



CITY COUNCIL AGENDA REPORT



DEPARTMENT: City Manager's Office

MEETING DATE: April 15, 2025

STAFF REFERENCE: Dylan Feik, City Manager

AGENDA LOCATION: AR-2

GOVERNMENT CODE SECTION 84308 APPLIES: No

TITLE: Participation in the San Gabriel Valley Council of Governments ("SGVCOG") Affordable Housing Incubator Program to Evaluate Options Related to Real Property the City Owns at 222 East Cypress Avenue

OBJECTIVE: To approve the City's participation in the SGVCOG's Affordable Housing Incubator Program and approve a Scope of Work Related to Site Analysis for 222 East Cypress Avenue

BACKGROUND: In 2021, Assembly Bill (AB) 140 established the REAP 2.0 program, which allocated \$600 million in state funding to develop and administer a transformative planning and implementation program to accelerate infill housing, address fair housing, and reduce the number of miles vehicles travel. The State's metropolitan planning organizations (MPOs) were allocated approximately \$510 million and directed to work with their member jurisdictions to develop and submit applications with a suite of projects and programs that meet the REAP 2.0 objectives.

The SGVCOG received \$1,536,091 in REAP 2.0 funds to operate its Affordable Housing Incubator Program (Incubator Program). The Incubator Program provides technical consulting services to SGVCOG's member cities to support housing production. Consulting services can include financial analysis, development acquisition, environmental analysis, and architectural and design services.

The City has utilized the Incubator Program to perform financial analysis for two proposed housing developments: -- the Oak Park Apartments located at 125 West Olive Avenue/150 West Colorado Boulevard, and a residential project at 702 South Myrtle Avenue

ANALYSIS: Recently, staff met with the SGVCOG and discussed the City's recent acquisition of 222 East Cypress Avenue. The property includes a 2,736 square foot (SF) residential structure that is also a potential historic resource. The 1892 Victorian style home sits on a 32,514 SF lot. The City Council approved the Purchase and Sale Agreement on January 21, 2025. The City recently closed escrow and now owns the property.

More about 222 East Cypress Avenue

The City acquired the 32,500 SF lot primarily to preserve the original, 1892 structure, which is a potential historic landmark. This project with SGVCOG will include a site assessment that consists of a Historic Structures Report to guide the structure's restoration efforts. Additionally, the project will include an economic analysis to consider the feasibility of developing additional housing on the remainder of the site, including the potential number of units, proposed sources of funding, affordability, and requirements for certain funding sources. Staff will return to a future City Council meeting with public information from the project, including conceptual site plans, analyses, and additional information to help guide the City Council's eventual direction on a future project.

Following that meeting, and with further direction provided by the City Council, the project will continue with a preliminary analysis that would support the necessary approvals and documents to entitle a project.

SGVCOG will assist staff in preparing any General Plan Amendment and Zoning Code Amendment required to entitle a project, and any other documents necessary or recommended to support project completion. The project consultants will support the City in the consideration of necessary land use approvals, amendments or documents. Following all preliminary economic and land use analyses, the SGVCOG consultant will design site plans to optimize the use of the site for viable and community-sensitive affordable housing while still prioritizing preservation of the 1892 Victorian residence.. Any proposed project would include CEQA review pursuant to applicable law.

In accordance with the REAP 2.0 grant's guidelines, the property is located in an area that meets SCAG's definition of Infill, where housing development would reduce Vehicle Miles Traveled (VMT) and affirmatively further fair housing. REAP 2.0 also requires that projects have adoptable deliverables or include a commitment to advance the project in some way. For this project, any zoning amendments made to allow for the site development will need to be brought to the Planning Commission and City Council for consideration before May 30, 2026. It should be noted, the City is not obligated to "approve" a project, but rather to review and provide direction on the project. The goal, however, will be to increase affordable housing in Monrovia, if such development proves to be feasible on that site. Another actionable deliverable will include the development and release of a Request for Proposals (RFP) for a developer, therefore moving along the development process.

