

(R-96-315)

Corrected 11/24/95

286669

RESOLUTION NUMBER R-

NOV 28 1995

ADOPTED ON _____

A RESOLUTION AUTHORIZING THE SALE OF CITY-OWNED
PROPERTY AND REQUIRING THE RECORDING OF DEED
RESTRICTIONS FOR CONTINUED AFFORDABILITY

WHEREAS, on August 9, 1983 (R-259055) the City Council conveyed ownership of City sites 2A/3A, 600 and 639 to the Housing Authority to be utilized for the development and operation of affordable housing, authorized the expenditure of \$127,500 of Low Income Housing Capital Outlay Funds (#30249) to reimburse State Gas Tax Funds for the acquisition of sites 2A/3A and 600, and directed the Housing Commission to utilize \$127,500 from its 1983 or 1984 Community Development Block Grant allocation to reimburse the Low Income Housing Capital Outlay Fund #30249 for the acquisition, subject to a condition that the Housing Authority retain title to the property and develop the sites pursuant to the terms of lease agreements approved by the Housing Authority; and

WHEREAS, on March 27, 1984 (R-266367) the City Council designated City sites 15A, 344, 355, 374, 491, and 646/7 to be utilized for the development and operation of affordable housing, authorized \$75,000 from the Low Income Housing Capital Outlay Fund No. 30249 to reimburse State Gas Tax Funds for the acquisition of site 355 and directed the Housing Commission to

utilize \$75,000 for its 1983 or 1984 Community Development Block Grant allocation to reimburse the Low Income Housing Capital Outlay Fund No. 30249, and authorized the Housing Commission to perform ongoing monitoring and administrative functions; and further authorized the City Manager to execute lease agreements for the specific purpose of the development and operation of affordable rental housing units by the Baker/Walsh Partnership, with revenues derived by the Housing Commission through its administration of the leases to be referred to a joint City/Housing Commission Task Force to make a recommendation as to the use of such revenues to the City Council; and

WHEREAS, on March 27, 1984, the Housing Authority approved the form of ground lease for the development and operation of the various City sites; and

WHEREAS, on May 7, 1984, a separate but identical ground lease was executed for each site, with the Baker/Walsh Partnership as Tenant; and

WHEREAS, on November 20, 1984, the City Council resolved that revenues derived from the sites in Housing Authority ownership were to remain with the Housing Authority and revenues derived from the City-owned sites were to remain with the City, re-allocated from the Lease Revenue Fund No. 10540 to the General Fund 100 Revenue Account No. 75699; and

WHEREAS, subsequent to the execution of the ground leases, the Baker/Walsh Partnership was dissolved and ownership of the leased sites was divided between John B. Walsh and Charles L. Baker; and

WHEREAS, on April 18, 1986, an Amended and Restated Ground Lease containing the same terms as the original lease except for the name of the Lessee was executed for each site, with John B. Walsh as Tenant for sites 344, 355, and 374, and Charles L. Baker as Tenant for sites 2A/3A, 15A, 491, 600, 639, and 646/7; and

WHEREAS, under Section 16.01 of the ground lease, Tenant has the right to propose a purchase of the property under certain terms and conditions; and

WHEREAS, on August 7, 1995, Charles L. Baker and John B. Walsh proposed the purchase of City sites 15A, 344, 355, 374, 491, 646/7, and Housing Authority sites 2A/3A, 600 and 639, in accordance with the ground lease, at the appraised fair market value of the land as directed under the terms of the ground lease; and

WHEREAS, on September 18, 1995, the Housing Commission recommended the sale of the City and Housing Authority sites; and

WHEREAS, the City sites are proposed for purchase at the following amounts:

<u>No.</u>	<u>Tenant</u>	<u>Proposed Ownership</u>	<u>Address</u>	<u>Amount</u>
15A	Baker	Garden View Apts.No.1,Ltd	4115 C St.	\$ 16,000
344	Walsh	Garden View Apts.No.1,Ltd	3909 C St.	42,000
355	Walsh	Garden View Apts.No.1,Ltd	475-525 34th	45,500
374	Walsh	Garden View Apts.No.1,Ltd	3261 Martin	31,750
491	Baker	Garden View Apts.No.1,Ltd	3655 Boston	20,000
646/7	Baker	Garden View Apts.No.1,Ltd	404 So.Plantano	<u>20,000</u>
				\$175,250;

and

WHEREAS, Charles L. Baker no longer wishes to have an ownership interest in sites 15A or 491 and John B. Walsh has agreed to continue affordability restrictions on all the rental units for thirty years beyond the close of escrow; and

WHEREAS, the affordability levels for the thirty-year term shall be as follows: 20% of the units shall be affordable to households earning 50% of median income; 25% of the units shall be affordable to households earning 60% of median income; and the balance of the units shall be at market rents; and

WHEREAS, the accrued rent obligation as described under Section 10.05 of the ground lease shall continue for 30 years beyond close of escrow; and


WHEREAS, concurrent with the transfer of ownership, deed restrictions shall be recorded to enforce the thirty-year term and affordability levels; NOW, THEREFORE,

BE IT RESOLVED, that the Housing Commission and the City's Real Estate Assets Department are hereby authorized to sell City sites 15A, 344, 355 374, 491, and 646/7 to John B. Walsh, to be held in ownership by Garden View Apts. No. 1, Ltd., for the total sum of \$175,250.

BE IT FURTHER RESOLVED, that concurrent with the transfer of ownership, deed restrictions shall be recorded restricting rents on the sites for a term of thirty years following close of escrow as follows: 20% of the units shall be affordable to households earning 50% of median income; 25% of the units shall be affordable to households earning 60% of median income; and the balance of the units shall be at market rents.

BE IT FURTHER RESOLVED, that the City's Real Estate Assets Department Director is authorized to execute any and all documents necessary to carry out this purpose.

APPROVED: JOHN W. WITT, City Attorney

By 
Harold O. Valderhaug
Chief Deputy City Attorney

HOV:ps
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Or.Dept:Hsg.Comm.
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