

Memorandum

To: Honorable Mayor and Yakima City Council

From: Joan Davenport, Community Development Director
Joseph Calhoun, Planning Manager
Colleda Monick, Community Development Specialist
Sara Watkins, City Attorney

Date: City Council meeting of June 1, 2021

Subject: Follow-up Report on City Owned Land for Housing purposes

At the March 9, 2021 Study Session related to city owned property, the City Council directed the sale of certain City owned properties, or transfer of title in certain examples, to promote housing development and create partnerships within the City. This report provides recommendations for a strategic approach, and anticipated next steps to achieve the Council's goal.

1. Staff recommends the sale of certain small individual infill lots in the normal course.

a. Parcels to be sold. There are 10 city-owned parcels that were identified in the original presentation as not necessary for city business, viable for housing development, and able to be sold. The Administration can issue an RFP for a residential broker for the purposes of marketing and selling these properties. The maps attached hereto highlights those parcels in **BLUE**. Properties for sale were primarily identified based on location, zoning, and adjacent land uses. These parcels are zoned appropriately for either residential or commercial use, and are generally adjacent to residential and commercial uses or vacant land.

b. Next steps.

1. Move to approve and adopt the recommendation that all 10 (or any portion thereof the Council deems appropriate) of these properties be sold. City staff would then start the process of SEPA review, where necessary, appraisal, and evaluation of the best way to sell the properties (e.g. auction or listing with a broker/agent).
2. City staff will then schedule the necessary surplus proceedings at a City Council meeting. These proceedings are necessary prior to the sale of the property.
3. The properties will then be sold via Purchase and Sale Agreement. Those agreements will come back to Council for approval.

Parcels Proposed for Sale Individually

#	Address	Assessed Value	Acreage	Zoning
A	408 Bravo Company Blvd	\$37,900	0.72	RD
B	Vic of S. Fair and E Chestnut	\$136,000	0.91	GC
C	Vic of S. 13 th St and E Chestnut	\$79,800	0.52	GC
D	501 S 12 th St	\$16,000	0.15	GC

E	115 N 8 th St	\$14,800	0.15	R-1
F	602/604 S Fair Ave	\$22,300	0.27	R-1
G	1304 E Race St	\$42,500	0.22	GC
H	Vic of S 24 th St and E Nob Hill	\$263,000	4.48	GC/SR
I	1310 Reservoir Road (portion)	Land and House +/- \$400,000?	+/- 1.2	R-1
J	Vicinity of Maple Ave (Terrace Heights)	\$60,200	5.7	County

2. Staff recommends soliciting housing and/or mixed use development proposals for larger City-owned properties in the downtown core.

a. RFP for the development of housing on three City-owned lots. There are currently several City owned sites within the downtown area that are amenable to redevelopment for mixed use including commercial first floor with residential above. Those sites are highlighted on the attached maps in **GREEN**.

1. The RFP will include three sites (see list below) for development. We are suggesting selecting a master developer that would develop all three sites that are available for either market rate or affordable housing, however, the City could also entertain offers to develop one or two of the sites rather than all three, as part of the RFP.
2. It is recommended that the City retain a real estate agent/broker to actively solicit development proposals from local, statewide, or national housing development organizations and agencies to obtain a variety of responsive options to the RFP. An RFP for a broker/agent with statewide experience in housing development is recommended to be issued to start the process.

b. Next Steps

1. City Council may authorize the RFP process for a broker/agent. Once a broker/agent is selected through the appropriate process, the City can then issue an RFP for development of the three parcels.
2. City staff will start the SEPA review process and organize appraisals of the properties. The necessary surplus proceedings will be scheduled for a City Council meeting.
3. Upon selection of the developer from the RFP responses, City staff will bring to the City Council the proposed purchase and sale agreement, and associated development agreements as appropriate, for the Council's review and decision.
4. Properties listed in the RFP were identified based on their location downtown and the City's desire to promote the additional housing in the Central Business District. The RFP process allows for the City to set parameters related to standards and proposed land uses. A development agreement will be entered into between the City and Developer to ensure continuity of land uses and development timelines.

#	Address	Assessed Value	Acreage	Zoning
A	201 E Spruce / 201 S 3 rd St	\$1,020,000	1.26	GC
B	8-18 N 1 st St	\$286,300	0.71	CBD
C	Vic N 1 st St and SSGT Pendleton Way (SE corner)	\$151,200	0.38	CBD

3. Yakima Housing Authority Letter of Intent

On May 18, 2021, the City entered into a letter of intent with the Yakima Housing Authority to develop affordable housing units and an early learning center in the downtown core. This project is currently proposed to be on a parcel of City-owned land not associated with any of the land outlined in subsection 2 or 3. The YHA has applied for a direct earmark for this proposal. This proposal is currently tied to whether the City and YHA can obtain financing for the project. There are no action steps for the City to take at this time.

Requested Council Action:

A motion to approve this June 1, 2021, report and adopt the recommendations herein, regarding City Owned Properties and to direct staff to take all action necessary to implement the action items listed herein.