



Legislation Text

File #: ID#24-0269, Version: 1

SUBJECT/RECOMMENDATION:

Approve the Community Redevelopment Agency (CRA) companion grant for the Gotham residential project on the Bluff and reallocate \$750,000 from the vacancy reduction grant program.

SUMMARY:

On February 1, 2024, the City Council approved a substantive amendment to the City's purchase and sale agreement for the old City Hall site. As it pertains to the CRA, the amendment approved on February 1st creates a new condition precedent to closing for the Buyers which entitles the Buyers to a CRA grant in the amount of \$2,250,000 upon Substantial Completion of the project. Because these funds are being allocated from the CRA, only the CRA can give final approval to that portion of the agreement.

As provided in the amendment approved on February 1st, if the Buyers successfully close on the real estate by March 1, 2026, the CRA grant in the amount of \$2,250,000 will be disbursed upon commencement of construction, instead of being deferred until Substantial Completion. In addition, if the Buyers successfully close on the real estate by March 1, 2026, the CRA shall disburse an additional \$1,000,000 early closing incentive grant upon commencement of construction.

This item seeks approval to allocate and set aside \$3,250,000 in CRA funds for this grant, but no portion of these funds will be disbursed to the Buyers unless and until the conditions in this item and the Fourth Amendment to the Contract for Purchase of Real Property, approved the City Council on February 1, 2024, are met. To fund the \$3,250,000, the staff is requesting approval to transfer \$750,000 from the vacancy reduction grant program. To date, none of this allocation has been utilized; nor are there any current applications in progress. The remaining \$2,500,000 is being funded administratively through the use of City TIF funds already available in the Housing Project of the CRA Budget.

APPROPRIATION CODE AND AMOUNT:

A mid-year budget amendment will provide a transfer of \$2,500,000 from capital improvement project R2009-Housing -City, to capital improvement project R2003, Economic Development-City, to fund this commitment.

STRATEGIC PRIORITY:

