delay in the start of this project? Yes No
If yes, how long? _____

Will this project require you to hire additional staff? Yes No
If yes, how many and what type? _____

If yes, will you participate in Section 3? Yes No

Financial Capacity

_____ Attach Proof of Financial Capacity
For Example:
Letter of Credit from a Bank
Letter of Credit from a Credit Card showing sufficient capacity to complete project(s)
Bank Statement showing sufficient cash-on-hand to complete the project
Other Proof: _____

_____ Development Budget is Completed and attached

_____ Profit & Loss Statement is Completed and attached

_____ Attach proof of sufficient liquid funds to move the project forward including payment for pre-dev. costs.

APPLICATION TO DEVELOP VACANT PROPERTIES WITH AFFORDABLE HOUSING

Development Budget

Project:

DEVELOPMENT BUDGET

Key
White spaces indicate data entry

<i>ITEM</i>	<i>Cost</i>	
ACQUISITION		
Land Acquisition		Assume \$1.00 per parcel
Escrow/Closing/Title costs		Assume \$1500 per parcel
TOTAL UNIT CONSTRUCTION		(see below)
OTHER CONSTRUCTION		
Landscaping		
Permits/Impact/School Fees		Assume \$24,300 per structure on infill lot
Clearance and Demolition		
Utility Connections & Tap Fees		
Contingency		
INFRASTRUCTURE		
Streets and Sidewalks		
Water and Sewer		
Storm water & Drainage		
PROFESSIONAL FEES		
Site Planning		
Architecture & Engineering		
Consultant		
Survey		
Environmental		
Organization Expense		
FINANCE COSTS		
Construction Loan Interest		
Construction Origination		
Appraisal		
Construction Insurance		
Property Taxes		
SOFT COSTS		
Marketing		
Other		
DISPOSITION/SALES COSTS		
Escrow/Closing/Title costs		Assume \$1500 per parcel
Real Estate Agent Commission		Assume 6% of the sales price of each home
TOTAL DEVELOPMENT COST		

Construction Costs

Model #	Sq. Ft.	Cost/Sq. Ft.	Unit Cost	# Units	Total	Sales Price
1						
2						
		Average				

APPLICATION TO DEVELOP VACANT PROPERTIES WITH AFFORDABLE HOUSING

Profit & Loss Statement

Project: _____

REVENUE

Sale of Housing Units
 Total
Less Selling Costs
 TOTAL REVENUE

# Units	Price	Total
	8% <u>Percent</u>	

Key
 White spaces indicate data entry

COSTS

(taken from Development Budget above)

Property Acquisition
 Unit Construction
 Other Construction
 Infrastructure
 Professional Fees
 Finance Costs
 Soft Costs
 Developer Fee
 TOTAL

