



Legislation Details (With Text)

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Title: *** RESOLUTION - Declaring a 10.27-acre property located at the southwest corner of S. Willow Avenue and E. Byrd Avenue in southeast Fresno (APN: 481-110-42T), to be exempt surplus land and directing staff to comply with the open and competitive request for proposals (RFP) process for the disposition of this property for an affordable housing development as required by FMC Section 4-204 (District 5) (Subject to Mayor's Veto)

Sponsors: Planning and Development Department

Indexes:

Code sections:

Attachments: 1. Exhibit A - Resolution SLA Willow-Byrd.pdf

Date	Ver.	Action By	Action	Result
9/1/2022	1	City Council	ADOPTED	Pass

REPORT TO THE CITY COUNCIL

FROM: JENNIFER CLARK, Director
Planning and Development Department

THROUGH: PHIL SKEI, Assistant Director
Planning and Development Department

BY: CORRINA NUNEZ, Project Manager
Housing and Community Development Division

SUBJECT

*** RESOLUTION - Declaring a 10.27-acre property located at the southwest corner of S. Willow Avenue and E. Byrd Avenue in southeast Fresno (APN: 481-110-42T), to be exempt surplus land and directing staff to comply with the open and competitive request for proposals (RFP) process for the disposition of this property for an affordable housing development as required by FMC Section 4-204 (District 5) (Subject to Mayor's Veto)

RECOMMENDATION

Staff recommends the City Council adopt a Resolution (Exhibit "A" - RESOLUTION) declaring a 10.27-acre property located at the southwest corner of S. Willow Avenue and E. Byrd Avenue in southeast Fresno, APN: 481-110-42T (Exhibit "B" Property Location Map), as exempt surplus real property at this regularly scheduled Council meeting to comply with the open and competitive request for proposals (RFP) process for the disposition of this property for an affordable housing development as required by FMC Section 4-204. (District 5).

EXECUTIVE SUMMARY

In accordance with the State of California Assembly Bill No. 1486 and 1255, commonly referred to as the Surplus Land Act (SLA), the Council shall take formal action in a public meeting to declare this City-owned property as exempt surplus land. The attached Resolution declares a 10.27-acre property located at the southwest corner of S. Willow Avenue and E. Byrd Avenue in southeast Fresno, APN: 481-110-42T, as exempt surplus real property pursuant to Government Code section 37364 and section 54221(f)(1)(A) and shall comply with all development conditions as required under this exemption. The California Department of Housing and Community Development approved this exemption on December 11, 2020.

In May 2020, the City Council previously voted to include the property in the City of Fresno 2020-2024 Consolidated Plan (page 134-135) to HUD, to use the property exclusively for an affordable housing purpose. Staff recommends Council to initiate an open and competitive request for proposals (RFP) process for the disposition of this property for an affordable housing development as is now required pursuant to FMC Section 4-204, unless an exception applies or Council votes to vary from the process upon making findings of good cause and clear and convincing benefits to the public, and by a supermajority approval of at least five votes.

This action will allow staff to initiate a competitive request for proposals (RFP) process for the disposition of this property for an affordable housing development.

BACKGROUND

City staff has concluded that the property located at the southwest corner of S. Willow Avenue and E. Byrd Avenue in southeast Fresno, APN: 481-110-42T, is exempt surplus real property as it was purchased by the City on June 30, 2005, for the exclusive purpose of creating affordable housing. The proposed development and affordability restrictions support the findings that the property qualifies as exempt from the California Surplus Land Act as stated in Government Code Section 37364(a): "...whenever the legislative body of a city determines that any real property or interest therein owned or to be purchased by the city can be used to provide housing affordable to persons and families of low or moderate income, as defined by Section 50093 of the Health and Safety Code or as defined by the United States Department of Housing and Urban Development or its successors, and that this use is in the city's best interests, the city may sell, lease, exchange, quitclaim, convey, or otherwise dispose of the real property or interest therein at less than fair market value, or purchase an interest in the real property, to provide that affordable housing under whatever terms and conditions the city deems best suited to the provision of such housing."

On November 8, 2020, City staff contacted the State of California Department of Housing and Community Development (HCD) to discuss the history of the property, and request approval for an exemption. HCD concurred that a development of the type described herein is in compliance with the following requirements of Government Code section 37364:

- a) Minimum of 80% of the area of any parcel shall be used for development of housing (remaining 20% could be ancillary commercial or park/open space use);
- b) Not less than 40% of the total number of housing units developed on any parcel pursuant to this section shall be affordable to households whose incomes are equal to, or less than, 75 percent of the maximum income of lower income households (80% of AMI), and at least half of

which (20% of the units) shall be affordable to very low-income households (50% of AMI). (HCD chart to calculate income limits: <https://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits/docs/income-limits-2021.pdf>.);

- c) Dwelling units shall be restricted by regulatory agreement to remain continually affordable to those persons and families for the longest feasible time, but not less than 30 years and shall be recorded against the property.

The attached Resolution and findings are a requirement of SLA to designate the property as exempt surplus land.

Site History

On June 30, 2005, the City used \$335,000 in program income received from a HUD program closed out in 1999 known as the Rental Rehabilitation Program to purchase the 10.24-acre site from the Fresno Irrigation District for the development of future affordable housing. In 2006 the City released an RFP seeking a developer for the site, but received no proposals. Through 2007 and 2008, the City received proposals from two developers, both of which decided against moving forward with their proposed projects. To facilitate sale of the property, the City worked on off-site improvements from 2007 to 2010, and eventually contracted with Cornerstone Structural Engineering Group to widen a portion of the Willow Avenue Bridge which spans over a canal located adjacent to the property. Improvements also included sidewalk, curb and gutter, and construction of minor transition paving and installation of a concrete barrier. Additionally, the City rezoned the property from *Exclusive Five Acre Agriculture Urban Growth* to *Single Family Residential Urban Growth Management*.

The Housing and Community Development Division released an internal memo in 2010 offering sale of the property for another City use, but did not receive any interest. In early 2016, Habitat for Humanity inquired about the land for donation to a land trust. The request led to an Exclusive Negotiation Agreement with Habitat for the preparation of a Disposition and Development Agreement (DDA) for the site. However, in May 2022, Habitat for Humanity canceled its proposed project at the site.

Since the purchase of the property in June 2005, it was the intent of the City's Housing and Community Development Division to transfer the property to a developer for the development of affordable housing. This decision was made and is part of the City of Fresno 2020-2024 Consolidated Plan (page 134-135) approved by the City Council in May 2020 and thereafter submitted to HUD confirming the use of the property for future affordable housing. In addition, the property was purchased with former/closed U.S. Department of Housing and Urban Development Rental Rehabilitation Program Income and is there further restricted in its use for any other development purpose.

Once an affordable housing development at the site is completed, the approximately 70 single-family housing units will assist the City in meeting its affordable housing goals as identified in the Housing Element of the 2035 General Plan, Consolidated Plan, and HUD Program requirement for reuse of the funds used to purchase the property. In addition, an affordable housing subdivision at the site is expected to make a positive impact to the neighborhood by offering new, quality, durable, affordable single-family housing.

The request for proposals process initiated by this Council action will require any developer to comply with the development parameters outlined above.

ENVIRONMENTAL FINDINGS

This is not a project for the purposes of the California Environmental Quality Act.

LOCAL PREFERENCE

Adoption of this Resolution is not subject to local preference.

FISCAL IMPACT

There is no fiscal impact to the City at this time.

APPENDICES

Exhibit A - Resolution SLA Willow-Byrd