



Legislation Details (With Text)

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Title: Consideration of the purchase of surplus property owned by Riverside County Transportation Commission (RCTC) located at the southeast corner of Buena Vista and Second Street (APN 118-302-014) and southwest corner of Buena Vista and Second Street (APN 118-270-002 and 118-270-003) (Applicant: City of Corona Housing Authority).

Sponsors:

Indexes:

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Attachments: 1. Staff Report, 2. Exhibit 1 - Location Map

Date	Ver.	Action By	Action	Result
3/11/2019	1	Planning and Housing Commission	approved	Pass

**PLANNING AND HOUSING COMMISSION
STAFF REPORT**

DATE: 3/11/2019

TO: Honorable Chair and Commissioners

FROM: Community Development Department

APPLICATION REQUEST:

Consideration of the purchase of surplus property owned by Riverside County Transportation Commission (RCTC) located at the southeast corner of Buena Vista and Second Street (APN 118-302-014) and southwest corner of Buena Vista and Second Street (APN 118-270-002 and 118-270-003) (Applicant: City of Corona Housing Authority).

PROPERTY LOCATION:

1. Southeast corner of Buena Vista and Second Street - APN 118-302-014.
2. Southwest corner of Buena Vista and Second Street - APN 118-270-002 and 118-270-003.

RECOMMENDED ACTION:

That the Planning and Housing Commission:

1. Recommend that the Corona Housing Authority purchase the surplus property for future

- affordable housing on APNs 118-270-002 and 118-270-003; and
2. Recommend that the Corona Housing Authority purchase and dispose of APN 118-302-014 in an effort to increase the land area of an affordable housing project (Citrus Circle Apartments) located at 211 N. Buena Vista Avenue.

PROJECT SITE SUMMARY

Project Site: Southwest corner of Buena Vista and Second Street - APNs 118-270-002 and 118-270-003.

Size: 4.82 acres.
General Plan: HDR (High Density Residential, 15-36 du/ac)
Zoning: MP (Mobile Home Park) Zone.
N: State Route 91 Overpass.
E: R-3 (Multiple Family Residential) Zone/Existing apartments.
S: School Zone/Existing High School.
W: C (General Commercial) Zone/Existing shopping center.

Project Site: Southeast corner of Buena Vista and Second Street - APN 118-302-014.

Size: 7,800 square feet.
General Plan: HDR (High Density Residential, 15-36 du/ac).
Zoning: R-3 (Multiple Family Residential) Zone.
N: State Route 91 Overpass.
E: R-3 Zone/Existing Apartments.
S: R-3 Zone/Existing Apartments.
W: MP Zone/undeveloped.

BACKGROUND

Prior to the construction of the State Route 91 Improvement Project, Riverside County Transportation Commission (RCTC) acquired certain properties along the freeway to accommodate the widening improvement. Now that the widening project is done, RCTC is selling surplus property along the freeway that is no longer needed. On April 27, 2018, RCTC distributed a Notice of Intent to Sell Real Property located at the southwest corner of Buena Vista Avenue and Second Street (APNs 118-270-002 and -003). On June 4, 2018, pursuant to Government Code Section 54222(f), the city submitted a written response to RCTC of its intent to purchase the surplus property through the City of Corona Housing Authority (Housing Authority). The surplus property is roughly 4.82 acres, and the Housing Authority intends to acquire the property and make the site available for affordable housing. The purchase of the property by a local agency for the intent of affordable housing is consistent with the intent of Government Code Section 54222 (f).

On July 17, 2018, RCTC distributed another Notice of Intent to Sell Real Property for property located at the southeast corner of Buena Vista Avenue and Second Street (APN 118-302-014). On August 16, 2018, the City submitted a written response to RCTC of its intent to purchase the surplus property through the Corona Housing Authority. The surplus property is 7,800 square feet and abuts the Citrus Circle Apartments, an affordable housing project consisting of 61 apartments. The Citrus Circle Apartments were developed by C & C Development, which has a partnership with the Corona Housing Authority. For this particular parcel, the Housing Authority plans on purchasing the property

and immediately sell it to C & C Development to incorporate into their existing housing complex. The property has the same zoning as the existing apartments and the inclusion of this parcel into the existing development would complete this corner of the site, which is currently vacant. The intent is to expand the outdoor recreation space and parking lot of the existing complex.

