



City of Arts & Innovation

Economic Development, Placemaking and Branding/Marketing Committee

TO: ECONOMIC DEVELOPMENT, PLACEMAKING AND BRANDING/MARKETING COMMITTEE MEMBERS DATE: AUGUST 20, 2020

FROM: COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT WARD: 1

SUBJECT: RECEIVE, REVIEW, AND PROVIDE INPUT ON THE POTENTIAL DISPOSITION OF 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 DIRECT STAFF TO SEND A WRITTEN NOTICE OF AVAILABILITY TO AFFORDABLE HOUSING DEVELOPERS WHO HAVE REGISTERED WITH THE STATE'S DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT - DIRECT SUBMITTAL

ISSUE:

Receive, review, and provide input on the potential disposition of 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 direct staff to send a written notice of availability to affordable housing developers who have registered with the State's Department of Housing and Community Development pursuant to Assembly Bill 1486.

RECOMMENDATIONS:

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

1. Receive, review and provide input on the potential disposition of City-owned vacant land located at 3911 University Avenue and 3775 Fairmount Boulevard, identified as Assessor Parcel Numbers 214-252-016 and 213-261-027 (former downtown Terminal); and
2. Direct staff to send a written notice of availability, for 60 days, to affordable housing developers who have registered with State's Department of Housing and Community Development pursuant to Assembly Bill 1486.

BACKGROUND:

The 2.7-acre site (as shown in 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 (all structures have been demolished). The new Main Library, currently under construction, will occupy approximately 1.2 acres of the site facing Mission Inn Avenue, resulting in a 1.5 acre site available for a private development project facing University Avenue.



The subject property (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 and 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.

DISCUSSION:

On April 8, 2019, staff issued a Request for Proposals (RFP) for the development of the subject property. On July 8, 2019, the RFP deadline, staff received one joint development proposal from Overland Pelican Riverside (OPR) and the Riverside Community College District (RCCD), which is summarized as follows:

<p>Proposed Project:</p>	<p>Student Housing for RCCD: 389 beds +/- (100,000 square ft) Retail: 12,060 square feet Office: 16,700 square feet Library Plaza Café: 1,950 square feet RCCD Campus Police: 1,225 square feet Project Parking: 270 stalls</p>
<p>Purchase Price</p>	<p>\$22 - \$35 per square foot (subject to a fair market appraisal)</p>

Library Parking:	In exchange for the value of the purchase Price, OPR will construct 150 public parking spaces for both the Library and retail users in the on-site parking garage. Library patrons will be afforded 90 minutes of free parking. OPR is responsible for all associated maintenance costs for the on-site parking garage.
Ownership:	It is anticipated that 10 years after construction of the project, ownership of the site will transfer from OPR to RCCD, which is exempt from paying property taxes. However, at that time, a covenant will be placed on the property that will pay the City annually the equivalent of the City’s share of property tax revenue.
Est. Development Cost:	\$67.5 million

However, while negotiating with OPR and RCCD, 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 this recent 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.

With this in mind, staff recommends that the Economic Development, Placemaking, and Branding/Marketing Committee direct staff to send a written notice of availability, for 60 days, to affordable housing developers who have registered with HCD. If there is no interest from an affordable housing developer, after 60 days, staff will market the subject property in an effort to dispose of it in accordance with the City’s Administrative Manual 08.003.00, Sale of City-Owned Real Property. If the subject property 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.

OPR and RCCD are in agreement with staff notifying HCD and have already registered on HCD’s website with the intention of responding to the notice once issued.

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: Gary G. Geuss, City Attorney

Attachment: Presentation