ENVIRONMENTAL IMPACT: There are no environmental impacts associated with this action. CEQA review will be one of the outcomes if any proposed project is submitted for the City's approval.

FISCAL IMPACT: There is no cost to the City for participating in the SGVCOG's Incubator Program, as the program is entirely grant funded. The role of staff will be to engage with the SGVCOG and the community throughout the duration of this project, participate in regular meetings, respond to requests for information, and the review of all documents. SGVCOG will be responsible for managing and paying the consultant.

OPTIONS: The following options are presented for consideration:

1. Acknowledge and accept the proposed "Scope of Work" (Attachment 2) with the San Gabriel Valley Council of Governments (SGVCOG), affirming the City's participation in the Affordable Housing Incubator Program under the Regional Early Action Planning (REAP) 2.0 grant, and authorize the City Manager to execute necessary agreement related to participation in the program on forms and agreements approved by the City Attorney
2. Provide further direction and feedback to staff.

RECOMMENDATION: Staff recommends Option 1.

COUNCIL ACTION REQUIRED: If the City Council concurs, the appropriate action would be a motion to accept the proposed "Scope of Work" with the San Gabriel Valley Council of Governments (SGVCOG), affirming the City's participation in the Affordable Housing Incubator Program under the Regional Early Action Planning (REAP) 2.0 grant, and authorize the City Manager to execute necessary agreement related to participation in the program on forms and agreements approved by the City Attorney

AFFORDABLE HOUSING INCUBATOR LETTER AGREEMENT

April 2, 2025

Dylan Feik, City Manager
City of Monrovia
415 S Ivy Ave, Monrovia, CA 91016

RE: AFFORDABLE HOUSING INCUBATOR — SITE DESIGN, ANALYSIS, AND ZONING UPDATE

Dear Mr. Feik,

This letter is in response to Monrovia's request for technical assistance to analyze a City owned site for use as affordable housing, design site plans optimizing the use of the site for this purpose, and make any necessary zoning code updates to allow for development on the site. The San Gabriel Valley Council of Governments (SGVCOG), with the assistance of a Consultant, will provide technical assistance to Monrovia through its Affordable Housing Incubator program under the Regional Early Action Planning (REAP 2.0) grant. Key details and responsibilities of each agency are outlined below.

- **Anticipated Start Date:** May 5th, 2025
- **Anticipated Completion Date:** May 15th, 2026
- **City Responsibilities:**
 - Provide a point of contact to serve as the City's Project Manager with name, title, and contact information.
 - Participate in scheduled conference calls and meetings from the anticipated start date to completion date.
 - Respond to SGVCOG or Consultant requests related to the City's project in a timely manner, such as providing feedback on draft documents, approaches, and designs.
 - Implement recommendations from the Consultant's findings, including supporting council adoption and taking action as needed to move the project forward. Such action could include but is not limited to release of a Request for Proposals to secure an affordable housing developer for the site. At a minimum, the City must agendize the proposed zoning updates to allow for affordable housing development at the site for consideration by City Council no later than **April 15th 2026**.
- **SGVCOG Responsibilities:**
 - Manage and pay for consultant services to execute the site analysis, plans, and zoning code update
 - Scope of services to be provided by the consultant are as follows:
 - Financial analysis of the site, proposed design of the site, and any necessary amendments to the zoning code to allow for site development

This letter agreement affirms Monrovia's participation in this Affordable Housing Incubator program and commitment to developing the above-listed deliverables for the City, with the goal of advancing housing development on this site. Should you have any questions regarding this program, please contact Rosalie Lansing at rlansing@sgvcog.org.

