

Exclusive Negotiating Agreement with Cornerstone Properties

**to extend the negotiations for the potential
acquisition & development of 521 Fifth Street**
subject to a disposition and development agreement

City Council – October 30, 2018



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Planning & Economic Development Department

ENA: **Situation Overview**

HOUSING NEED:

Tubbs Fire housing loss – 3,061

- 2,722 Single Family Homes
- 149 Multi-Family Homes
- 190 Mobile Homes

Pre-fire unmet housing need (estimate)

- 1,700 units over 3 years



City Parcel Overview

521 Fifth Street



Cornerstone Properties Parcel Overview

427 Mendocino Avenue

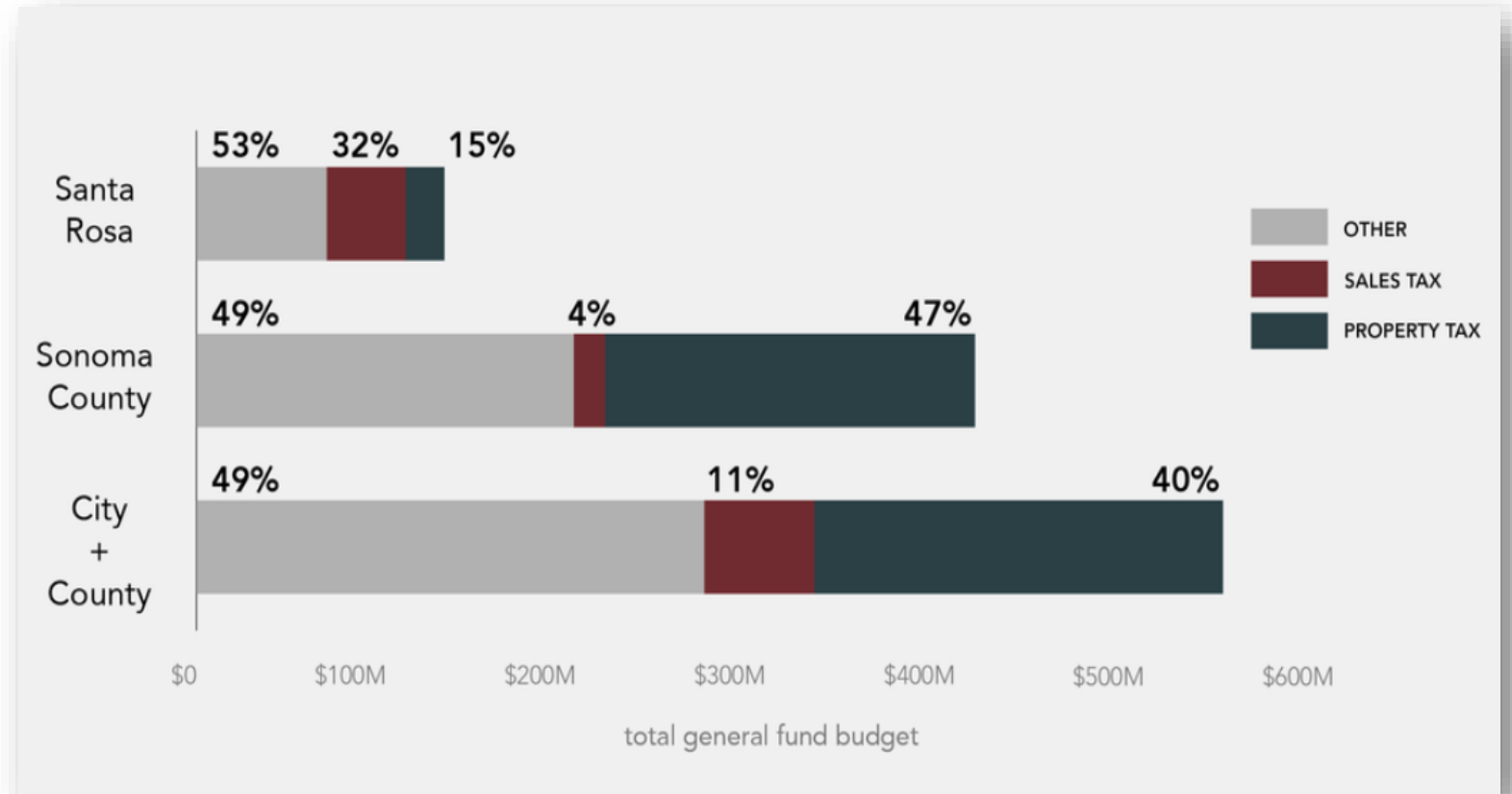
(pink arrow: neighboring parcel also owned by Cornerstone)

