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Title: Approve the First Amendment to the Disposition and Development Agreement between the City of Fresno, the City in its capacity as the Housing Successor to the former RDA, and Noyan Frazier Capital, LLC.

Sponsors: Office of Mayor & City Manager

Indexes:

Code sections:

Attachments: 1. First Amendment to the Disposition and Development Agreement_Rev 61418.pdf

Date	Ver.	Action By	Action	Result
6/21/2018	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

June 21, 2018

FROM: WILMA QUAN-SCHECTER, City Manager
Office of the Mayor and City Manager

BY: LAURA GLORIA, Deputy City Manager
Office of the Mayor and City Manager

SUBJECT

Approve the First Amendment to the Disposition and Development Agreement between the City of Fresno, the City in its capacity as the Housing Successor to the former RDA, and Noyan Frazier Capital, LLC.

RECOMMENDATION

Staff recommends that the Council approve the First Amendment to the Disposition and Development and Agreement between the City and Noyan Frazier Capital, LLC.

EXECUTIVE SUMMARY

A Request for Proposals (RFP) was issued on April 3, 2014, for the South Stadium district in downtown Fresno for a mixed-use, multi-phase development that included several properties located

in the vicinity of Fulton and Inyo Streets. Subsequently, on February 25, 2016, the Council approved the Disposition and Development Agreement (DDA) for the Project, including Phase 1 which involves the construction of a four-story structure with approximately 54 units of housing over 10,000 square feet of retail and parking. Since then, the City and the Developer have been working cooperatively to achieve various funding goals in order to successfully move the project forward. The First Amendment documents steps taken to date to reach those goals as well as provides an extension of time that aligns with awarded funding.

BACKGROUND

The Fulton Corridor Specific Plan identifies the South Stadium district as bounded by SR 41 to the south, the Union Pacific railroad to the west, Inyo Street to the north, and the alley between Van Ness Avenue and L Street to the east. This area is envisioned to introduce a diversity of new uses, including housing, creative businesses, and specialty businesses that revitalize Fulton Street and capitalize on future investments like High Speed Rail.

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- Drafting application for Federal 4% low-income housing tax credits (LIHTC) for submittal no later than December 31, 2018;
- Awarded California Strategic Growth Council's (SGC) Affordable Housing and Sustainable Communities (AHSC) in the amount of a \$5,738,730, which includes funding for the Affordable Housing Development, Housing Related Infrastructure, Sustainable Transportation Infrastructure and Transportation Related Amenities;
- Awarded Measure C TOD funds in the amount of \$711,085, and Measure C Bikeways in the amount of \$25,000;
- Awarded \$1,889,511 under the San Joaquin Valley Air Pollution Control District Public Benefit Grants Program; and
- The project is environmentally cleared pursuant to EA No. C-15-035 filed September 18, 2015, and Conditional Use Permit No. C-15-035 was approved by the Development and Resource Management Director on October 28, 2015.

While there have been numerous accomplishments to date, the Project has also persevered through increasing costs and changes in tax credit valuations which have delayed the timeline. The First Amendment provides for an extension of time that aligns with an extension request to the SGC regarding the AHSC award in order to continue the extensive work that is needed to develop such a dynamic and multi-faceted project.

ENVIRONMENTAL FINDINGS

An initial study was prepared for the South Fulton Street Project, which resulted in the preparation of a Finding of Conformity pursuant to CEQA Guidelines §15177. The Finding of Conformity was adopted for C-15-035 which authorized the development of 4.52 acres of property located on both sides of Fulton Street between Kern and Inyo streets, a portion of a property located on the northwesterly corner of Inyo and Home Run Alley, and a portion of property located on the north side of Inyo between Federal Alley and Van Ness Avenues. The development consists of a five-phase mixed use project including multiple family residential units, ground-floor retail, demolition of some vacant buildings, adaptive reuse of an existing building, general retail and office use, as well as additional development activities such as a lot line adjustment or merger. This approval is to adopt a Disposition and Development Agreement for portions of that project.

An analysis has been performed pursuant CEQA Guidelines § 15162 to determine whether subsequent environmental review is required for the South Stadium DDA. Based upon this analysis the following findings are made to support the determination that no subsequent environmental review is required:

1. No substantial changes are proposed in the project which will require major revisions of the previous Finding of Conformity due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects. In this case, there are no changes to the project.
2. No substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous Finding of Conformity due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects. In this case, there are no changes to the project
3. There is no new information, which was not known and could not have been known at the time of the previous Finding of Conformity that the project will have significant effect not discussed in the Finding of Conformity.

Furthermore, it has been determined that none of the mitigation measures and alternatives previously determined to be infeasible are now feasible. In addition, no new mitigation measures or alternatives that would substantially reduce one or more significant effect on the environment have been identified.

Based upon these findings, it has been determined that no further environmental documentation is required for this project.

LOCAL PREFERENCE

N/A

FISCAL IMPACT

There is no impact to the General Fund. The City has committed leveraged funds in the amount of the City-owned parcels estimated at \$432,277.

Attachments:

First Amendment to the Disposition and Development Agreement