Sincerely,

Marisa Creter

Marisa Creter
Executive Director

ACKNOWLEDGED AND ACCEPTED:

Monrovia

Dylan Feik
City Manager

Date

Background and Project Description

Under its Affordable Housing Incubator, funded by Regional Early Action Planning (REAP 2.0), the San Gabriel Valley Council of Governments (SGVCOG) is seeking technical assistance to analyze a site for use as infill affordable housing on behalf of the City of Monrovia (City). The site is a large, 32,500 square foot, City-owned site at 222 E. Cypress Avenue with an 1892 Victorian structure on the property that the City wishes to preserve, as well as utilize the site for affordable housing. To achieve this, the City will need to amend their General Plan and Zoning Ordinance.

This project will include a site assessment that consists of a Historic Structures Report and an Economic Analysis considering the feasibility of the number of units, proposed sources of funding, and requirements for certain funding sources. Following this preliminary analysis, the Consultant will support a General Plan Amendment and Zoning Code Amendment, and any other amendments necessary or recommended to support project completion, including density updates. The Consultant will support the City in the adoption of these amendments. Following all preliminary economic and land use analyses, the Consultant will design site plans optimizing the use of the site for affordable housing.

In accordance with REAP 2.0 guidelines, the property is located in an area that meets SCAG's definition of Infill, therefore reducing Vehicle Miles Traveled (VMT) and affirmatively furthering fair housing. REAP 2.0 also requires that projects have adoptable deliverables or include a commitment to advance the project in some way. For this project, any zoning amendments made to allow for the site development will need to be brought to City Council for consideration before May 30, 2026. Another actionable deliverable will include the release of a Request for Proposals (RFP) for a developer, therefore moving along the development process.

Schedule of Work

SGVCOG is seeking a completed project by the REAP 2.0 expenditure deadline of May 30, 2026.

Scope of Work

Task 1 Project Management

Task 1.1 Kickoff Meeting

The Consultant will hold a kick-off meeting with SGVCOG staff and the City of Monrovia at Monrovia City Hall to review project objectives and schedule, confirm roles and responsibilities, and determine the communication protocols, meetings schedule, and invoicing. The Consultant and staff will then visit the site for additional context to support the analysis.

Deliverables:

- 1. Kick-off Meeting Agenda & Meeting Notes, Site tour***

Task 1.2 Monthly Meetings & Project Coordination

Consultant shall hold a 30-minute virtual meeting monthly with the City and other partners to discuss, coordinate, and oversee all stages of the project. The check-in

calls will provide an opportunity to discuss project milestones, timelines, and deliverables. The Consultant will also coordinate with the project team from the City and the SGVCOG as necessary to advance the project.

Deliverables:

- 1. Meeting Agendas & Meeting Notes for six (6) 30-minute meetings***

Task 2 Site Assessment

Task 2.1 Historic Structures Report

The Consultant will conduct a Historic Structures Report with the goals of assessing necessary changes to preserve and make the structure livable as affordable housing. The Consultant will utilize resources and information on the structure provided by the City, as well as gather new information on the status of the structure. A draft will be provided to the City and SGVCOG for review before it is finalized.

Deliverables:

- 1. Historic Structures Report and affordable housing renovation recommendations, draft and Final***

Task 2.2 Economic Analysis

The Consultant shall conduct a detailed analysis to determine the economics of developing additional affordable housing units on the site. The analysis should weigh different development options, including but not limited to the addition of affordable ADUs on the property, a “bungalow court” style development, or the addition of other multi-family housing on the property.

This includes evaluating what would be required to make the project financially feasible including, but not limited to, the following:

- number of units and size of units based on existing zoning and density bonuses,
- requirements of proposed sources of funding (e.g. number of units at or below 30% AMI; prevailing wage requirements, parking requirements, etc.), and
- eligibility for public and private funding

The Consultant shall share this analysis with the City and project partners and present the analysis at a meeting.

Deliverables:

- 1. Development Analysis***
- 2. Presentation of Development Analysis***

Task 3 Preliminary Site Design

Task 3.1 Site Design

Based on the most feasible type of development determined in Task 2.2, and

confirmed by City and SGVCOG staff, the Consultant will develop a high-level design concept for the site, showcasing the potential opportunity for the site. The City seeks to demonstrate the general site layout, evaluation, unit yield, design quality, and style desired for future developers. The Consultant should hold an initial meeting for the City to provide input on the conceptual design. The intent of the high-level design is to allow City staff to show decision-makers and other stakeholders concepts for the site.

