

# **Exclusive Negotiating Agreement with Cornerstone Properties**

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

City Council – December 5, 2017

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Planning & Economic Development Department

# ENA: Situation Overview

## HOUSING NEED:

### **Tubbs Fire housing loss – 3,067**

- 2,668 Single Family Homes
- 209 Multi-Family Homes
- 190 Mobile Homes

### **Pre-fire unmet housing need (estimate)**

- 1,700 units over 3 years

### **Housing units completed / under construction / in building review (as of Q2-2017)**

- 401 units completed or in varying stages of construction
- 845 units in Building Plan Review



# City Parcel Overview

## **521 Fifth Street**



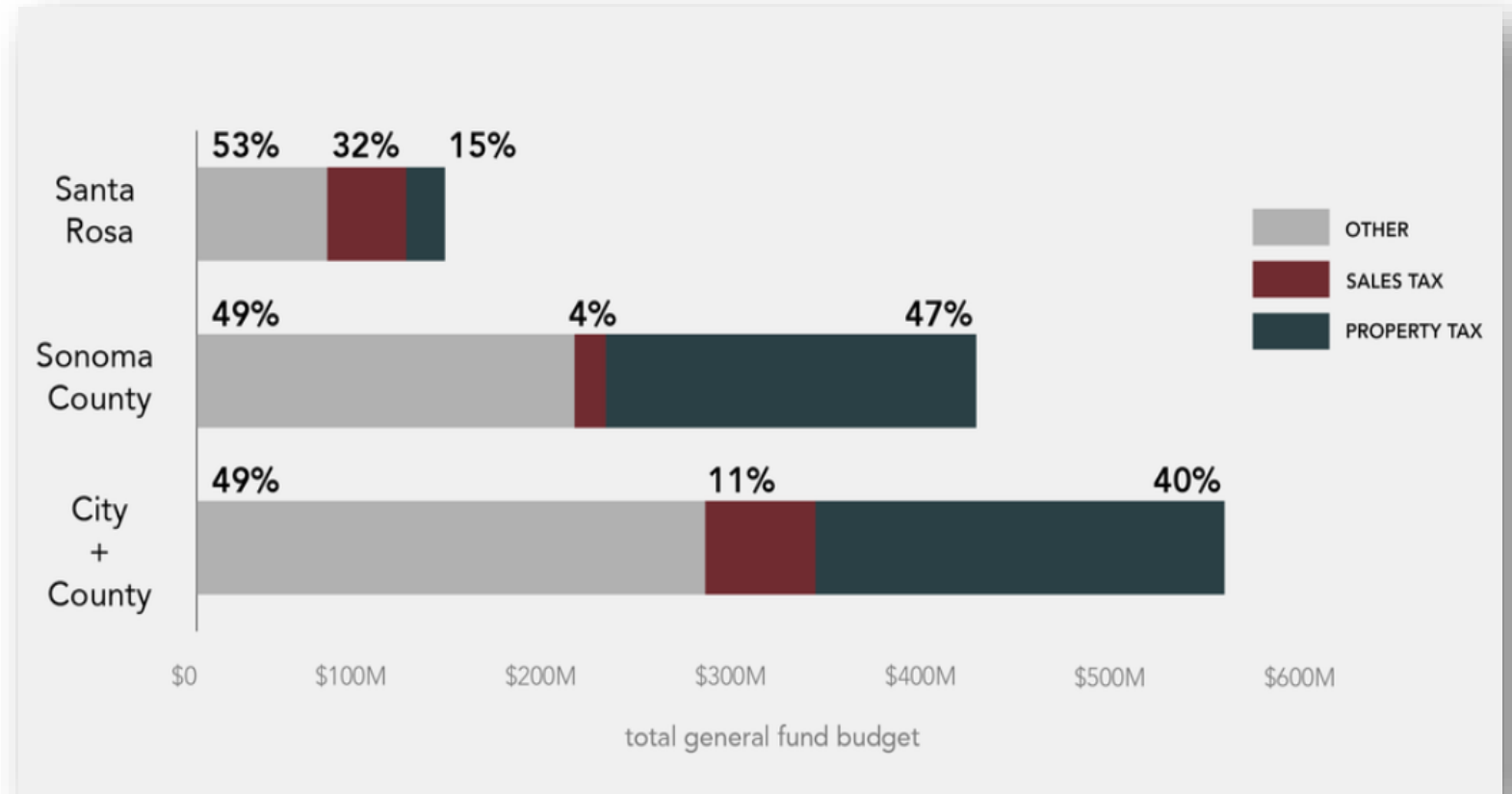
# Cornerstone Properties Parcel Overview