ENA: Situation Overview

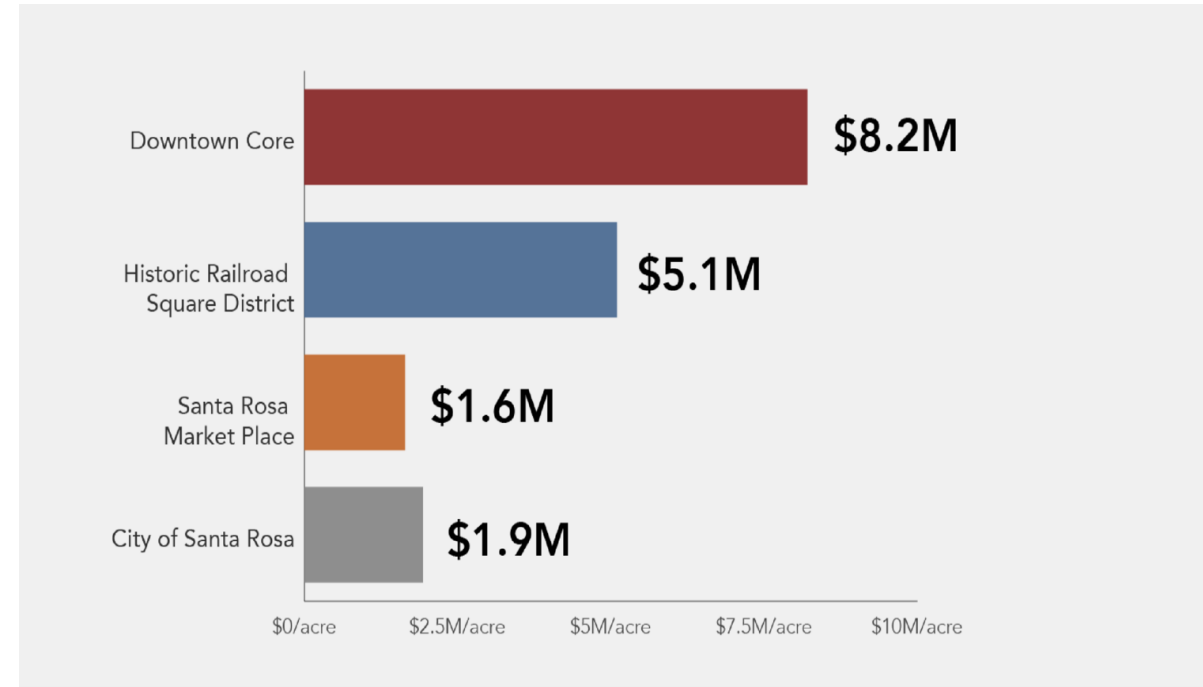
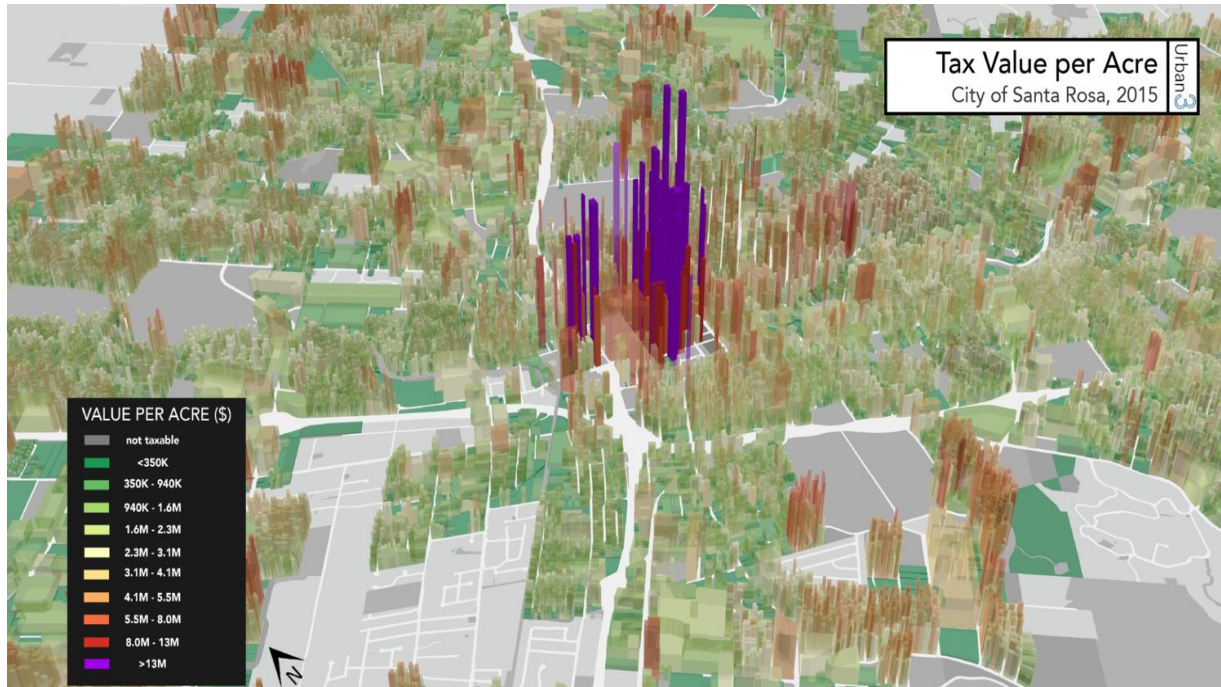
City and County Average General Fund Revenues:

- Property Tax
- Sales Tax

{intensification of land use in the downtown core has the potential to affect Santa Rosa's tax base}



Value of Downtown Development



ENA: Gov. Code Section 37364

SUMMARY:

- Recognizes that **real property of cities can be utilized**, in accordance with a city's best interests, **to provide affordable housing**.
- Exempts the City from compliance with any provision of a city's charter, or any other provision of law, whenever the legislative body of a city determines that any real property or interest therein owned by the city can be used to provide defined amounts of deed-restricted affordable housing.
 - **80%** of the area of disposed property shall be used for the development of housing.
 - **40%** of those housing units shall be deed restricted affordable housing.

ENA: **Specifics**

Term

- One year from signing of agreement

Negotiation Focus

- Description, uses, configuration, and design of a mutually acceptable master-planned project (*initial proforma, market study and initial findings have been completed*)
- Number of inclusionary affordable housing units, and manner by which those units will be restricted and managed
- Replacement of City-operated parking

Desired Outcome

- Preparation of a mutually acceptable Disposition & Development Agreement, and the identification of the City's discretionary actions and entitlement schedule
- Final approval of a negotiated DDA by City Council

ENA: Recommendation

It is recommended by the Planning and Economic Development Department that the Council, by resolution, approve an Exclusive Negotiation Agreement with Cornerstone Properties, a California limited liability company, to extend the negotiations for the potential acquisition and development of City of Santa Rosa Parking Lot 2 at 521 Fifth Street, subject to approval of a disposition and development agreement for a future project that is to include affordable housing.