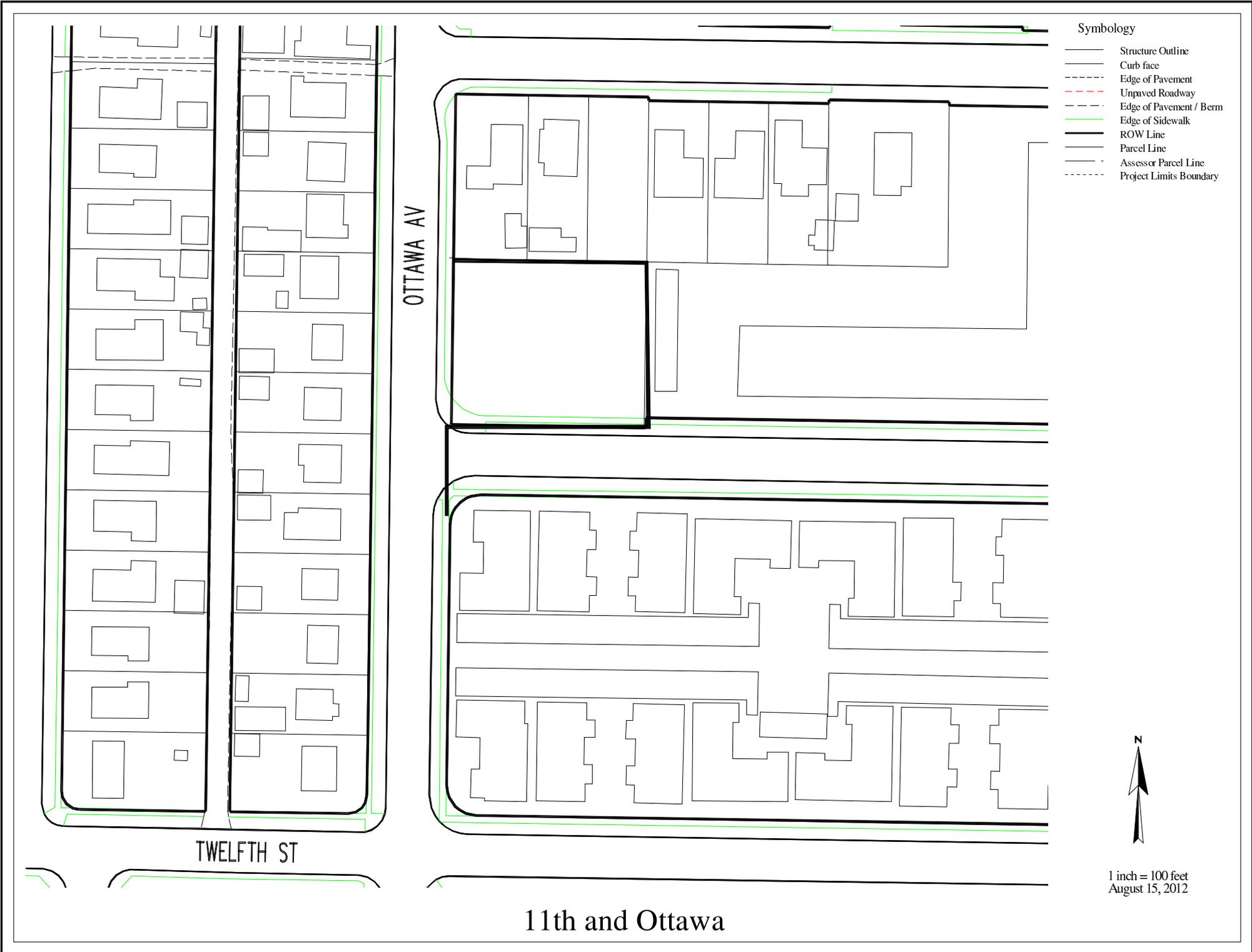
TOTAL REVENUE
- TOTAL COSTS
 = PROFIT (LOSS)

\$ -
\$ -
\$ -

All profits from the sale of the developed properties will be returned to the Housing Authority.



Exhibit B
221-063-028
Northeast Corner of 11th & Ottawa



- Symbology**
- Structure Outline
 - Curb face
 - Edge of Pavement
 - Unpaved Roadway
 - Edge of Pavement / Berm
 - Edge of Sidewalk
 - ROW Line
 - Parcel Line
 - Assessor Parcel Line
 - Project Limits Boundary



1 inch = 100 feet
August 15, 2012

TWELFTH ST

OTTAWA AV

11th and Ottawa



Exhibit C
Sample CC&Rs

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

CITY OF RIVERSIDE
3900 Main Street, 5th Floor
Riverside, CA 92522
Attn: Housing Manager

Project: Neighborhood Stabilization
Program
APN:

(SPACE ABOVE THIS LINE RESERVED FOR RECORDER=S USE)

AGREEMENT AND COVENANTS, CONDITIONS AND RESTRICTIONS
AFFECTING REAL PROPERTY INCLUDING
RESALE RESTRICTION, AFFORDABILITY EXIT FEE AND RIGHT OF FIRST REFUSAL,
AND OWNER OCCUPANCY REQUIREMENTS

THIS AGREEMENT AND COVENANTS, CONDITIONS AND RESTRICTIONS AFFECTING REAL PROPERTY INCLUDING RESALE RESTRICTION, AFFORDABILITY EXIT FEE, RIGHT OF FIRST REFUSAL AND OWNER OCCUPANCY REQUIREMENTS (“CCR’s”) is entered into this day of , 20 (the “Effective Date”), by and between the CITY OF RIVERSIDE, a California charter city and municipal corporation, (“City”) and , as (“Owners”), with reference to the following facts:

RECITALS

WHEREAS, the City is a California municipal corporation which has received funds from the United States Department of Housing and Urban Development pursuant to the federal Housing and Economic Recovery Act of 2008 and Neighborhood Stabilization Program for the purpose of redevelopment of abandoned and foreclosed homes and residential properties to provide decent, safe, sanitary and affordable housing for low and moderate income households in the City; and

