

City of Arts & Innovation

Economic Development, Placemaking and Branding/Marketing Committee

TO: ECONOMIC DEVELOPMENT, PLACEMAKING AND BRANDING/MARKETING COMMITTEE **DATE: OCTOBER 21, 2021**

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

SUBJECT: RECEIVE AND FILE AN UPDATE ON THE CITY-OWNED VACANT LAND LOCATED AT 3911 UNIVERSITY AVENUE AND 3775 FAIRMOUNT BOULEVARD, IDENTIFIED AS ASSESSOR PARCEL NUMBERS 214-252-016 & 213-261-027 (FORMER DOWNTOWN TERMINAL), AND PROVIDE DIRECTION TO STAFF FOR ISSUANCE OF A NEW REQUEST FOR PROPOSALS

ISSUE:

Receive and file an update on the City-owned vacant land located at 3911 University Avenue and 3775 Fairmount Boulevard, identified as Assessor Parcel Numbers 214-252-016 & 213-261-027 (former downtown Terminal), and provide direction to staff for issuance of a new Request for Proposals.

RECOMMENDATIONS:

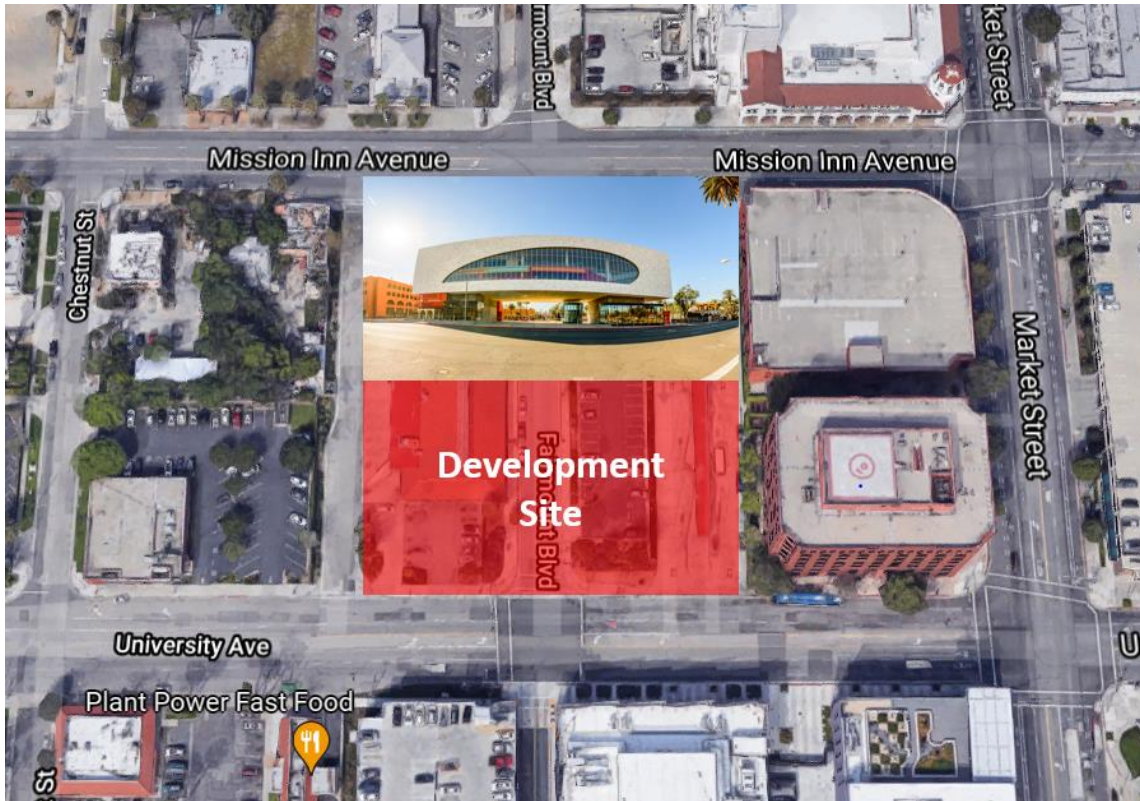
That the Economic Development, Placemaking and Branding/Marketing Committee:

1. Receive and file an update on the City-owned land located at 3911 University Avenue and 3775 Fairmount Boulevard, identified as Assessor Parcel Numbers 214-252-016 & 213-261-027 (former downtown Terminal) for the development of a mixed-use student housing project for the Riverside Community College District (RCCD); and
2. Direct staff to issue a new Request for Proposals (RFP) for the subject site.

