



POMONA HOUSING AUTHORITY REPORT

March 4, 2019

To: Honorable Mayor and Members of the City Council, sitting as the Pomona Housing Authority

From: Linda Lowry, City Manager

Submitted By: Kirk Pelser, Deputy City Manager
Benita DeFrank, Neighborhood Services Director

SUBJECT: APPROVAL OF AN EXCLUSIVE NEGOTIATION AGREEMENT WITH JHC-ACQUISITIONS LLC TO PURCHASE HOUSING AUTHORITY PROPERTIES GENERALLY LOCATED ON THE 500 BLOCK OF MISSION BLVD

RECOMMENDATION:

It is recommended that the City Council adopt the following resolution:

RESOLUTION NO. 2019-17 – A RESOLUTION OF THE POMONA HOUSING AUTHORITY OF THE CITY OF POMONA, CALIFORNIA, APPROVING AN EXCLUSIVE NEGOTIATION AGREEMENT WITH JHC-ACQUISITIONS LLC

It is further recommended that the City Council, acting in their capacity as the Housing Authority, authorize the City Manager to execute the Exclusive Negotiation Agreement, in substantially the form as attached and subject to approval as to form by the City Attorney.

EXECUTIVE SUMMARY: The City Council, acting in their capacity as the Housing Authority, will consider approval of an Exclusive Negotiation Agreement (ENA) with JHC-ACQUISITION LLC, hereinafter referenced as Jamboree Housing Corporation (Jamboree). The terms of the ENA include consideration of the sale of parcels owned by the Housing Authority to Jamboree. Jamboree proposes to then construct and operate a multifamily affordable housing project with approximately 50-60 residential units.

FISCAL IMPACT: If approved, the terms of the ENA require Jamboree to make a \$20,000 deposit to cover the Housing Authority's legal and consultant costs related to the negotiations that occur during the period of the ENA.

PUBLIC NOTICING REQUIREMENTS: Not applicable

PREVIOUS RELATED ACTION: At the January 7, 2019 Council Meeting, the Council, acting in their capacity as the Housing Authority, directed staff to bring back an ENA with Jamboree Housing Corporation for consideration by the Council/Housing Authority.

ENVIRONMENTAL REVIEW: Pursuant to section 15061(b)(3) of the CEQA Guidelines, it can be seen with certainty that there is no possibility that entering into an ENA regarding the subject Property will have a significant effect on the environment and, therefore, approval of the ENA is not subject to CEQA. The proposed ENA concerns merely the consideration of disposition of property, and any entitlements, change in use, or similar alternation to the Property will be subject to future discretionary action by the Pomona City Council and/or Planning Commission, as applicable.

DISCUSSION: The subject Property encompasses the entire block bounded by Mission Blvd., Park Ave., 6th St., and Parcels St and is comprised of the following Assessor Parcel Numbers:

- 8341-010-914
- 8341-010-915
- 8341-010-916
- 8341-010-917
- 8341-010-918
- 8341-010-919
- 8341-010-920
- 8341-010-921

The area's size is approximately 63,500 square feet, or 1.45 acres. The property was originally purchased and assembled over a period of time from the late 1990's into the early 2000's by the former Redevelopment Agency with the intent of attracting a mixed-use project. Later, the site was considered for the purpose of locating a new Police Station. That project never materialized, and the property was transferred to the Housing Authority Successor Agency as part of the redevelopment dissolution process in 2012. It is important to note that the site is owned by the Housing Authority Successor Agency, and consequently must be used for qualified affordable housing purposes. The only alternative is to sell the site on the open market for fair market value and deposit the sale proceeds into the Affordable Housing Fund, which then must be used for other qualified affordable housing purposes.

Staff has been approached by Jamboree Housing Corporation (Jamboree) with a request to enter into an ENA, which would allow Jamboree and the City time to determine the details of how an affordable housing project can be implemented on the subject property, including details about supportable land value in light of the level of affordability proposed. Granting an ENA period is an industry standard, and appropriate, because the process of putting together the financing of an affordable housing project is complicated and will require any developer to seek competitively

allocated affordable housing tax credits and other non-City funding sources. Jamboree is one of the foremost non-profit developers of affordable housing in California. They have developed more than 7,000 units of housing in 44+ cities, statewide. Staff has visited many of Jamboree's assets, including their nearby Claremont Courier Place Apartments. Jamboree has a well

deserved reputation in the industry for high quality construction and for ongoing operations and maintenance of their assets.

Jamboree has taken the initial step to have an architect look at the site on a preliminary basis, and with the City's Corridor Specific Plan in mind, to see how a project might lay out. Attachment No. 2 – Preliminary Conceptual Site Plan and its conceptual architectural styles should be considered very preliminary. However, this does represent a coherent vision of how a quality affordable housing project might be accomplished on the block.

If approved, the ENA will grant Jamboree an initial negotiation period of nine months with additional possible extensions of up to four months, at the City Manager's sole discretion. Upon execution of the ENA, Jamboree will make a \$20,000 deposit to the City to offset legal and other consulting costs incurred during the negotiation period. In conjunction with the City, Jamboree will also conduct a neighborhood meeting designed to familiarize the community with type of development envisioned for the site. This community meeting will likely take place approximately three months following execution of the ENA.

Staff is hopeful that by, or prior to, the end of the ENA period, we can bring forward an ultimate affordable housing agreement development agreement for approval by the Council/Housing Authority.

Prepared by:

Kirk Pelser
Deputy City Manager

ATTACHMENT(S):

Attachment No. 1 – Resolution No. 2019-17 with Exhibit A – Exclusive Negotiation Agreement

Attachment No. 2 – Preliminary Conceptual Site Plan