WHEREAS, the City desires to increase, improve and preserve affordable homeownership opportunities available to low, moderate and middle income households within the City; and

WHEREAS, to promote this goal, the City has established the City of Riverside Neighborhood Stabilization Program (the “City NSP Program”) pursuant to which the City will sell rehabilitated single-family homes to qualified low, moderate and middle income households; and

WHEREAS, the Owners are the initial owners of the certain real property known as (the “Property”), which is described on Exhibit A attached hereto and incorporated herein by reference, and recently rehabilitated through the City NSP Program; and

WHEREAS, the City and the Owners have agreed to impose certain continuing obligations related to and on the Property; and

WHEREAS, the Owners agree for themselves, their successors and assigns, that the Property is to remain an owner-occupied residence for a period of fifty-five (55) years following the Effective Date; and

WHEREAS, the City has an interest in insuring that the Property funded by the Program is properly maintained and remains attractive.

NOW, THEREFORE, in consideration of the promises contained below and other good and sufficient consideration, the receipt of which is hereby acknowledged, the City and the Owners agree that the Property against which these covenants, conditions and restrictions are recorded shall be held, sold and conveyed subject to the following covenants, conditions and restrictions.

1. City of Riverside Supports Affordable Housing. The City supports Affordable Housing for low, moderate and middle-income residents within the City of Riverside as set forth in regulations published in 24 Code of Federal Regulations Part 92.

2. Definitions. For purposes of this Agreement, the following definitions shall apply:

(a) Low Income: A family whose income does not exceed fifty percent (50%) of the median family income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than fifty percent (50%) of the median income for the area on the basis of HUD findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

(b) Moderate Income: A family whose income does not exceed eighty percent (80%) of the median family income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than eighty percent (80%) of the median income for the area on the basis of HUD findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

(c) Middle Income: A family whose income does not exceed one hundred twenty percent (120%) of the median family income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than one hundred twenty percent (120%) of the median income for the area on the basis of HUD findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

(d) Eligible Household: A household whose annual income does not exceed one hundred twenty percent (120%) of area median income for Riverside County, adjusted for family size.

(e) Affordable Housing Cost: means no more than thirty-five percent (35%) of Annual Income. For purposes of determining Affordable Housing Cost, an estimate of the following housing costs for the upcoming twelve (12) months shall be included: i) principal and interest payments on the mortgage loan, including rehabilitation loans; ii) mortgage loan insurance fees; iii) property taxes and assessments; iv) fire and casualty insurance; and v) homeowner association fees.

(f) Owners: Means the current owners of the Property who have acquired the same from the City and any subsequent purchaser, successor, assigns or heirs.

(g) Initial Equity: Means the difference between the Fair Market Value of the Property as determined by an FHA-style appraisal which for this Property appraised at \$ _____, and the final sales price amount of \$ _____, paid by the initial owners. As such, the initial equity for the Property is \$ _____.

3. Term; Affordability Period. The term and affordability period for these covenants, conditions and restrictions shall be effective for a period of fifty-five (55) years (the “Affordability Period”) following the Effective Date.

4. Disclosure Requirements. Prior to the execution of a purchase and sale agreement between the Owner and any subsequent purchaser of the Property, and prior to the execution of a purchase and sale agreement between any subsequent owner of the Property and any subsequent purchasers, the then current Owners or its successor, or its assigns (as may be applicable) shall disclose, in writing, to each purchaser the fact that the Property is burdened by these certain “Covenants, Conditions and Restrictions Affecting Real Property Including Resale Restriction and Affordability Exit Fee” and that the requirements stated in these CCR’s will remain in effect for the term described in Section 3.

5. Resale Restriction. Subject to the City’s Right of First Refusal and the Affordability Exit Fee provision described in Paragraph 7 below, the Property may be sold by the Owners during the Affordability Period only to an Eligible Household at an Affordable Housing Cost.

6. Owner - Occupancy. Owners hereby agree that Owners will occupy the Property as Owner’s primary residence for a period of fifty-five (55) years following the Effective Date. Owner’s attempt to rent or actual rental of the Property for any purpose during the fifty-five (55) year period of restriction shall be a material breach of these CCR’s and shall entitle City to exercise all available legal and equitable remedies.