BACKGROUND:

The 2.7-acre site (as shown on the map below) is owned by the City. Approximately half of the site was formerly occupied and leased to the Riverside Transit Agency and Greyhound Bus Lines, and the other half of the property was previously occupied by the Riverside Police Department and the City's Parking Authority for public parking (all structures have been demolished). The new Main Library occupies approximately 1.2 acres of the site facing Mission Inn Avenue, resulting in a site of approximately 1.5 acres that is available for private development of an iconic project

facing University Avenue.



The subject site (as demarcated above in red) is located within the Raincross District of the Downtown Specific Plan. Since the Downtown Specific Plan was established to create a diverse, vibrant, twenty-four-hour area where people can work, live, shop, receive education, enjoy recreational facilities, and where arts and culture are an integral component of the urban setting; this development site represents an opportunity for the City to encourage an intense mixture of residential and retail/office space within a pedestrian-oriented environment.

On April 8, 2019, staff issued a Request for Proposals (RFP) for the development of the subject site. On July 8, 2019 (the RFP deadline) staff received one development proposal from Overland Pelican Riverside (OPR) for a mixed-use student housing project for RCCD. However, while negotiating with OPR, on October 9, 2019, Governor Newsom signed into law Assembly Bill 1486 (AB 1486), which amended the notice provisions of Government Code 54220 et. seq., which governs the process for disposition of surplus property. With that change, in addition to noticing the required list of public agencies, all public agencies (such as the City of Riverside, Successor Agency and Housing Authority) must now notify affordable housing developers from a list provided by the State's Housing and Community Development (HCD), with a 60-day advance opportunity to buy publicly-owned land for the development of affordable housing. Moreover, it is the opinion of staff and the City Attorney's Office that AB 1486 has rendered the aforementioned RFP null and void.

On August 20, 2020, the Economic Development, Placemaking, and Marketing/Branding Committee reviewed and provided input on the potential disposition of the subject site and directed staff to send a written notice of availability to all affordable housing developers who have registered with the State's Department of Housing and Community Development (HCD) pursuant

to Assembly Bill 1486.

On August 21, 2020, staff sent a written notice of availability to the required public agencies and to all affordable housing developers who registered with HCD. On October 20, 2020 (the deadline for interested developers to respond), staff received one development proposal from OPR to construct a mixed-use student housing project on the subject site for RCCD.

On December 17, 2020, the Economic Development, Placemaking, and Marketing/Branding Committee reviewed and considered the development proposal from OPR and directed staff to negotiate a Purchase, Sale, and Development Agreement with OPR for the development of a mixed-use student housing project for RCCD to be presented to the City Council for final consideration and approval.

DISCUSSION:

Unfortunately, after several months of negotiations, OPR and RCCD have decided to terminate their development partnership. However, both parties remain interested in the subject site and wish to develop the property independent of each other.

With this in mind, staff believes the fair and equitable solution is to issue a new Request for Proposals for the subject site with the caveats that all development proposals must include sufficient parking for the new Main Library and, if the subject site is developed with ten or more residential units, then 15% of the total project's units must be restricted to "affordable rent to lower-income households" as required by AB 1486.

STRATEGIC PLAN ALIGNMENT:

This item contributes to the Envision Riverside 2025 City Council **Strategic Priority 3 – Economic Opportunity** and **Goal 3.3** – Cultivate a business climate that welcomes innovation, entrepreneurship, and investment.

This item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – Issuing a new Request for Proposals serves the public interest, benefits the City's diverse populations, and results in the greater public good.
2. **Equity** – Issuing a new Request for Proposals provides an equitable distribution of services to ensure every member of the community has equal access to share the benefits of community progress.
3. **Fiscal Responsibility** – There is no fiscal impact associated with this item which maintains that Riverside is a prudent steward of public funds and ensures responsible management of the City's financial resources while providing quality public services to all. However, issuing a new Request for Proposals will benefit all residents in the City.
4. **Innovation** – Issuing a new Request for Proposals demonstrates that Riverside is inventive and timely in meeting the community's changing needs and prepares for the future through collaborative partnerships and adaptive processes.
5. **Sustainability & Resiliency** – Issuing a new Request for Proposals demonstrates that

Riverside is committed to meeting the needs of the present without compromising the needs of the future and ensuring the City's capacity to persevere, adapt and grow during good and difficult times alike.

FISCAL IMPACT:

There is no fiscal impact associated with this report.

Prepared by: David Welch, Community & Economic Development Director

Certified as to

availability of funds: Edward Enriquez, Chief Financial Officer / City Treasurer

Approved by: Rafael Guzman, Assistant City Manager

Approved as to form: Phaedra A. Norton, City Attorney

Attachment: Presentation