



REPORT TO THE CITY COUNCIL

AGENDA ITEM NO.:
COUNCIL MEETING: June 26, 2007
APPROVED BY
DEPARTMENT DIRECTOR 
CITY MANAGER

June 26, 2007

FROM: NICK P. YOVINO, Director
Planning and Development Department

BY: MICHAEL SIGALA, Manager 
Housing and Community Development Division

SUBJECT: RECOMMEND CITY COUNCIL ADOPT A CEQA MITIGATED NEGATIVE DECLARATION FOR THE PROJECT; AND APPROVE THE PURCHASE OF 2.85 ACRES LOCATED AT 717 S. SEVENTH STREET UTILIZING \$502,200 IN HOME PROGRAM FUNDS

KEY RESULT AREA

One Fresno

RECOMMENDATION

Staff recommends City Council:

- 1) Adopt the California Environmental Quality Act (CEQA) Mitigated Negative Declaration identified as EA H-2005-03 prepared for the Ventura and Seventh Project; and
- 2) Approve the purchase of a 2.85 acre parcel located at 717 S. Seventh Street (APN: 470-052-02T) utilizing \$502,200 in Home Investment Partnerships (HOME) Program funds; and
- 3) Authorize the Planning and Development Director to execute a City Attorney approved Purchase and Sale Agreement and all other necessary escrow documents related to the property purchase.

EXECUTIVE SUMMARY

The City's Housing and Community Development Division proposes to purchase a vacant parcel from the Fresno Unified School District (FUSD) totaling approximately 2.85 acres. The site is located at Ventura Avenue and Seventh Street in southeast Fresno (Exhibit A - Location Map). The purchase price for the property is \$502,200, the fair market appraised value less one half of the demolition cost associated with the existing on-site structures. The City is currently working with the Redevelopment Agency to acquire the commercial property adjacent to the site at the southeast corner of Seventh Street and Ventura Avenue to possibly be included as a larger project area. Staff will return to Council with a public-private development project at a later date. It is contemplated that the site will be utilized for a residential mixed-use development consisting of both market rate and affordable housing.

KEY OBJECTIVE BALANCE

Approval of the property acquisition presents an opportunity to make a positive impact to the Customer Satisfaction, Employees Satisfaction, and Financial Management Key Objectives. The approval impacts the Customer Service aspect by demonstrating the City's commitment to ensuring adequate and affordable housing for households at or below 80% of area median income. The approval also attributes to Employee Satisfaction by supporting efforts that help to achieve the Housing Element goals of producing affordable housing. In addition, it demonstrates Financial Management by encouraging the practice of leveraging public funds with private resources.

BACKGROUND

City staff has been in discussions with the Fresno Unified School District for the acquisition of the subject property for over two years. In November 2004, FUSD declared the property as surplus and the City made an offer to purchase the site. The purchase price is the fair market appraised value minus one half the estimated cost of demolishing existing structures, as negotiated with the District, for the final purchase price of \$502,200. The Fresno Unified School District Board approved the sale of the land to the City on March 14, 2007.

A Phase I, National Environmental Policy Act (NEPA), California Environmental Protection Act (CEQA) environmental assessment, and State Historic Preservation review were completed for the site. The NEPA assessment concluded that the activity had a Finding of No Significant Impact and the CEQA assessment concluded in a Mitigated Negative Declaration. The City conducted a Phase II environmental assessment consisting of soil gas samples, a magnetometer survey, and soil boring tests to determine the sites suitability for residential development. The results have shown that the site is suitable for development with minimal to no remediation required. One of the existing on-site buildings, a Works Progress Administration funded Warehouse and Maintenance Building designed by Ernest J. Kump Jr. in 1935, has been identified as a potential local historic resource. The Historic Preservation Commission received the report on this building on October 23, 2006 and recommended that the building be placed on the Local Register of Historic Resources. Staff will continue to consider the historical aspects of this building as a project moves forward.

