



## 2731-2871 University Avenue and 2882 Mission Inn Avenue– Request for Development Proposals

### Community & Economic Development

Successor Agency Board and Housing Authority Board  
June 22, 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 (7<sup>th</sup> 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 a Request for Proposals (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.
  - Staff received a proposal for a DaVita Dialysis and restaurant space.
  - Staff rejected the proposed project since it did not include a grocery store as envisioned by the community.
- **October 2017:** Staff received an unsolicited proposal from Grapevine Economic Development Fund, Inc., for the Successor Agency and Housing Authority properties consisting of a mixed-use retail and a minimum of 20% affordable housing unit development project.
  - After reviewing the proposal, it was determined that the developer had extensive development experience and has completed similar projects in other cities.
  - Therefore, an RFP was not issued, and staff along with Grapevine conducted community outreach to solicit input from the community on the proposed project.



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## BACKGROUND CONT.

- **May 2018:** The Development Committee reviewed and authorized staff to negotiate a Purchase and Development Agreement with Grapevine.
- **July 2019:** the Countywide Oversight Board approved a Purchase and Development Agreement with Grapevine.
- **December 2, 2019:** Escrow was canceled due to Grapevine's default of the Agreement for failure to submit the required security deposit to escrow.
- **October 2019:** Assembly Bill 1486 ("AB 1486") was signed into law by Governor Newsom.
- **April 2020:** The Housing Authority Board declared the Housing Authority-owned property as "Surplus".
- **May 2020:** The Countywide Oversight Board approved a resolution to declare the Successor Agency-owned 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 who had registered with the State's Department of Housing and Community Development (HCD).
  - Staff conducted negotiations with one responding HCD developer, Logan Capital Advisors, and after conducting their due diligence, Logan Capital Advisors withdrew their interest to proceed with the development opportunity.
- **October 2020:** Staff notified HCD of the negotiation breakdown with Logan Capital Advisors, the only interested party.
- **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, then 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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## BACKGROUND CONT.

- **May 20, 2021:** Staff requested that the Economic Development, Placemaking and Branding/Marketing Committee approve the issuance of Request for Proposals (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.
  - The Committee directed staff to present the item to the Successor Agency Board and Housing Authority Board for further consideration and direction.



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## RECOMMENDATION

- That the Successor Agency Board approve the preparation and issuance of a joint RFP with the Housing Authority 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
- That the Housing Authority approve the preparation and issuance of a joint RFP with the Successor Agency for the 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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