Deliverables:

- 1. Agenda & Meeting Notes for Initial Meeting***
- 2. Proposed Conceptual Designs***

Task 3.2 Community Engagement and Input

In accordance with REAP 2.0 requirements on target equitable outreach, the Consultant should plan to support two community engagement workshops, one in person and one as an online webinar. The goal of these events will be to showcase the potential of the site using the preliminary site designs from Task 3.1, highlighting both the preservation of the historic structure and the creation of affordable housing in the community.

Deliverables:

- 1. Two Community Engagement Meetings, One in Person and One Webinar***
- 2. Outreach Materials for Workshops***

Task 4 **General Plan and Zoning Code Amendment**

Following preliminary assessments in Task 2, the Consultant will identify any necessary zoning amendments to allow for development of the desired number of units on the site. This could include amendments to the General Plan and Zoning Code.

The Consultant will collaborate with City staff to prepare necessary materials, including draft language and supporting documents to facilitate the adoption of any amendments. The Consultant will also provide technical assistance during the City Council adoption process as needed. Any proposed amendments and program recommendations must be presented to Council prior to May 2026.

Deliverables:

- 1. Recommended amendments to Zoning Code/General Plan***
- 2. Final presentation (PowerPoint) and supporting documents including ordinance language, resolutions, etc. for City Council adoption (if necessary)***

Phase 2 (optional)

Task 5 **Project Development**

Task 5.1 **RFP/RFQ**

Upon completion of Tasks 1-4 and necessary approvals from governing bodies, the Consultant shall assist the City and SGVCOG in developing a request for proposals or request for qualifications for the project site to identify a qualified development team to construct and deliver the project. This task further supports the implementation of affordable infill housing units in accordance with REAP 2.0 objectives.

Deliverables:

- 1. Draft and Final Solicitation Package***

Task 5.2 Economic Evaluation (of the proposal submittal)

Review the proposals and attachments including developer qualifications, pro-forma and other financial documents of the developer to ensure the financial viability of the proposed project, and proposed design to deliver a project that integrates the existing historic structure and additional affordable housing units.

Deliverables:

