



2731-2871 UNIVERSITY AVENUE AND 2882 MISSION INN AVENUE – REQUEST FOR DEVELOPMENT PROPOSALS

Community & Economic Development

Economic Development, Placemaking and Branding/
Marketing Committee

May 20, 2021

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Subject Properties



2731-2871 University Ave (Successor Agency)

- Size: 1.9 acres
- Zoning: Commercial Retail (CR)
- Specific Plan: University Avenue – Subdistrict 1
- Mixed Use Village (MU-V)

2882 Mission Inn Ave (Housing Authority)

- Size: 0.22 acres
- Zoning: R-1-7000-SP-CR (7th Street East Historic District)
- Specific Plan: Riverside Market, Residential Subarea

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BACKGROUND

- **2006:** The former Redevelopment Agency (RDA) acquired the Successor Agency parcels.
- **August 2014:** Staff issued an RFP seeking a high-quality commercial development for the Successor Agency property, which did not result in any responses.
- **December 2014:** Development Committee received an update on the RFP for the Successor Agency property and provided input regarding the preferred development of the site.
- **May 14, 2015:** Prior to issuing another RFP, community meetings were held to obtain input from residents, property owners and business owners.
 - The community preferred a high-quality commercial project with no housing and a grocery store



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BACKGROUND CONT.

- **September 2015:** Staff issued another RFP for the Successor Agency property seeking proposals for a high-quality commercial project.
 - Proposal received for a DaVita Dialysis and restaurant space.
 - Proposed project rejected since it did not include a grocery store.
- **October 2017:** Staff received an unsolicited proposal from Grapevine Economic Development Fund, Inc., for the properties consisting of a mixed-use retail and a minimum of 20% affordable housing unit project.
 - Developer determined to have extensive development experience and completed similar projects in other cities.
 - An RFP was not issued and staff and Grapevine conducted community outreach to solicit input from the community on the proposed project.



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BACKGROUND CONT.

- **May 2018:** Development Committee reviewed and authorized staff to negotiate a Purchase and Development Agreement with Grapevine.
- **July 2019:** Countywide Oversight Board approved a Purchase and Development Agreement with Grapevine.
- **December 2, 2019:** Escrow canceled due to Grapevine's default of the Agreement for failure to submit the required security deposit to escrow.
- **October 2019:** AB 1486 was signed into law by Governor Newsom.
- **April 2020:** Housing Authority Board declared the property as "Surplus".
- **May 2020:** Countywide Oversight Board approved a resolution to declare the property as "Surplus".



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BACKGROUND CONT.

- **May 2020:** In accordance with AB 1486, staff sent notice of availability to affordable housing developers registered with the Department of Housing and Community Development (HCD).
 - Logan Capital Advisors responded but withdrew their interest after conducting due diligence on the development opportunity.
- **October 2020:** Staff notified HCD of the negotiation breakdown with Logan Capital Advisors.
- **February 2021:** Staff received HCD's confirmation to sell the property at fair market value with the following condition:
 - If the property is developed with ten or more residential units, 15% of the total project's units must be restricted to "affordable rent to lower income households" as required by AB 1486.



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RECOMMENDATION

That the Economic Development, Placemaking and Branding/Marketing Committee approve the preparation and issuance of an RFP seeking a mixed-use retail and multi-family project to include a minimum of 15% of the residential units restricted to "low income" affordable housing levels for the Successor Agency-owned land of approximately 1.9 acres, located at 2731-2871 University Avenue, bearing assessor parcel numbers 211-131-021, -022, -023, -024, -026, -031, and -032 and Housing Authority-owned land of approximately 0.22 acres located at 2882 Mission Inn Avenue, bearing assessor's parcel number 211-131-001.



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