The City has been working with the Redevelopment Agency to acquire the commercial property located adjacent to the site to possibly be included as a larger project area. Staff has also been in negotiations with the owners of two single family homes located to the south of the site for the possible acquisition and incorporation of these properties into the project area.

Staff will return to Council with a public-private partnership for the development of the site at a later date. A competitive Request for Proposals process is pending and is contingent upon Council approval of the purchase.

HOUSING AND COMMUNITY DEVELOPMENT COMMISSION

The Housing and Community Development Commission approved this item on April 11, 2007

FISCAL IMPACT

HOME funds for the proposed purchase are available in the Planning and Development Department's FY 2007-08 Budget

APPENDIX:

- Exhibit A - Property Map
- Exhibit B- Property Location Map
- Exhibit C- CEQA Determination Document

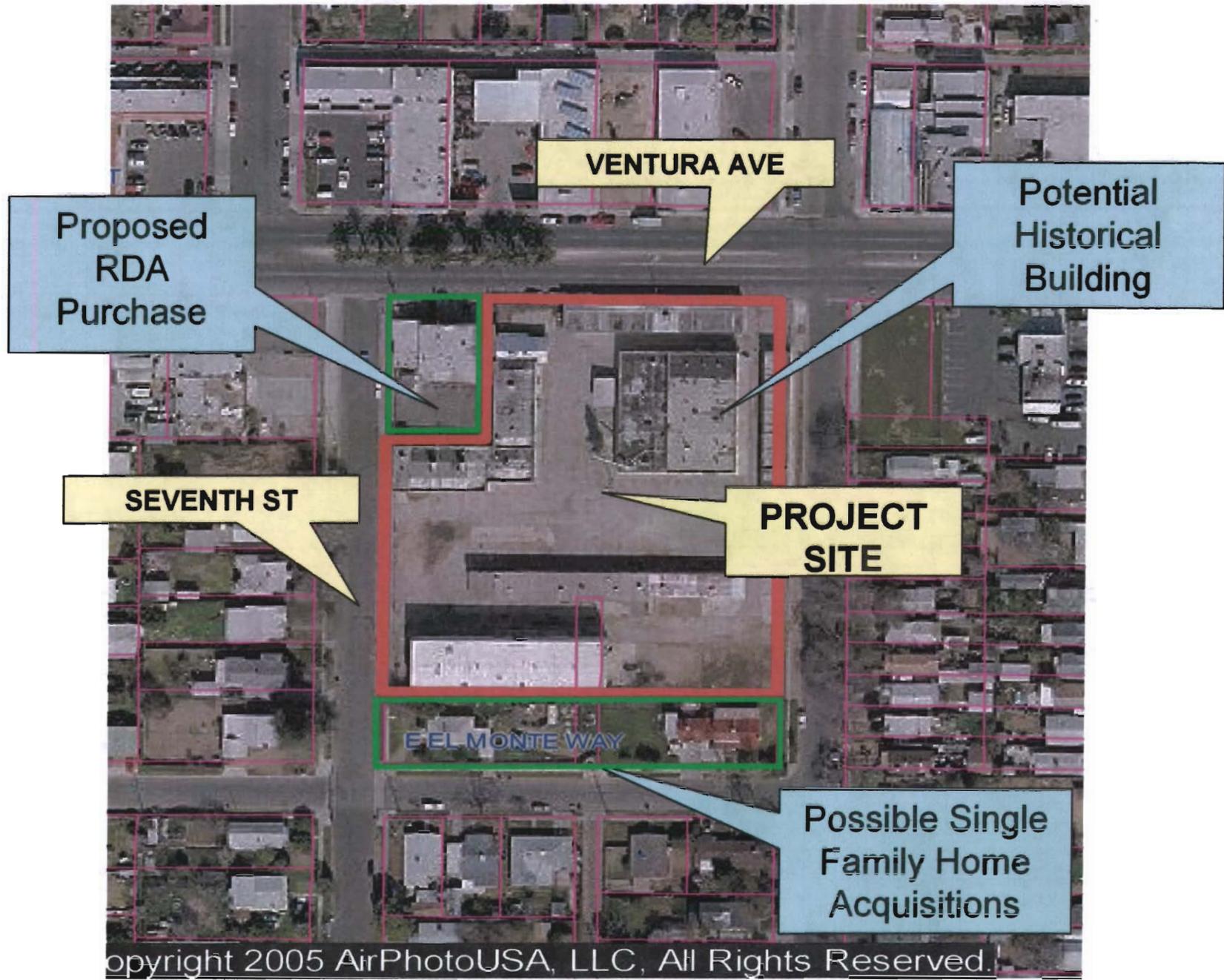


EXHIBIT A

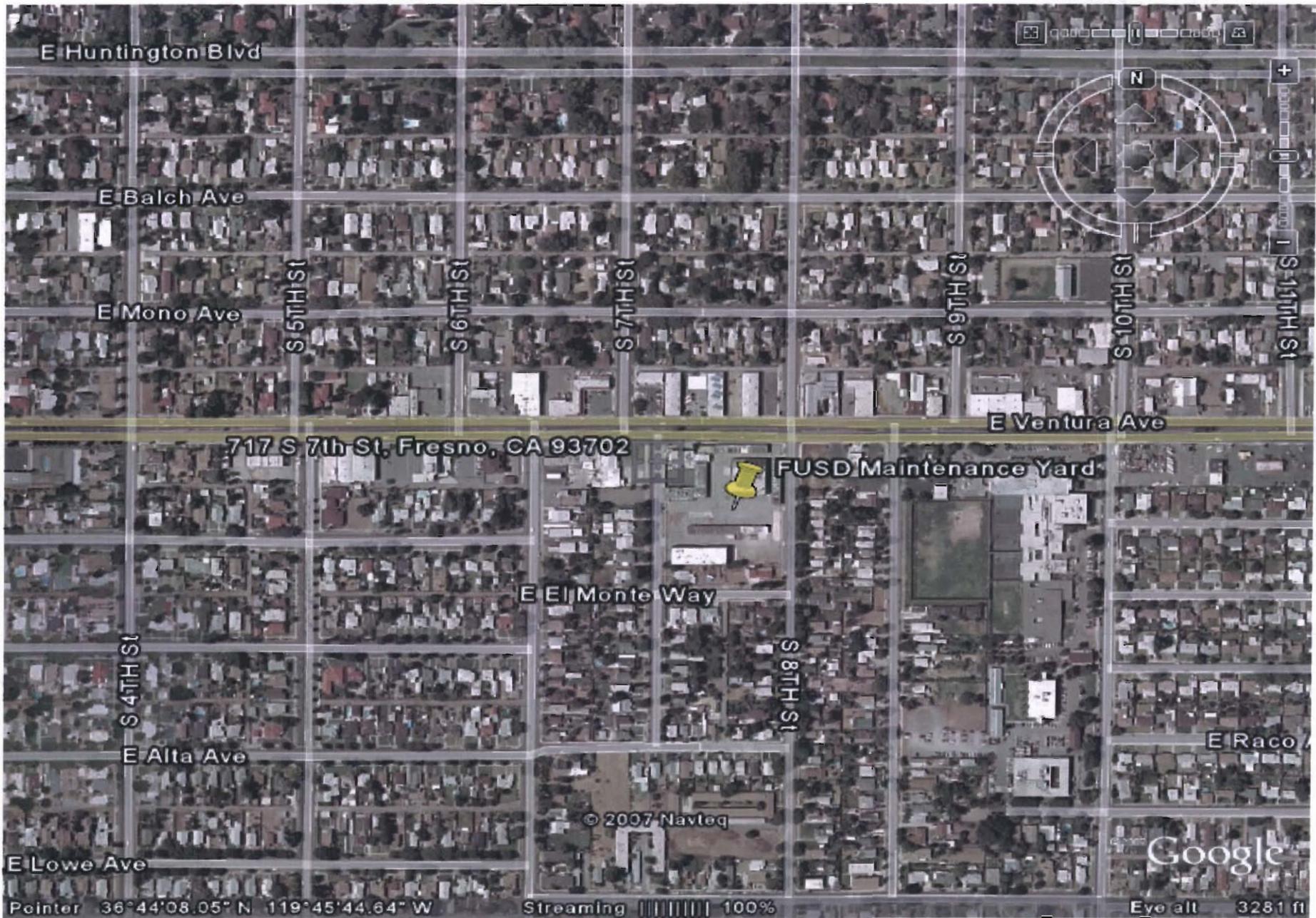


EXHIBIT B

CITY OF FRESNO MITIGATED NEGATIVE DECLARATION		RECEIVED 2007 APR 27 AM 11:37 CITY CLERK, FRESNO CA
Initial Study and full project description is on file in the City of Fresno City Clerk Office 2600 Fresno Street, 2 nd Floor Fresno, California 93721	Environmental Assessment Number: H-2005-03	
APPLICANT: Development Department of City of Fresno 2600 Fresno Street Fresno, CA 93721	Assessor's Parcel Number: (APN 470-052-02T)	
