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Title: Actions pertaining to the sale of excess property at L and Stanislaus Streets:
 1. Adopt a finding of a categorical exemption pursuant to Section 15332/Class 32 of CEQA Guidelines
 2. Approve a Disposition and Development Agreement with Upside Enterprises, LLC, for property located on 1517 L Street (466-142-15T) and 2139 Stanislaus (466-142-14T)

Sponsors: Planning and Development Department

Indexes:

Code sections:

Attachments: 1. L and Stanislaus EA-15-027.pdf, 2. Astone DDA Final.pdf

Date	Ver.	Action By	Action	Result
11/19/2015	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

November 19, 2015

FROM: Jennifer K. Clark, Director
Development Resource Management Department

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SUBJECT:
 Actions pertaining to the sale of excess property at L and Stanislaus Streets:
 1. Adopt a finding of a categorical exemption pursuant to Section 15332/Class 32 of CEQA Guidelines
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RECOMMENDATION

Staff recommends that the Council approve the following actions pertaining to the sale of 1517 L Street and 2139 Stanislaus to Upside Enterprises LLC to construct a mixed use residential and commercial development

1. Adopt a finding of categorical exemption pursuant to Section 15332/Class 32 of CEQA

Guidelines

2. Approve the material terms of the Disposition and Development and Agreement between the City and Upside Enterprises, LLC, subject to approval as to form by the City Attorney.

EXECUTIVE SUMMARY

The City of Fresno acquired the subject parcels from Bastian Court, LP after its failed attempt to develop the site. In recent months, Upside Enterprises, LLC has been in discussions with the City for the potential sale of the properties. They have requested to enter into a Disposition and Development Agreement with the City which would lead to the sale of the subject parcels to develop a mixed use residential and commercial development. The agreed upon sale price is the appraised value of \$147,000 as identified in the October 12, 2015 appraisal from James G. Palmer Appraisals, Inc. The sale of the property is as-is. The City will retain a Note in the amount of \$147,000 due and payable in 30 years with interest at 3.5% per annum with no penalty for pre-payment. If Buyer defaults under the terms of the Disposition and Development Agreement, the property will revert to the City.

BACKGROUND

The subject properties often referred to as the "Bastian Court" site at 1517 L Street, and 2139 Stanislaus were purchased by Bastian Court, LP for the development of 61 affordable rental units. The City of Fresno approved \$2,100,000 in HOME funds to help fill the financing gap. Of that amount \$1,100,000 was advanced with the City taking a note in first position. Due to the project's inability to qualify for the State's Low Income Housing Tax Credits (LIHTC), and the Developer's failure to secure additional funding, the project was unable to move forward. The City retained the parcels, and repaid the funds that were advanced to Bastian Court, LP.

Upside Enterprises, LLC owns properties adjacent to those owned by the City. The company recently relocated its marketing firm, Catalyst, to 1466 Van Ness Avenue and has purchased three contiguous parcels located on L Street, Van Ness and Stanislaus. The parcels are blighted and underutilized. The parcel addressed as 1527 L Street is the former site of the Nestel Home, a historic property that burned last year and which, due to fire damage, was delisted from the Local Register of Historic Resources on March 26, 2015 by action of the City Council. The parcels located at the northeast corner of Van Ness and Stanislaus currently has a vacant and dilapidated gas station. This building is consistently vandalized, is a shelter for transients and has numerous code violations. Plans are underway to raze the building, remove the underground tanks and clear the site.

Upside Enterprises, LLC has been in discussions with the City to redevelop the sites bounded by Van Ness and Stanislaus which includes the City owned parcels. The Agreement with Upside Enterprises, LLC is for the purpose of developing a mixed use housing and commercial project consisting of 60-70 residential units, and up to 20,000 SF of commercial space. The Agreement will define the scope of work of the project the terms of the note, and sale of the property.

The most intensive corridor of market-rate and mixed-income and residential development in Fresno is also in proximity to the project site, including the Brio, Fulton Village, Broadway Studios, Vagabond Lofts, H Street Lofts, Crichton Place, Iron Bird Lofts, the nearly completed LEDE, and Valley Public Television.

The project will remove blight, significantly enhance the area, and complement the City's revitalization efforts in the Cultural Art's District.

ENVIRONMENTAL FINDINGS

The Project has been environmentally assessed and has been determined to be eligible for a Categorical Exemption under Section 15332 Class 32 of the California Environmental Quality Act (CEQA). Under Section 15332/Class 32, an infill development project meeting the following conditions is exempt from CEQA: a) the project is consistent with the applicable general plan designation, general plan policies, zoning designation, and regulations; b) the proposed development occurs within city limits on a site of less than the five acre maximum, and is substantially surrounded by urban uses; c) the site has no value as habitat for endangered, rare or threatened species; d) approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality and e) the site can be adequately served by all required utilities and public services.

LOCAL PREFERENCE

N/A

FISCAL IMPACT

Upon payment, sale proceeds of \$147,000 will be deposited into the General Fund.

Attachments:

Environmental Assessment
Disposition and Development Agreement