



Legislation Details (With Text)

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Title: Approve a Second Reformation of Disposition and Development Agreement among the City of Fresno, in its capacity as Housing Successor Agency to the Redevelopment Agency of the City of Fresno, Edison Plaza Partners, L.P., Fresno Edison Apartments, L.P., and Fresno Edison Apartments, II, L.P. (Council action)

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Attachments: 1. ID 15-167_Edison Plaza Second Reformation of DDA.pdf, 2. ID 15-167_Edison reformation executed.pdf, 3. ID 15-167_Exhibit A-1 Edison Plaza Site Plan PHASE 2.pdf, 4. ID 15-167_Exhibit B-1 Financial Projections Phase I.pdf, 5. ID 15-167_Exhibit B-1 Financial Projections Phase II.pdf, 6. ID 15-167_Exhibit B-1 Reformed Scope of Development Edison Phase I.pdf, 7. ID 15-167_Exhibit B-1 Reformed Scope of Development Edison Phase II.pdf, 8. ID 15-167_Exhibit C-1 Preliminary Master Schedule (Phase 1).pdf, 9. ID 15-167_Exhibit C-1 Preliminary Master Schedule (Phase 2).pdf, 10. ID 15-167_Exhibit D-1- Grant Deed - Second Reformation of DDA (2).pdf, 11. ID 15-167_Exhibit D-2- Grant Deed - Second Reformation of DDA.pdf, 12. ID 15-167_Exhibit E-1 -Construction Covenant - Second Reformation of DDA.pdf, 13. ID 15-167_Exhibit E-2 -Construction Covenant -Second Reformation of DDA (2).pdf, 14. ID 15-167_Exhibit F-1 Edison Plaza Site Plan PHASE 1.pdf, 15. ID 15-167_Exhibit F-1 Edison Plaza Site Plan PHASE 2.pdf, 16. ID 15-167_Exhibit F-1 EXTERIOR ELEVATIONS.pdf, 17. ID 15-167_Exhibit F-1 FLOOR PLAN BLDG A & B.pdf, 18. ID 15-167_Exhibit F-1 FLOOR PLAN BLDG C & D.pdf, 19. ID 15-167_Exhibit F-1 FLOOR PLAN E.pdf, 20. ID 15-167_Exhibit H-1 -Guaranty -Second Reformation of DDA (2).pdf, 21. ID 15-167_Exhibit H-2 -Guaranty -Second Reformation of DDA (2).pdf, 22. Amended Edison Plaza DDA.pdf, 23. Amended Exhibit C1.pdf

Date	Ver.	Action By	Action	Result
2/26/2015	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL, THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF FRESNO, THE HOUSING SUCCESSOR, AND THE FRESNO REVITALIZATION CORPORATION

February 26, 2015

FROM: MARLENE MURPHEY, Executive Director

SUBJECT

Approve a Second Reformation of Disposition and Development Agreement among the City of Fresno, in its capacity as Housing Successor Agency to the Redevelopment Agency of the City of

Fresno, Edison Plaza Partners, L.P., Fresno Edison Apartments, L.P., and Fresno Edison Apartments, II, L.P. (Council action)

RECOMMENDATION

Approve Second Reformation of Disposition and Development Agreement between the City of Fresno as Housing Successor, Edison Plaza Partners L.P., Fresno Edison Apartments L.P., and Fresno Edison Apartments, II, L.P.

EXECUTIVE SUMMARY

The existing Disposition and Development agreement calls for a two phase residential development on approximately 6.9 acres located generally between Lorena, Florence, Walnut, and Plumas Avenues. The original Developer, Edison Plaza Partners LP has been working with the Housing Authority to pursue funding opportunities that include Low Income Housing Tax Credits (LIHTC). The Edison Plaza Partners LP seek a Second Reformation to the existing DDA to add the Housing Authority via Fresno Edison Apartments LP and Fresno Edison Apartments II LP as Developers for Phase 1 and Phase II respectively. The Second Reformed DDA would: include 128 units of which 116 are affordable; develop the units in two phases; and, convert the Agency assistance of \$5.655 million from a grant to a loan from which the sale of land for \$655,000 would be deducted. The Second Reformation of the Disposition and Development Agreement is contingent upon the Phase I Developer being awarded Low Income Housing Tax Credits for Phase I by December 1, 2015.