- 1. Analysis of Submitted Proposals (anticipated 4-6 proposals)***



CITY COUNCIL AGENDA REPORT



DEPARTMENT: City Manager's Office

MEETING DATE: January 21, 2025

STAFF REFERENCE: Dylan Feik, City Manager

AGENDA LOCATION: AR-1

GOVERNMENT CODE SECTION 84308 APPLIES: Yes

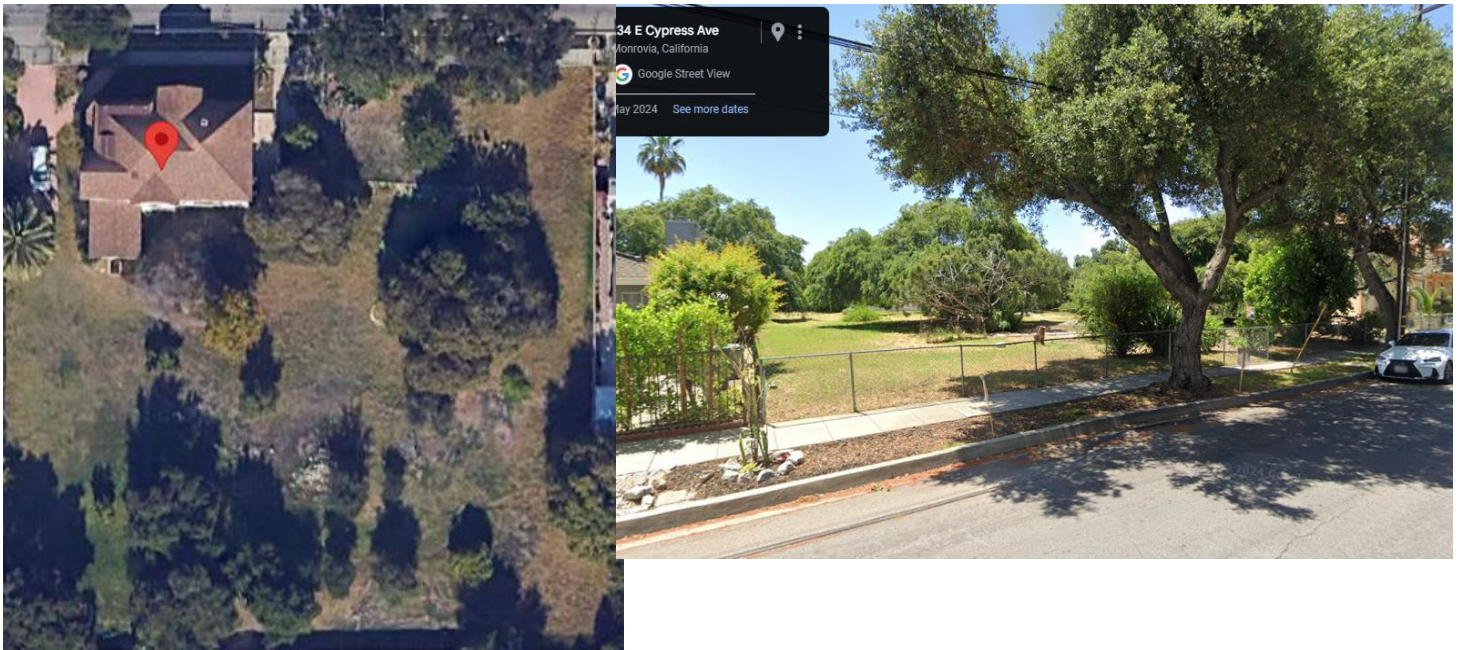
TITLE: Purchase and Sale Agreement with The Terry and Charee McAuliffe Living Trust for Real Property Located at 222 East Cypress Avenue in the Amount of \$1,530,000; Approve a Contingency Amount Not to Exceed \$153,000 for Additional Fees and Necessary Costs Associated with the Purchase

OBJECTIVE: To consider the City's purchase of residential property located at 222 East Cypress Avenue for \$1,530,000, from p the Terry and Charee McAuliffe Living Trust

BACKGROUND: In Fall 2024, staff became aware that the property located at 222 East Cypress Avenue, Monrovia, CA 91016 (APN: 8515-013-055) might be available for sale. The owners are The Terry and Charee McAuliffe Trust ("Seller"). The City was interested in the property for several reasons, including:

- The 32,514 square foot lot (approximately 180' x 180') is undeveloped. Should the property come for sale, a future owner could consider development opportunities inconsistent with goals established by the City.
- The single-family structure is a 2-story Victorian-style residence originally built in 1892. The 2,736 square foot home includes 8 bedrooms and 1 bathroom. This structure has important factors that could lead to consideration for potential Historic Landmark status.





ANALYSIS: Purchase of this property aligns with multiple goals of the City related to historic preservation. Staff is proposing to enter into a Purchase and Sale Agreement with the Seller to purchase the property, allowing the City to become owner of the property and work to preserve the historic structure. Future uses of the property have not been determined.

