

*City of Arts & Innovation*

# Successor Agency to the Redevelopment Agency of the City of Riverside

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**TO:** HONORABLE MAYOR AND CITY COUNCIL      **DATE:** JANUARY 10, 2017

**FROM:** COMMUNITY & ECONOMIC DEVELOPMENT      **WARD:** 1

**SUBJECT:** RECOMMEND APPROVING A RESOLUTION TO EXECUTE A PURCHASE AND SALE AGREEMENT WITH CITYMARK DEVELOPMENT, LLC FOR THE DISPOSITION OF SUCCESSOR AGENCY-OWNED VACANT LAND, OF APPROXIMATELY 0.64 ACRES, LOCATED AT 4019 MISSION INN AVENUE, BEARING ASSESSOR PARCEL NUMBER 214-211-007, IN THE AMOUNT OF \$315,000, FOR THE CONSTRUCTION OF FOR-SALE LUXURY TOWNHOMES

## **ISSUE:**

Recommend that the Oversight Board adopt a resolution authorizing the City of Riverside as the Successor Agency to the Redevelopment Agency of the City of Riverside (Successor Agency) to enter into a Purchase and Sale Agreement with Citymark Development, LLC, of San Diego, CA, for the disposition of Successor Agency-owned vacant land of approximately 0.64 acres, located at 4019 Mission Inn Avenue (Property), bearing Assessor Parcel Number 214-211-007, in the amount of \$315,000, for the construction of for-sale luxury townhomes, in accordance with the Successor Agency's Long Range Property Management Plan.

## **RECOMMENDATIONS:**

That the Successor Agency recommend that the Oversight Board:

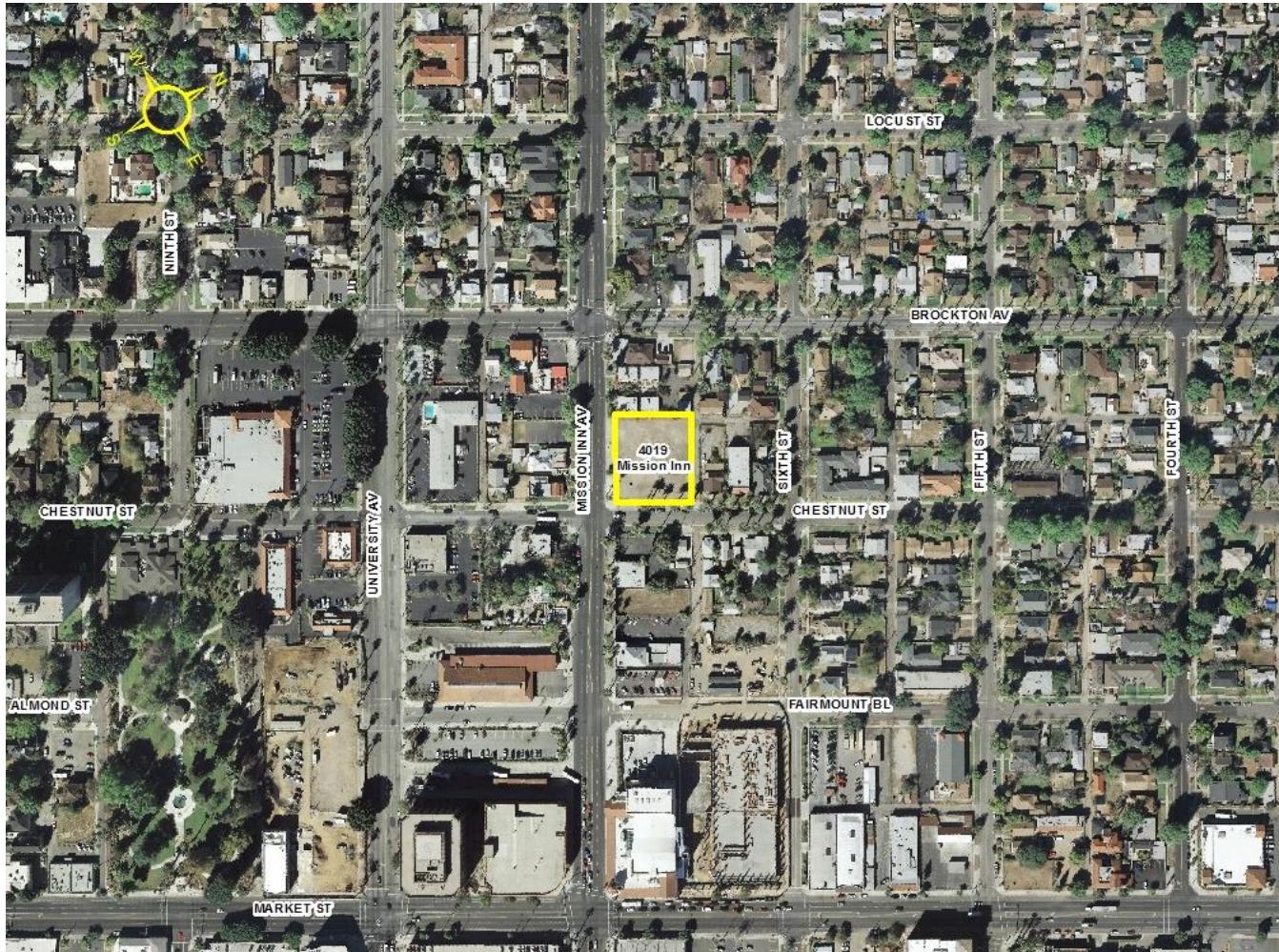
1. Adopt a resolution authorizing execution of the attached Purchase and Sale Agreement (Attachment 1) with Citymark Development, LLC for the disposition of Successor Agency-owned vacant land, of approximately 0.64 acres, located at 4019 Mission Inn Avenue, bearing Assessor Parcel Number 214-211-007, in the amount of \$315,000, for the construction of for-sale luxury townhomes, in accordance with the Successor Agency's Long Range Property Management Plan; and
2. Authorize the Executive Director, or his designee, to take any and all actions including making minor and non-substantive modifications and execute the attached Purchase and Sale Agreement with Citymark Development, LLC (Attachment 2).