PROJECT DESCRIPTION AND LOCATION: The City of Fresno, Department of Housing and Community Development proposes to acquire a 2.85 acre parcel located at Seventh Street and Ventura Avenue (APN 470-052-02t) and two single-family houses adjacent to the site. Currently the parcel is owned by Fresno Unified School District. There are approximately seven structures. There are two offices/warehouses, one plumbing shop/work control office and welding shop, a vacant building that contained shops, storage shed, an auto shop and a vacant sprinkler shop / misc. shops. Two single-family houses will possibly be demolished on the southern portion of the site and the WPA building will possibly be restored and possibly be used as a community center. The remainder of the structures on the site will be demolished and approximately 90 single-family and multi-family units will be constructed. The City of Fresno will use Home Investment Partnership Funds (HOME) from the Department of Housing and Urban Development for the acquisition of land.		Filed with: REBECCA E. KLISCH City Clerk 2 nd Floor – City Hall 2600 Fresno Street Fresno, California 93721-3603
<p>The proposed project has been evaluated with respect to each item on the attached environmental checklist. This completed checklist reflects comments of any applicable responsible agencies and research and analysis conducted to examine the interrelationship between the proposed project and the physical environment. The information contained in the Environmental Assessment Application, the checklist, and any attachments to the checklist, combine to form a record indicating that an initial study has been completed in compliance with the State CEQA Guidelines and the California Environmental Quality Act.