



Legislation Details (With Text)

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Title: Corona Housing Authority consideration of the purchase of surplus property owned by Riverside County Transportation Commission (RCTC) located at the southeast and southwest corners of Buena Vista Avenue and Second Street (APNs 118-302-014, 118-270-002 and 118-270-003).

Sponsors:

Indexes:

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Attachments: 1. Staff Report, 2. Staff Report with Attachments

Date	Ver.	Action By	Action	Result
4/17/2019	1	City Council	accepted	

AGENDA REPORT REQUEST FOR CORONA HOUSING AUTHORITY ACTION

DATE: 4/17/2019

TO: Honorable Corona Housing Authority Chairman and Board Members

FROM: Community Development Department

SUBJECT:

Corona Housing Authority consideration of the purchase of surplus property owned by Riverside County Transportation Commission (RCTC) located at the southeast and southwest corners of Buena Vista Avenue and Second Street (APNs 118-302-014, 118-270-002 and 118-270-003).

RECOMMENDED ACTION:

That the City of Corona Housing Authority:

1. Approve the Agreement for Purchase and Sale of Real Property and Escrow Instruction for Portions of APNs 118-270-002, 118-270-003 & 118-302-014, RCTC surplus property, for future affordable housing.
2. Authorize an appropriation of \$2,100,000 from Fund 291 (Corona Housing Authority) to pay RCTC the purchase price, escrow fees and conduct environmental analysis and any necessary due diligence activity in furtherance of this action.

ANALYSIS:

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 in accordance with California Government Code § 54222. For informational purposes, §54222 of the California Government Code states any local agency disposing of surplus land shall send prior to disposing of that property, a written offer to sell or lease the property for the purpose of: a) developing low and moderate income housing as defined in Section 50079 of the Health and Safety Code, within whose jurisdiction the surplus land is located, b) park and recreational purposes or open space, c) school facilities construction, d) enterprise zone purposes, and e) developing property located within an infill opportunity zone designated pursuant to Section 65088.4 or within an area covered by a transit village plan adopted pursuant to the Transit Village Development Planning Act of 1994.

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, 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 California Government Code § 54222(a).

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 and Orange Housing Development Corporation, which has a partnership with the Corona Housing Authority. For this parcel, the plan is to purchase 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, clean-up the corner and if possible, add parking.

It is also worth noting Assembly Bill 2135 in 2014 amended the provision of the state surplus land statute in furtherance of affordable housing efforts. Government Code § 54220 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. Housing Authority staff was authorized to negotiate 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 High Density Residential. 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 set aside in furtherance of affordable housing.

The Planning and Housing Commission at its meeting on March 11, 2019, recommended support of the CHA purchasing the RCTC surplus property.

COMMITTEE ACTION:

Not applicable.

STRATEGIC PLAN:

The proposed action is consistent with the City's Strategic Goal to *actively engage in public and private partnerships to provide services and amenities* because it will give the Corona Housing Authority the opportunity to partner with a developer of affordable housing in order to provide services to special needs groups within the city.

FISCAL IMPACT:

Approval of the recommended action will result in an appropriation of \$2,100,000 from the Corona Housing Authority Fund 291.

Fund	07/01/18 Fund Balance	Budgeted Revenues/ Sources	Budgeted Expenditures/ Uses	Fund Balance Impacts	06/30/19 Est. Fund Balance
Corona Housing Authority Fund 291	\$28,202,577	\$325,578	(\$155,203)	(\$2,100,000) Appropriation	\$26,272,952
Note: Estimated Fund Balance \$26,272,952, less loans receivable (\$21,244,035) = \$5,028,917 Available Fund Balance					

ENVIRONMENTAL ANALYSIS:

The sale of property is not considered a project under the California Environmental Quality Act (CEQA), therefore, no additional environmental analysis is required.

PREPARED BY: CYNTHIA LARA, ADMINISTRATIVE SERVICES MANAGER II

REVIEWED BY: JOANNE COLETTA, COMMUNITY DEVELOPMENT DIRECTOR

REVIEWED BY: KERRY D. EDEN, ASSISTANT CITY MANAGER/ADMINISTRATIVE SERVICES DIRECTOR

REVIEWED BY: MICHELE NISSEN, ASSISTANT CITY MANAGER

SUBMITTED BY: MITCHELL LANSDELL, ACTING EXECUTIVE DIRECTOR

Attachments:

1. Exhibit 1 - Locational Map

2. Exhibit 2 - Purchase and Sale Agreement