## **BACKGROUND:**

On July 23, 2015, the Development Committee directed staff to issue a Request for Proposals (RFP) seeking a low density "Pocket Neighborhood" concept.

For blight elimination and land assembly purposes, the former Redevelopment Agency authorized the acquisition of 4019 Mission Inn Avenue on May 2, 2006. The Property was previously occupied by the Victoria Market, which contained a 7,351 square foot liquor store. Subsequent to the acquisition, the former Redevelopment Agency demolished the blighted structure to accommodate future development.

The subject Property is approximately 0.64 acres and is located within the Neighborhood Commercial District of the Downtown Specific Plan, as depicted below. The proposed housing development will require a zone change and specific plan amendment, which will be the responsibility of the Citymark Development, LLC.



Pursuant to the Redevelopment dissolution process, as stipulated in Assembly Bills x1 26 and 1484, the Successor Agency completed its Long Range Property Management Plan (Plan), which governs the disposition and use of real property assets of the former Redevelopment Agency of the City of Riverside. In the Plan, the Successor Agency recommended the sale of 4019 Mission Inn Avenue, bearing Assessor Parcel Number 214-211-007. The Oversight Board approved the Plan on February 27, 2014 and the State Department of Finance subsequently approved the same on March 6, 2014.

## **DISCUSSION:**

On March 15, 2016, staff issued a Request for Proposals (RFP) for the disposition and development of the Property. As stipulated in the RFP, staff and the neighboring community (via an extensive community outreach process) preferred a low density “pocket neighborhood”

project that will increase housing opportunities for downtown residents, enhance the surrounding neighborhood and provide job opportunities for local residents. Staff also stipulated that “for sale” and “multi-family” development proposals would also be considered with a provision for “affordable housing”.

On June 13, 2016, staff received proposals from Aspire Community Housing Organization, Citymark Development, LLC, and RC Hobbs Company. After careful review and scoring of the proposals, staff and two members of the community (representing the Downtown Area Neighborhood Alliance and the Pick Group) interviewed all of the respondents to further aid in the decision and recommendation making process. The interviews were held on July 28, 2016.

At the conclusion of the interview process, staff and the two community representatives re-scored each proposal and collectively concluded that the Citymark Development, LLC proposal is the most responsive to the noted RFP.

The Citymark, LLC project is proposed to include 13 for-sale luxury townhomes, which will range in size from 1,275 – 1,450 square feet and will be 2-stories in height (a copy of the draft elevation drawing is included in Attachment 3). The estimated development cost is approximately \$3.5 million. Citymark Development, LLC has also procured an independent third party appraisal, which concluded to a value of \$315,000. Staff agrees that this amount represents the current fair market value for the subject Property.

To facilitate the proposed development, staff recommends that the Successor Agency recommend that the Oversight Board adopt a resolution authorizing execution of the attached Purchase and Sale Agreement with Citymark Development, LLC for the disposition of Successor Agency-owned vacant land, of approximately 0.64 acres, located at 4019 Mission Inn Avenue bearing Assessor Parcel Number 214-211-007, in the amount of \$315,000, for the construction of for-sale luxury townhomes, in accordance with the Successor Agency’s Long Range Property Management Plan.

### **FISCAL IMPACT:**

All sale proceeds less related title, escrow and miscellaneous closing costs not to exceed \$10,000 is remitted to the Riverside County Auditor Controller’s Office (ACO), upon receipt of funds. The ACO will distribute the sale proceeds to the various taxing entities (including the City) and report the sale to the State Department of Finance. The City’s portion of the sales proceeds is estimated to be \$44,220.

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

### Attachments:

1. Resolution
2. Purchase and Sale Agreement
3. Draft Elevation Drawing