



Legislation Details (With Text)

File #: ID 21-420 **Version:** 1 **Name:**
Type: Action Item **Status:** Agenda Ready
File created: 3/16/2021 **In control:** City Council
On agenda: 4/8/2021 **Final action:** 4/8/2021
Title: Actions pertaining to property located at 887 Fulton Street (APN 468-282-21T).

1. Adopt a finding of Categorical Exemption pursuant to Article 19, Section 15332 (Class 32-infill) of the California Environmental Quality Act (CEQA)
2. Approve a Purchase and Sale Agreement between the City in its capacity as Housing Successor and Noyan Frazier, L.P., for property located at 887 Fulton Street.

Sponsors: Fresno Revitalization Corporation

Sponsors:

Indexes:

Code sections:

Attachments: 1. Real Property Purchase Sale Agmt W-Noyan Frazier Capital Executed 3-31-21 ID 21-420.pdf, 2. Additional Information Real Property Purchase Sale Agmt W-Noyan Frazier Capital Executed with exhibit A 4-5-21 ID 21-420.pdf

Date	Ver.	Action By	Action	Result
4/8/2021	1	City Council	approved	Pass

REPORT TO THE CITY IN ITS CAPACITY AS HOUSING SUCCESSOR TO THE REDEVELOPMENT AGENCY OF THE CITY OF FRESNO AND FRESNO REVITALIZATION CORPORATION

DATE: April 8, 2021

FROM: MARLENE MURPHEY, Executive Director

SUBJECT

Actions pertaining to property located at 887 Fulton Street (APN 468-282-21T).

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RECOMMENDATION

It is recommended that the City of Fresno in its capacity as Housing Successor approve a purchase and sale agreement (PSA) with Noyan Frazier, L.P., for property located at 887 Fulton Street (Berkeley Building).

EXECUTIVE SUMMARY

The Buyer, Noyan Frazier, L.P., has analyzed the property for development purposes through an ENA that expires April 11 2021. The Buyer intends to privately develop market rate housing and has agreed on terms to purchase the property “as is” for \$800,000 (\$25,000 above its appraised value) with a \$25,000 nonrefundable deposit and six month escrow period.

BACKGROUND

The property, owned by the City Housing Successor is located at 887 Fulton Street and is comprised of an approximate 11,250 square foot (sf.) lot and a long vacant, commercial retail structure of about 33,750 sf. The property was very recently appraised at \$775,000.00. The Developer is considering approximately 48 market rate residential units in four stories over ground floor retail with a project cost estimate of \$13 million.

Terms of Agreement

The Buyer, Noyan Frazier agrees to purchase the property above its appraised value on terms generally described below:

Purchase Price: \$800,000 (Appraised Value of \$775,000).

Initial Deposit: Within 10 business days after the effective date Buyer shall deliver to escrow a nonrefundable deposit of \$25,000.

Conditions to Close: Buyer must have submitted a complete set of plans to the City for review; and, proof of available financing must have been submitted and approved by the Seller.

Closing: Escrow and the agreement terminate if closing does not occur by October 8, 2021.

Seller Buy-Back: If Buyer has not obtained a Certificate of Occupancy following 24 months of the issuance of building permits seller will have the right to Buy-Back the property from Buyer at the selling price or current market value whichever is less.

Since the property is subject to an ENA it is not subject to the newly adopted provisions of the Surplus Land Act provided disposition of the property is completed no later than Dec, 31, 2022.

ENVIRONMENTAL FINDINGS

Staff has performed a preliminary environmental assessment and determined that it falls within the Categorical Exemption set forth in CEQA Guidelines Section 15332 as Infill Development. The potential future development of residential units over ground floor retail is consistent with existing Downtown Core General Plan land use designation and zone district. The proposed project is on a .79 acre site downtown, and is therefore within City limits and on a site that is under five acres. The project site is not a habitat for any endangered, rare, or threatened species, and can be adequately served by all required utilities and public services. Finally, approval of this project will not result in any significant effects related to traffic, noise, air quality or water quality. Furthermore, staff has determined that none of the exceptions to Categorical Exemptions set forth in the CEQA Guidelines section 15300.2 apply to this project.

LOCAL PREFERENCE

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

FISCAL IMPACT

The sale proceeds will increase the Housing Successor's Low Moderate Housing Income Fund (LMIHF) and help to advance its purpose for the provision of affordable housing.

Attachments:

Purchase and Sale Agreement