It is expressly understood, acknowledged, and covenanted by the Owners for itself, its successors and assigns, that the Property or any part thereof shall only be used and maintained for owner-occupied Single Family Residence. Therefore, the Owners, its successor or its assigns, shall not rent, lease, or sublease the Property (including any improvement or fixture thereto), or otherwise transfer or attempt to transfer a tenancy or leasehold interest in the Property (including any improvement or fixture thereto) or any part thereof.

City and Owners acknowledge that this owner-occupancy covenant is a condition to and consideration for Owners eligibility for the City NSP Program. In administering the City NSP Program, City is implementing the objective of increasing the ratio of decent, safe and sanitary owner-occupied single-family residences to rental property throughout the City. In furtherance of this public use and purpose, Owners for itself and its successors and assigns, also agrees not to rent, lease, license or otherwise permit a non-owner of the Property to take possession and control thereof. Owners and its successors in interest agree and consent that this owner-occupancy restriction may be enforced by the City through specific performance.

7. Affordability Exit Fee. If Owners elect to: i) sell the Property to a subsequent purchaser that does not qualify as an Eligible Household and/or at a Sales Price that exceeds Affordable Housing Cost (an “Ineligible Sale”); or ii) refinance any liens on the Property, the Owners shall pay to the City any closing costs paid by the City (if applicable) and a percentage of the Initial Equity, as set forth in Paragraph 2(g) of these CCR’s, and determined in accordance with the following schedule:

- (i) Between years 0 through 10, 100% of the Initial Equity shall be due to the City in the event of an Ineligible Sale;
- (ii) Between years 11 through 20, 80% of the Initial Equity shall be due to the City in the event of an Ineligible Sale;
- (iii) Between years 21 through 30, 60% of the Initial Equity shall be due to the City in the event of an Ineligible Sale;
- (iv) Between years 31 through 40, 40% of the Initial Equity shall be due to the City in the event of an Ineligible Sale;
- (v) Between years 41 through 50, 20% of the Initial Equity shall be due to the City in the event of an Ineligible Sale;
- (vi) Between years 51 through 55, 10% of the Initial Equity shall be due to the City in the event of an Ineligible Sale; and
- (vii) No Affordability Exit Fee shall be due upon any sale occurring after the expiration of the Affordability Period.

8. City Right of First Refusal. During the Affordability Period, City shall have the right of first refusal if Owners, its successor, or its assigns elect to sell the Property regardless of whether the sale is to an Eligible Household.

9. Sale to Eligible Household at Affordable Housing Cost. If the Property is sold by the Owners during the Affordability Period to a Buyer who is an Eligible Household and the Sale Price does not exceed an Affordable Housing Cost, then no Affordability Exit Fee is due to the City upon such sale, but any outstanding loans due to and/or liens in favor of the City are still due and payable.

10. Monitoring by the City. On or about July 1st of each calendar year, the City will mail a form to the record owner of the Property to confirm that the Property is owner occupied. The Owners of the Property shall complete the form and return it to the City within thirty (30) calendar days after receipt of the request from the City.

11. Binding on the Successors in Interest. The Owners hereby covenant and agree that their heirs, successors and assigns, and every successor in interest to the Property or any part thereof shall comply with each and every term, covenant, condition and restriction contained herein. These CCR's shall run with the land, any other provision of law notwithstanding, and shall be enforceable by the City in an action for specific performance against the Owners and their successors and assigns.

12. Maintenance of Property.

(a) The Owners agree for itself, its successors and assigns that they shall maintain the Property, dwelling unit, improvements, landscaping and fixtures in good repair and shall keep the Property free from any accumulation of debris or waste materials, consistent with the customary practice and so as not to create a nuisance or violate any provision of the City of Riverside Municipal Code.

(b) All exterior painted surfaces shall be maintained at all times in a clean and presentable manner, free from chipping, cracking and defacing marks. Any such defacing marks shall be cleaned or removed within the time as set forth in subparagraph (d) below.

(c) The Owners shall at all times maintain the front exterior, visible side exteriors and yard in a clean, safe and presentable manner, free from defacing marks or any disrepair. The Owners shall maintain and/or repair the front exterior or rear or visible side yard and exterior of the dwelling unit.

(d) All graffiti and defacement of any type, including marks, words and pictures, must be removed and any necessary painting or repair completed within one (1) week of their creation or within one (1) week after notice to Owners.