## **427 Mendocino Avenue**

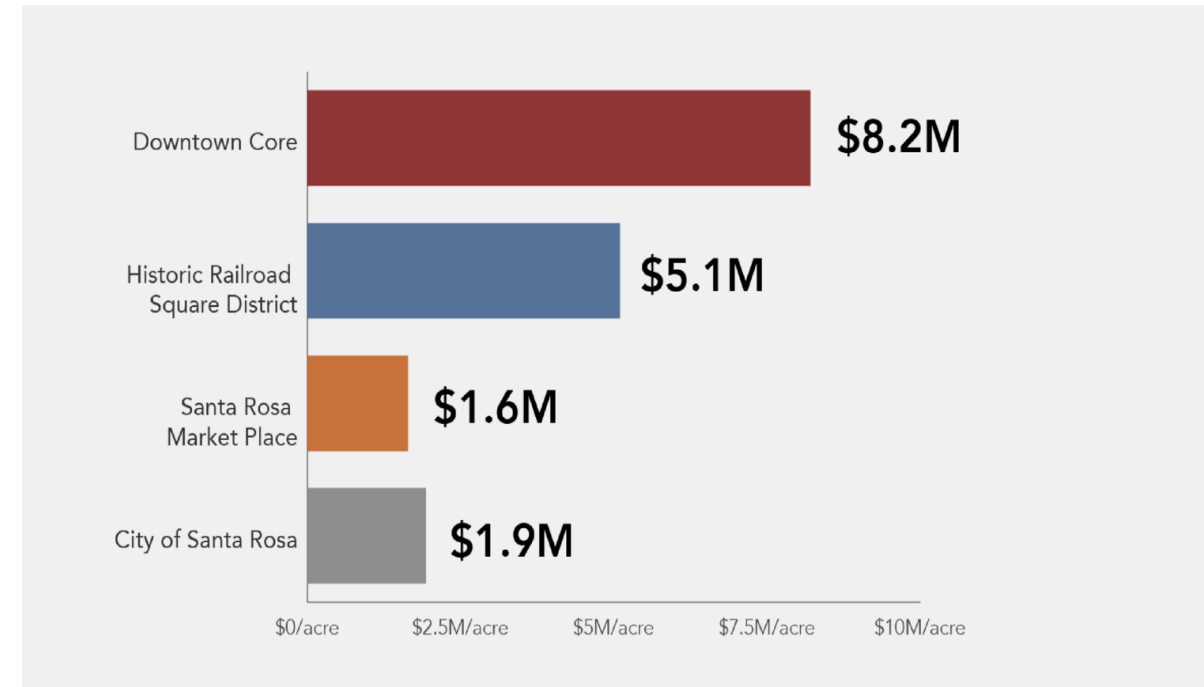
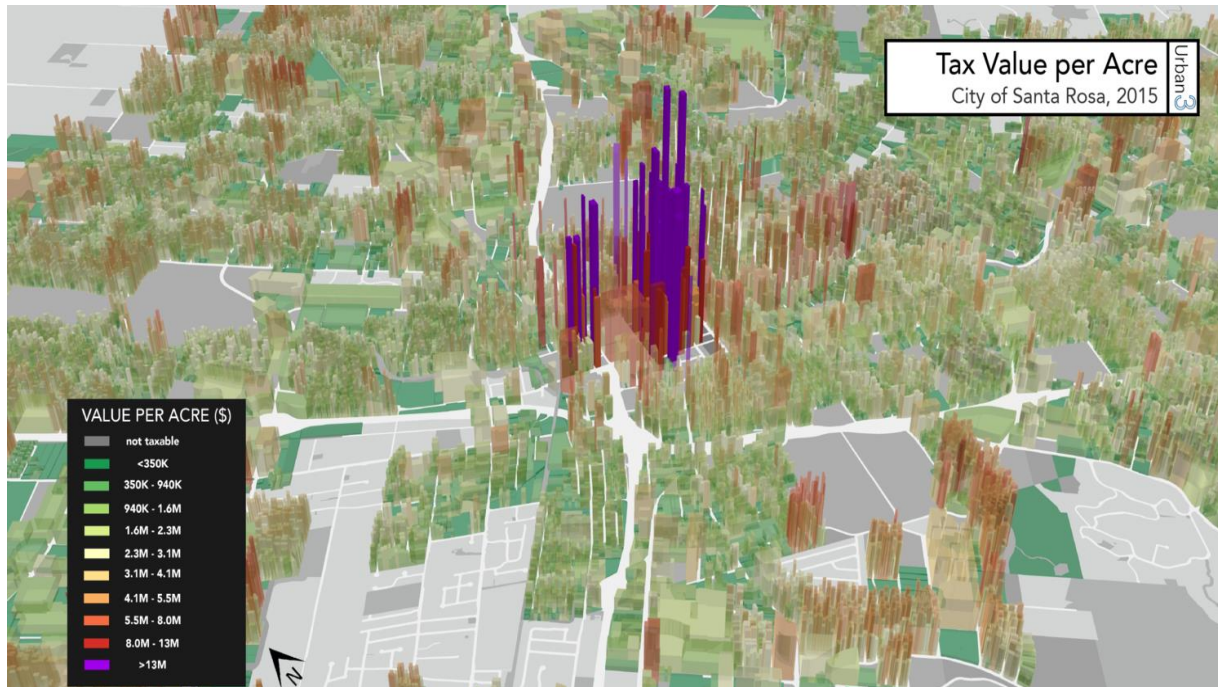
# ENA: Situation Overview

## City and County General Fund Revenues:

- Property Tax
- Sales Tax



# 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**

## **Period**

- 180 days + 180 day extension option

## **Negotiation Focus**

- Description, uses, configuration, and design of a mutually acceptable master-planned project
- 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 negotiating agreement with Cornerstone Properties, a California limited liability company, 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 the project that is to include affordable housing.