</p> <p>Any rating of "2" on the checklist indicates that a specific adverse environmental effect has been identified in a category which is of sufficient magnitude to be of concern. Such an effect may be inherent in the nature and magnitude of the project or may be related to the design and characteristics of the individual project. Effects rated in this manner are not sufficient in themselves to require the preparation of an Environmental Impact Report and /or have been mitigated to the extent feasible.</p> <p>All new development activity and many non-physical projects contribute directly or indirectly toward a cumulative impact on the physical environment.</p> <p>Because of revisions in the proposed project made to or agreed by the Developer, the proposed project is not expected to result in any significant adverse effects in terms of the factors considered on the environmental checklist, including any such factors for which minor effects have been identified. Cumulative effects of a significant nature are also not expected. The proposed project will not result in any adverse effects, which fall within the "Mandatory Findings of Significance" contained in Section 15065 of the State CEQA Guidelines. The finding is therefore made that, with such revisions, there is no substantial evidence in the record that the proposed project may have a significant adverse effect on the environment.</p> <p>This Mitigated Negative Declaration will be deemed final and effective if no appeal is filed in the manner specified by Section 12-505 of the Fresno Municipal Code.</p>		
INITIAL STUDY PREPARED BY: Becky Fraser Planner	SUBMITTED BY:  Keith Bergthold, Acting Director Planning and Development Department of the City of Fresno	
DATE: April 23, 2007		