(e) All driveways must be paved and maintained with impervious material in accordance with the City Municipal Code.

13. Remedies for Breach. Upon breach of any of these CCR's, the City may exercise any and all remedies available to it at law or equity. These remedies include, without limitation, an action for injunctive relief or specific performance.

In the event of a breach of the covenant regarding maintenance of the Property, as set forth in Section 8 of this Agreement, the City Manager, or designee, shall give written notice to the Property Owners (as listed on the last equalized tax assessment roll) describing the conditions constituting the breach, demanding that such conditions be corrected, and notifying the Owners of the City's intention to enter upon the Property to correct such conditions. At any time within fifteen

(15) calendar days following the giving of the notice described in the previous sentence, the Owners may request, in writing, a hearing to determine whether the conditions of the Property or the dwelling unit constitute a breach of Section 12 of this Agreement. This hearing shall be held within thirty (30) calendar days following the City's receipt of written request from the Owners and shall be held before the City Manager, or designee. At this hearing, the Owners shall be allowed to introduce evidence in support of his or her position and shall have the right to question those witnesses and evidence against him or her. A transcript or electronic recording of the hearing may be made. At the end of this hearing, the City Manager, or designee, shall make a finding, based upon substantial evidence in the record of the hearing, as to whether the conditions of the dwelling unit or Property constitute a breach of the terms of Section 12 of this Agreement. The decision of the City Manager shall be final and there shall be no right of appeal to the City Council.

If the City Manager or designee finds that the conditions of the dwelling unit or the Property constitute a breach of Section 12 of this Agreement, then the City shall so notify the Owners in writing and the Owners shall have five (5) calendar days following this written notice to correct or abate such breach. If the conditions are not corrected to the reasonable satisfaction of the City Manager, then the City, its employees or its agents may enter upon the Property to remedy and abate the conditions creating the breach. The City shall be entitled to recover its costs of remedying the conditions creating the breach, including without limitation, administrative, overhead, and engineering costs. Such costs shall become a lien upon the Property pursuant to Civil Code section 2881, immediately due and payable, and the City may collect such costs through the appropriate civil proceedings.

The provisions of this Section 13 are supplemental to all other legal rights and remedies available to either the City.

14. City as Beneficiary. The City is the beneficiary of the terms and provisions of these CCR's running with the land, both for and in its own right, and for the purposes of protecting the interests of the community and other parties, public or private, for whose benefit these CCRs running with the land have been provided. These CCR's shall run in favor of the City without regard to whether the City has been, remains, or is an owner or has any interest in the Property or in any other parcel in the City. The City shall have the right, but not the obligation, to exercise all rights and remedies and to maintain any actions at law or in equity or any other proceedings to enforce these CCR's.

15. Nonwaiver. The failure of the City to enforce any one or more of the covenants, conditions or restrictions contained herein on any one or more occasions shall not constitute a waiver of the City's right to enforce the covenants, conditions and restrictions in the future.

16. Noncompliance. In the event of noncompliance with any provision under these CCR's, the City may take any and all enforcement actions provided for by any provision of the Riverside Municipal Code or exercise any other remedy under the law to which the City may be entitled. Should the City bring an action to enforce the terms of these CCR's, the prevailing party shall be entitled to costs of suit, including reasonable attorneys' fees.

17. Deemed Consent. Any person who now or hereafter owns or acquires any right, title or interest in or to the Property shall be deemed to have consented and agreed to every covenant, condition and restriction contained herein whether or not any reference to these CCR's is contained in the instrument by which such person acquired an interest in the Property.

18. Counterparts. These CCR's may be executed in two (2) or more identical counterparts. If so executed, each of such counterparts shall, collectively, constitute one original CCR's. In making proof of these CCR's, it shall not be necessary to produce or account for more than one such counterpart.

19. Authority. The individuals executing these CCR's and the instruments referenced herein on behalf of Owners each represent and warrant that they have the legal power, right and actual authority to bind Owners to the terms and conditions hereof and thereof.

IN WITNESS WHEREOF, the parties have caused these CCR's to be executed as of the day and year first written above.

CITY:

CITY OF RIVERSIDE,
a California charter city and
municipal corporation

By: _____
Development Director

Attest:

By: _____
City Clerk

OWNERS:

By: _____

By: _____

APPROVED AS TO FORM:

By: _____
Deputy City Attorney