

Council Communication

Department: Community Development	Resolution No.: 21 -	City Council: 8-23-2021 Public Hearing: 9-13-2021
Subject/Title Resolution setting a public hearing for September 13, 2021 at 7:00 p.m. on the proposal to enter into a purchase, sale and development agreement with White Lotus Group		
Location The 2800 block between 1 st and 2 nd Avenues		
Background/ Discussion <u>Background</u> <p>Starting in 2012, the City began acquiring property in the west end, specifically between West Broadway and 2nd Avenue from 28th Street to 35th Street. Demolition of structures and site grading have occurred and developers have expressed interest in redeveloping some of the property. Because the property is located in the West Broadway Urban Renewal Area, the process for land disposition is dictated by urban renewal law. It is in the best interest of the City to request proposals for the redevelopment of the sites through a RFP process, beginning with the property located between 32nd and 34th Streets from West Broadway to 2nd Avenue.</p> <p>White Lotus Group (WLG) proposes an 80-unit multi-family rental housing project along 1st Avenue that will serve families at or below 60% of the area median income and an 8-unit townhome style development along 2nd Avenue that will be owner-occupied. The estimated project cost is \$13.3 million.</p> <u>Discussion</u> <p>Staff has worked with WLG to negotiate the terms of the development agreement. WLG requests 80% tax increment financing rebate (TIF) for 16 years (from 2027 to 2042) with a maximum rebate amount of \$2 million. An additional \$1 million is available if the developer completes at least 12 townhome units along 2nd Avenue. The maximum TIF amount is \$3 million. HOME Investment Partnership Program (HOME) funds have been granted to assist the affordable apartment units. Additionally, the cost of the land shall be forgiven upon completion as outlined in the agreement.</p>		
Recommendation Staff recommends City Council set a public hearing for September 13, 2021 at 7:00pm on the proposal to enter into a purchase, sale and development agreement with White Lotus Group.		
Attachments <ol style="list-style-type: none">1. Resolution2. Development Agreement3. Public hearing notice		