

FORMER DOWNTOWN TERMINAL SITE (3911 UNIVERSITY AVE & 3775 FAIRMOUNT BLVD) UPDATE AND EXCLUSIVE NEGOTIATING AGREEMENT REQUEST

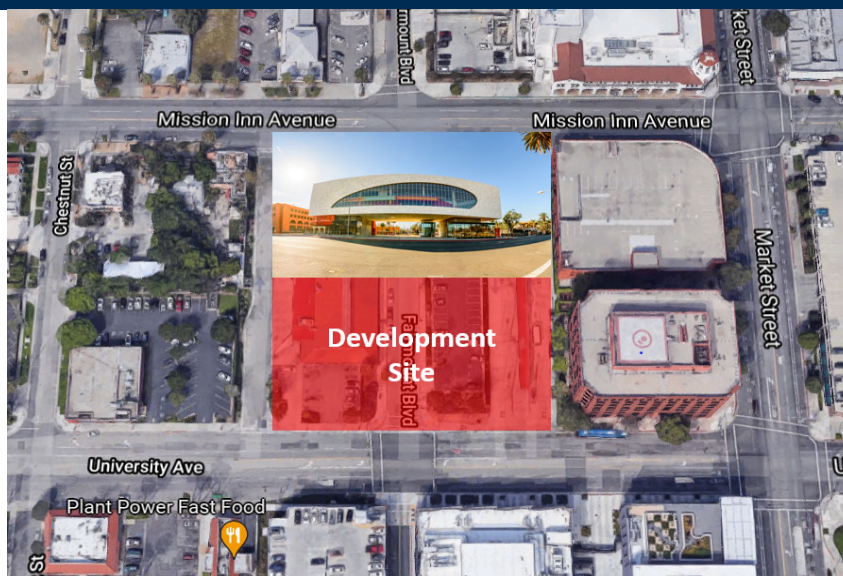
Community & Economic Development Department

City Council
December 6, 2022

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LOCATION MAP



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BACKGROUND

1. Site Characteristics:

- a. 1.5 acres
- b. Zoning - Downtown Specific Plan – Raincross District

2. April 2019: Request for Proposals (RFP) issued

3. July 2019:

- a. One Development Proposal Received (Overland Pelican Riverside)(OPR)
- b. Student housing for Riverside Community College District (RCCD)

4. October 2019:

- a. Governor Newsom signs AB 1486
- b. Rendered the RFP and the subsequent proposal null/void



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BACKGROUND - CONTINUED

5. August 2019:

- a. Economic Development, Placemaking, and Branding/Marketing Committee (EDC) directed staff to send written notice of availability
- b. Notice sent to public agencies and affordable housing developers registered with HCD pursuant to AB1486

6. August 2019:

- a. Notice of Availability issued
- b. All affordable housing developers included

7. October 2020:

- a. One development proposal received
- b. OPR - mixed-use student housing project for RCCD



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BACKGROUND - CONTINUED

8. December 2020:

- a. EDC considered proposal
 - i. Directed staff to negotiate a Purchase and Sale Agreement
 - ii. Present to the City Council for final consideration and approval
- b. OPR and RCCD terminate relationship
 - i. Both parties remain interested in the subject site
 - ii. Interest in developing property independent of each other

9. October 2021:

- a. Staff recommends new RFP be issued
- b. EDC directs staff to proceed with original OPR proposal
- c. Staff initiates negotiations



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BACKGROUND - CONTINUED

10. June 2022:

- a. Staff requests interpretation from State HCD Department:
 - i. Does AB 1486 apply to dormitory student housing?
 - ii. If so, should affordable income levels and rent limits be based per unit or per bed?
- b. State HCD response:
 - i. Yes, project must comply with AB 1486
 - ii. Application of affordable income levels and rent limits shall be based per unit

11. September 2022:

- i. Staff receives letter from OPR requesting ENA
- ii. Request to return to Committee for an update



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BACKGROUND - CONTINUED

12. October 2022:

Staff returns to the EDC who:

- a. Receive and file an update on the project; and
- b. Direct staff to present the ENA request to City Council for consideration.



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DISCUSSION

1. City and OPR continue on-going negotiations.
2. Student Housing Affordability:
 - a. OPR – student affordability based on “beds”
 - b. State Housing and Community Development Department (HCD) indicates that affordability based on “units”
3. OPR working through definitions of affordability as provided by HCD.



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OPTION A

Option A: Developer ENA Proposal

- a. One-year ENA term;
- b. Up to two optional six-month extensions thereafter; and
- c. Option to change project type/scope with City approval.



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OPTION B

Option B: Staff Recommendation

- a. Six-month ENA term;
- b. One optional six-month extension thereafter;
- c. No change in project type/scope; and
- d. \$25,000 non-refundable deposit included.



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STRATEGIC PLAN ALIGNMENT

Envision Riverside 2025 Strategic Plan Priorities

 #3 Economic Opportunity

Cross-Cutting Threads



Community Trust



Fiscal Responsibility



Sustainability &
Resiliency



Equity



Innovation



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RECOMMENDATIONS

That the City Council:

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;
2. **Discuss the request** from Overland Pelican Riverside for a one-year Exclusive Negotiating Agreement term with the option to include two six-month extensions; and
3. **Provide direction** on the Exclusive Negotiating Agreement request presented.



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