Staff has previously performed multiple site visits, obtained a preliminary title report and pre-purchase property inspection, and performed an appraisal. The property has not been formally listed for sale. The City staff and Seller have discussed terms of sale and acquisition and are presenting the proposed terms for City Council approval. Proposed terms of the acquisition include the following:

- Purchase Price: \$1,530,000 (consistent with appraised value)
- Deposit: Within two (2) business days of the execution of the Agreement, the City would deposit \$30,600 (2% of the purchase price) into an escrow account. Escrow will be held by Lotus Escrow.
- Brokerage and Realtor Fees: None.
- Due Diligence Period: City shall have 30 days to perform any due diligence necessary, including property inspection or planning and immediate cleanup/repairs prior to acquisition. This would also include necessary environmental reviews, soil reports, etc.
- The Buyer and Seller costs will be handled per usual residential property acquisition in California.
- As-Is Condition. The structure is in very poor condition and is discussed further below.
- Seller Occupied until 4/15/25. Following the sale of the property, Seller intends to relocate and live with family members in another community. The Seller has requested the City cover the costs associated with clearing contents of the home that she will not be taking with her. Additionally, the Seller will live on the property until April 15, 2025.

Property condition is of primary importance to the City. In the past, the property has been difficult for a single person to maintain in compliance with the municipal code. In its current state, the structure is in need of significant repairs to ensure long-term historic preservation of the building. Such repairs must be completed by those knowledge in historic preservation efforts of old homes. For example:

- The roof is in poor condition with water spots found throughout the attic space
- A beehive on the western side of the property must be removed
- Electrical, water, sewer, and gas services should all be upgraded to current standards
- The exterior paint is peeling and in need of a repaint
- Vegetation immediately surrounding the structure should be removed immediately

Prior to the close of escrow, the Planning Commission, in accordance with Government Code Section 65402, must make a determination whether the property acquisition is consistent with the City of Monrovia General Plan. The Planning Commission meeting to consider this determination was originally scheduled for Wednesday, January 15, 2025. However, the meeting was delayed due to the City's emergency response to the Eaton Fire and has been rescheduled to the Planning Commission's next meeting on February 12, 2025. Once the determination is made, assuming all other due diligence-related matters are completed, the City may close escrow and complete the property acquisition.

ENVIRONMENTAL IMPACT: There are no environmental impacts associated with purchasing the property at 222 East Cypress for preservation purposes. Staff consulted with three (3) different environmental consultants regarding the level of study necessary and, because the property remains largely undeveloped, with only an original single-family residence constructed in 1892, the environmental consultants did not recommend additional testing at this time. However, the City will review all Seller disclosures with the City Attorney's office to determine if additional testing is necessary prior to purchase.

Additionally, the City hired a property inspection company to perform a complete property inspection, including both roof and sewer inspections, which did not recommend additional environmental testing.

FISCAL IMPACT: The total cost to purchase the property is \$1,530,000, plus an additional 10% to address necessary costs and fees to close on the property. These include fees related to obtaining documents, such as appraisal, preliminary title report, and property inspection costs. The fees will also include costs to address immediate needs of the property, as recommended in the property inspection report. Additionally, staff will work to dispose of personal household items stored inside the home, which the Seller has decided to dispose of.

In December 2024, City Council approved a 2025 Measure K Spending Plan to include \$1,530,000 for purchase of property. Therefore, funding for the purchase is included in the Fiscal Year 2024-25 Measure K Budget. Funding for the 10% contingency, totaling \$153,000, will be appropriated in the Fiscal Year 2024-25 Capital Improvement Fund Budget.

OPTIONS: The following options are presented for consideration:

1. Approve the proposed Purchase and Sale Agreement with The Terry and Charee McAuliffe Trust for the property at 222 East Cypress Avenue in an amount not to exceed \$1,530,000, and approve a 10% contingency amount for staff to address necessary costs and fees associated therewith
2. Do not approve the Purchase and Sale Agreement
3. Provide any necessary direction or feedback to staff as deemed appropriate.

RECOMMENDATION: Staff recommends approving Option 1.

COUNCIL ACTION REQUIRED: If the City Council concurs, the appropriate action would be a motion to approve the proposed Purchase and Sale Agreement with The Terry and Charee McAuliffe Trust for the property at 222 East Cypress Avenue in an amount not to exceed \$1,530,000, approve a 10% contingency amount for staff to address necessary costs and fees associated therewith, and authorize the City Manager to execute the necessary documents in a form approved by the City Attorney.