BACKGROUND

The former Redevelopment Agency worked to implement a Master Plan for the area in Southwest Fresno generally located between California, Church, Walnut and West Avenues. The plan included a mixed use component on approximately 20 acres assembled by the Agency. Pursuant to a Request for Proposals, Edison Plaza Partners was selected for the two phase development on the mixed use site located generally between California, Florence, Walnut and Plumas. Phase I was completed with construction of the West Fresno Regional Center. Phase II, the subject of this report, is the residential component occupying the balance of the site generally located between Lorena, Florence, Walnut and Plumas Avenues. On March 9, 2011 the Agency and Developer entered into a Disposition and Development Agreement (DDA) with Edison Plaza Partners LP for a two phase residential development. The DDA provided that: the twenty-nine parcel site would be purchased by the developer for \$655,000; the developer would construct the public off-site improvements along Lorena, Walnut, Plumas and Florence avenues; and that the developer would receive a grant of \$5.655 million for a 200 unit affordable and market rate housing development.

On January 24, 2012, the Agency Board approved a Reformation of the Disposition and Development Agreement that reduced the number of affordable housing units from 200 to 128 and restricted 88 to occupancy by low income households.

The Developer, Edison Plaza Partners has been working with the Housing Authority to pursue funding opportunities including tax credits and proposes a Second Reformation of the Disposition and Development Agreement that would include the Housing Authority and more specifically sets forth the following:

The development will consist of 128 affordable units of which 116 will be restricted to

occupancy by Low Income Households and the project will be developed in two phases;

The Edison Plaza Partners assigns and transfers to Fresno Edison Apartments LP (the Phase 1 Developer); and, to Fresno Edison Apartments (the Phase II Developer) all right, title, interest and obligations of and to the DDA.

The Agency assistance will be made a loan instead of a grant of \$5.655 million. The loan shall bear interest at 0% and have a term of 55 years. Prior to disbursing the Agency Assistance, the purchase price of \$655,000 for twenty-nine parcels of land shall be deducted.

The Reformation Agreement is contingent upon and is not effective until the Phase 1 developer is granted Low Income Housing Tax Credits for Phase I by December 1, 2015. If the Phase 1 Developer has not been awarded low income tax credits by December 1, 2015 the entire Reformation Agreement shall be void.

The Phase 1 Developer, Fresno Edison Apartments LP is comprised of Silvercrest as the Managing General Partner. Fresno Edison Apartments AGP LLC is its Administrative General Partner. The Housing Authority is the LLC's Managing Member and Edison Plaza Partners LP is a member. Similarly, the Phase II developer, Fresno Edison Apartments II LP is comprised of Silvercrest as the Managing General Partner. Fresno Edison Apartments AGP II LLC is its Administrative General Partner. The Housing Authority is the LLC's Managing Member and Edison Plaza Partners LP is a member.

The Developer plans to build 64 one, two, three and four bedroom units in Phase 1 of which 11 are at market rate, 10 are at 60% of median income and 43 are at 30-50% of median income. Phase 1 includes a community center, pool, tot lots and a community garden. The offsite improvements for the overall project will be completed in the first phase. The Phase II development will consist of 64 units comprised of 1 at market rate, 20 at 60% of median income and 43 at 30% of median income.

The Phase 1 development cost is projected at \$16, 612,626 with the sources of funds as follows: LIHTC at \$9,563,226; Housing Successor at \$5,393,000; Fresno Housing Authority at \$939,000 and Conventional Mortgage Loan at \$717,400.

ENVIRONMENTAL FINDINGS

N/A

LOCAL PREFERENCE

N/A

FISCAL IMPACT

N/A

Attachments: Edison Plaza Second Reformation of DDA
Edison Reformation Executed
Exhibit A-1 Edison Plaza Site Plan Phase II
Exhibit B-1 Financial Projections Phase I

Exhibit B-1 Financial Projections Phase II
Exhibit B-1 Reformed Scope of Development Edison Phase I
Exhibit B-1 Reformed Scope of Development Edison Phase II
Exhibit C-1 Preliminary Master Schedule (Phase 1)
Exhibit C-1 Preliminary Master Schedule (Phase 2)
Exhibit D-1 Grant Deed - Second Reformation of DDA
Exhibit D-2 Grant Deed - Second Reformation of DDA
Exhibit E-1 Construction Covenant - Second Reformation of DDA
Exhibit E-2 Construction Covenant - Second Reformation of DDA
Exhibit F-1 Edison Plaza Site Plan Phase I
Exhibit F-1 Edison Plaza Site Plan Phase II
Exhibit F-1 Exterior Elevations
Exhibit F-1 Floor Plan Building A & B
Exhibit F-1 Floor Plan Building C & D
Exhibit F-1 Floor Plan E
Exhibit H-1 Guaranty - Second Reformation of DDA
Exhibit H-2 Guaranty - Second Reformation of DDA