



## **STAFF REPORT**

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### **PRESENTATION ON DEVELOPMENT PROPOSAL FOR OLD CITY HALL SITE – THE OLSON COMPANY**

Honorable Chair and Board Members:

#### **Summary**

As requested by the Board on November 23, 2004, staff has arranged for presentations by the two developers who responded to the RDA's 2003 Request for Proposals for development of the former City Hall at 1365 Fifth Avenue. Because the site was purchased entirely with RDA Housing Fund monies, the site must be developed with affordable housing. The presentation by Habitat for Humanity was held on January 11<sup>th</sup>, and a presentation by The Olson Company is scheduled for this special meeting of the RDA.

This memo provides background information on the project; materials from The Olson Company are also attached. No public hearing is required, however, the surrounding property owners were mailed an invitation to both scheduled presentations, and public testimony may be offered.

#### **Background**

In 1996 the entire block containing both the old City Hall and Fire Station was transferred from the City to the Agency in exchange for \$1,400,000 of Low and Moderate Income Funds. This places the property under a legal obligation to be developed for affordable housing within ten years (December 31, 2006). In 1999, the City Council re-zoned the southern two-thirds of the property from Commercial / Residential (C/R) to Residential – Low Density (RL). (The old fire station occupies about 60% of the portion that is designated C/R).

The C/R designation allows up to 30 multi-family units per acre, and the maximum density allowed under the RL designation is 8 single-family units / acre, 5,000 sq. ft. minimum lot size. As applied to the subject site (excluding the fire station), the two zone categories appear to yield a total of between seven and ten units. While the site is regularly shaped and fully served with curbs, gutters, sidewalks and alley access, other factors may affect the number of potential units, including existing trees and Belmont Creek, which passes under the site. Consequently, the site and zoning combine to direct development of the site to a limited number of detached, single family homes, affordable to low / moderate income households.

## **Discussion**

In 2003, The RDA circulated a Request for Proposal to over thirty prospective housing developers (most of which were located in the Bay Area). Only two developers responded – the Olson Company and Habitat for Humanity – and they have continued to express interest since their first response. On November 23, 2004, the City Council received a background report, summary pro forma and update on the project. It then directed staff to invite both developers to meet with the RDA Board to gain a better understanding of each developer and its approach to affordable housing at the site.

Tonight, The Olson Company will be present; the Board heard from Habitat for Humanity on January 11<sup>th</sup>. A packet of materials from The Olson Company's 2003 submittal is attached to this memo, and they will make a brief presentation at the meeting. The Board may also receive testimony from neighbors and ask their own questions of the developer. No decision is scheduled at this time (nor during the second presentation); however, staff recommends that following both presentations the Board discuss at its regular meeting of February 8, 2005 what direction it wishes to give regarding development of the site.

## **Fiscal Impact**

There is no fiscal impact associated with the presentation.

## **Public Contact**

Neighbors within 300 feet of the site, other property owners along Fifth Avenue south of the site and the Center for the Independence of the Disabled were mailed invitations to the presentation.

## **Recommendation**

No action is required. It is recommended that the Board receive the presentation and ask any questions that it may have.

## **Attachments**

A. Letter and other materials from The Olson Company

Respectfully submitted,

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Planning and Community Development Director

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Daniel Rich  
Executive Director