For informational purposes, in 2014 Assembly Bill 2135 amended the provision of the state surplus land statute in furtherance of affordable housing efforts. Government Code Section 54227 states priority use for surplus property is affordable housing; therefore, government agencies proposing affordable housing are given priority on the purchase of property.

On September 10, 2018, the Corona Housing Authority submitted a purchase request to RCTC for both sites. Staff also discussed the potential purchase of the surplus properties in Closed Session with the City Council/Corona Housing Authority Board in October 2018, and the Housing Authority was authorized to be the negotiating party on the purchase of the properties. The following information describes the terms negotiated for the properties.

SURPLUS PROPERTY

Site: APNs 118-270-002 & -003 (southwest corner of Buena Vista Avenue and Second Street).

Size: 4.82 acres (209,995 square feet)

Appraised Value: RCTC's valuation of the property was derived using sales comparison, which resulted in an assessed value of approximately \$17,000 per unit. Corona's permitted density allowed by General Plan for the HDR designation is 15 to 36 dwelling units per acre. At the highest density on the site, the assumed number of units is 151.

Negotiating Authority: Staff was given the authority to negotiate up to \$2.51 million.

Negotiating Justification: Factors affecting development and costs:

- The zoning of the property is Mobile Home Park, but the General Plan is HDR. A zone change would be required to develop the site with multi-family residential apartment buildings.
- Although up to 36 du/ac are allowed, initial site planning indicates the property would yield approximately 112 units within the building envelop of the site.
- Future public improvements are anticipated with the development of the site, such as a traffic signal at the intersection of Buena Vista and Second Street, which is estimated to be \$450,000, and storm drain upgrades estimated to be \$250,000.
- The value of the property is therefore estimated to be approximately \$1,904,000.

Site: APN 118-302-014 (southeast corner of Buena Vista Avenue and Second Street).

Size: 0.20 acres (7,800 square feet)

Appraised Value: RCTC's valuation of this property was derived using comparable sales. The values ranged from \$13.50 to \$15.30 per square foot.

Negotiating Authority: Up to \$106,000

Negotiating Justification: Factors affecting development and costs:

- The zoning of the property is R-3, but not large enough to support multiple family residential.
- The property is immediately surrounded by an apartment complex that is set aside for affordable housing and the SR-91 overpass.
- Staff's opinion is the highest and best use of the property is to incorporate it into the existing Citrus Circle Apartment complex to expand the outdoor recreation space and parking lot.

Housing Authority Offer Price: \$2,000,000 for both sites.

The Corona Housing Authority submitted an offer to RCTC to purchase both sites for \$2 million. The RCTC at its meeting in November 2018 accepted the Housing Authority's offer and provided an escrow closing date no later than June 30, 2019. Funds used to purchase the properties are from the Corona Housing Authority (Fund 291), which are non-General Fund monies to purchase sites for affordable housing.

Before a purchase agreement can be established between the Corona Housing Authority and RCTC, the Planning and Housing Commission must first act on the negotiated price reached with RCTC. After this procedural step, a future purchase and sale agreement will be presented to the City Council/Corona Housing Authority Board for execution.

GENERAL PLAN

The above request is consistent with the city's General Plan Housing Element (2013-2021). The purchase of the surplus property is consistent with the Housing Element policy to *provide sites for residential development so that scarcity of land does not unduly increase the cost or decrease the availability of housing for all segments of the community*. Additionally, the General Plan designation for both sites is High Density Residential making the sites already suitable for future affordable housing.

PREPARED BY: CYNTHIA LARA, ADMINISTRATIVE SERVICES MANAGER II

SUBMITTED BY: JOANNE COLETTA, COMMUNITY DEVELOPMENT DIRECTOR

EXHIBIT

1. Location Map