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Title: Actions pertaining to the acquisition of the UMC Campus Property (APN 461-02-003T):
1. *** RESOLUTION - Authorize the Administration to submit an offer to purchase the University Medical Center (UMC) Campus (APN 461-02-003T) in the vicinity of East Kings Canyon Road and South Cedar Avenue from Fresno County. (Subject to Mayor's Veto)

Sponsors: Office of Mayor & City Manager, Nelson Esparza

Indexes:

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Attachments: 1. Resolution, 2. UMC Campus Site Location, 3. Supplement_Nov 4 2021_21-798_UMCMemorandum

Date	Ver.	Action By	Action	Result
11/4/2021	1	City Council	adopted	Pass

REPORT TO THE CITY COUNCIL

FROM: THOMAS ESQUEDA, City Manager
Office of Mayor & City Manager

SUBJECT

Actions pertaining to the acquisition of the UMC Campus Property (APN 461-02-003T):
1. *** RESOLUTION - Authorize the Administration to submit an offer to purchase the University Medical Center (UMC) Campus (APN 461-02-003T) in the vicinity of East Kings Canyon Road and South Cedar Avenue from Fresno County. (Subject to Mayor's Veto)

RECOMMENDATION

The Administration recommends the City Council adopt a Resolution authorizing the Administration to submit an offer to Fresno County to purchase the UMC Campus property for a price of \$4.25 million. The property is located on APN 461-02-003T (Attachment 2), which is the northeast corner of the intersection between East Kings Canyon Road and South Cedar Avenue. The purchase offer shall be contingent upon completing environmental assessments and analyses as required by the Fresno Municipal Code and approval of the California Department of Housing and Community Development as required by the Surplus Land Act.

EXECUTIVE SUMMARY

The Administration recommends offering Fresno County \$4.25 million to purchase the 30-acre UMC Campus site, conditioned upon completing all required environmental assessments (Phase I and

Phase II) and analyses (CEQA).

Upon acquisition, the Administration will work with the City Council to plan, permit and finance the demolition, clearing, and preparation of the property to construct mixed-income housing, parking structures, retail, commercial, and green space within the 30-acre site. The Administration has prepared a preliminary sequence of development for the 30-acre site and that is included as Attachment 3 to the Staff Report.

The existing 30-acre UMC Campus parcel is currently zoned Public & Institutional. To accommodate the City's proposed mixed-use development plan, the 30-acre parcel will require a General Plan Amendment and Rezone Application to rezone the property to Corridor Mixed Use (CMX). The General Plan Amendment and Rezone Application will require an environmental review through the CEQA process.

The Administration estimates that it will require approximately 6 to 9 months to complete the environmental assessment and analyses process, 12 months to complete site demolition, clearing, and preparation, and 24 months to receive a certificate of occupancy for the first phase of development.

BACKGROUND

The subject property is commonly referred to as the University Medical Center (UMC) Campus, and it is located on APN 461-02-003T. The property covers approximately 30 acres of land area and includes approximately 686,275 square feet of existing buildings and structures.

On June 8, 2021, the County Board of Supervisors adopted Resolution No. 21-180 declaring the UMC Campus surplus property, and the County made a written offer to sell the subject property in "as is" condition.

On June 14, 2021, the County of Fresno issued a Notice of Availability of the subject property to the City of Fresno. In the June 14, 2021, Notice of Availability, the County requested that the City of Fresno notify the County in writing of its intent to purchase the Property within 60 days after receipt of the June 14, 2021, letter.

On August 9, 2021, the City of Fresno submitted a letter to Fresno County notifying the County of the City's intent to engage in good faith negotiations to determine if a mutually agreeable sales price and terms could be negotiated for the UMC Campus acquisition. The 90-day negotiation period between the City and County commenced on August 14, 2021 (60 days after issuance of the Notice of Availability) and concludes November 12, 2021.

On August 17, 2021, Fresno County submitted a letter to the City of Fresno acknowledging receipt of the City's August 9, 2021, Letter of Intent and requested that the Fresno City Council adopt a resolution confirming the City's interest in purchasing the UMC Campus site.

On, August 19, 2021, the Fresno City Council adopted a Resolution confirming the City of Fresno's intent to enter into good faith negotiations for the City to purchase the UMC Campus site.

The Administration has completed a preliminary assessment of the site and recommends the Fresno

City Council authorize the Administration to submit a written offer to purchase the property from Fresno County subject to successful completion of the environmental assessments and analysis required by the Fresno Municipal Code.

AFFORDABLE HOUSING REQUIREMENTS UNDER THE SURPLUS LAND ACT

When an entity proposes to use the Surplus Land for developing affordable housing, the entity shall agree to make no less than 25 percent of the total number of units developed on the parcels as affordable housing, and shall remain as affordable housing for at least 55 years for rental units and 45 years for ownership units. (Government Code Section 54222.5.) This restriction must be recorded in a covenant against the surplus land at the time of sale and enforceable against any successors in interest. "Affordable housing" means housing available at affordable housing cost or affordable rent, to lower-income households, as defined in Sections 50052.5, 50053, and 50079.5 of the Health and Safety Code.

ENVIRONMENTAL FINDINGS

The purchase offer submitted to the County will be subject to successful completion of the required environmental assessments and analyses. Upon acceptance of the City's purchase offer, the City will commission Phase I and Phase II environmental assessments. The General Plan Amendment, Rezone Application will require an environmental review through the CEQA process. If the Initial Study determines that a Mitigated Negative Declaration is appropriate, the CEQA process will require 6 to 9 months to complete. If an Environmental Impact Report is required, the CEQA process will require 12 to 15 months to complete.

In addition to the CEQA process, because several structures on the UMC Campus are over 50 years old, a Historic Site Survey will also be required. It is estimated the Historic Site Survey will require 1-2 months to complete.

LOCAL PREFERENCE

Local preference was not considered because the acquisition of this property does not include a bid or award of construction or services contract.

FISCAL IMPACT

The City of Fresno has several funding sources that may be used to purchase the UMC Campus site from Fresno County for \$4.25 million. The Administration recommends the City Council appropriate \$4.25 million of American Rescue Plan Act funds to purchase the property to address the City's housing needs, economic recovery needs, building healthy neighborhood needs. The Administration will continue to work with the City Council to evaluate other funding sources that may be appropriate the purchase of the UMC Campus site.

Attachments:

Resolution

UMC Campus Site Location

Memorandum: Acquisition Plan for UMC Campus Site