

RESOLUTION NUMBER R- 311856

DATE OF FINAL PASSAGE JUL 20 2018

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING THE MAYOR OR HIS DESIGNEE TO SELL BY NEGOTIATION CERTAIN EXCESS CITY PROPERTY LOCATED AT EL CAJON BOULEVARD AND CENTRAL AVENUE IDENTIFIED AS ASSESSOR'S PARCEL NUMBER 454-732-34, UNIVERSITY AVENUE AND 40TH STREET IDENTIFIED AS ASSESSOR'S PARCEL NUMBER 447-491-31, AND UNIVERSITY AVENUE AND 41ST STREET IDENTIFIED AS ASSESSOR'S PARCEL NUMBER 454-762-13; AUTHORIZING THE MAYOR OR HIS DESIGNEE TO ENTER INTO AGREEMENTS TO CONSUMMATE THE SALE AND RESTRICT THE USE OF THE PROPERTY FOR AFFORDABLE HOUSING PURPOSES; AND AUTHORIZING THE CHIEF FINANCIAL OFFICER TO ACCEPT AND DEPOSIT THE INDEPENDENT CONSIDERATION AND THE PROCEEDS OF THE SALE.

WHEREAS, the City of San Diego (City) is the owner of three parcels of unimproved real property described as follows: (a) approximately .282 acres of real property located at El Cajon Boulevard and Central Avenue, identified as Assessor's Parcel Number (APN) 454-732-34 (Central Avenue Property); (b) approximately .274 acres of real property located at University Avenue and 40th Street, identified as APN 447-491-31 (40th Street Property); and (c) approximately .596 acres of real property located at University Avenue and 41st Street, identified as APN 454-762-13 (41st Street Property) (collectively referred to as Properties); and

WHEREAS, the City has no current or foreseeable use for the Properties, with the exception of a reservation of an easement for an existing sewer pipeline on the 41st Street Property, and the potential development of a future bike path on the Central Avenue Property which will be handled through an irrevocable offer of dedication for right-of-way purposes at the close of escrow. City staff has determined the Properties to be in excess of the City's needs; and

WHEREAS, the value of the Properties as disclosed by an appraisal made by a qualified real estate appraiser or a qualified employee of the City within the past six months is \$620,000 for the Central Avenue Property, \$540,000 for the 40th Street Property, and \$1,130,000 for the 41st Street Property; and

WHEREAS, the City has determined that the development of affordable housing provides a public benefit and serves a public purpose; and

WHEREAS, the Council desires that the use of the Properties be restricted to affordable housing purposes, with the exception of one manager's unit for each of the Properties, and offered only to an individual or household with a household income equal to or less than sixty percent (60%) of the then current Area Median Income (AMI) adjusted for family size as published from time to time by the United States Department of Housing and Urban Development or other federal, state or local assisted, low-income rental housing program approved by the City (Income-Qualified Individuals); and

WHEREAS, if the Council authorizes the Mayor or his designee to sell the Property, City Staff recommends setting the minimum acceptable sale price at the appraised value for each of the Properties set forth above for at least the first 12 months following the passage of this resolution. Thereafter, each of the Properties will be re-appraised at least once every twelve months until sold, and if the re-appraised value is greater than the minimum acceptable sale price set on the date of this resolution, the re-appraised value will become the minimum acceptable sale price; however, if after attempting to sell the Properties, the Mayor or his designee determines that the Properties, or one of them, cannot be sold at or above the minimum acceptable sale price, the Mayor or his designee will seek review and additional direction from the Council as to the disposition of any of the Properties; and

WHEREAS, if the Council authorizes the Mayor to sell the Property, the Mayor or his designee will be authorized to accept the offer, on terms and conditions that the Mayor or his designee determines to be reasonable and in the best interests of the City, provided that such offer restricts all of the units developed, with the exception of a manager's unit on each of the Properties, to be sold or rented to Income-Qualified Individuals for a period of 55 years; and to execute and deliver on behalf of the City, a purchase and sale agreement(s), deed(s), and all other agreements and documents necessary to complete the sale transaction, restrict the units to affordable housing uses with the exception of a manager's unit on each of the Properties, and transfer the Properties to the buyer(s); and

WHEREAS, the Purchase and Sale Agreement(s) may require the buyer(s) to pay City \$100.00 in consideration for City's execution and delivery of the Purchase and Sale Agreement(s) into escrow (Independent Consideration), which shall be immediately released by the Escrow Agent to City, and is non-refundable regardless of whether the sale is completed; and

WHEREAS, Resolution R-294888 adopted on May 22, 2001, requires that the proceeds from the Properties be deposited into Capital Improvement Program Fund 400633; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that the Mayor or his designee, is authorized to sell (a) approximately .282 acres of real property located at El Cajon Boulevard and Central Avenue, identified as Assessor's Parcel Number (APN) 454-732-34 (Central Avenue Property) at a minimum acceptable sale price of \$620,000; (b) approximately .274 acres of real property located at University Avenue and 40th Street, identified as APN 447-491-31 (40th Street Property) at a minimum acceptable sale price of \$540,000; and (c) approximately .596 acres of real property located at University Avenue and 41st Street,

identified as APN 454-762-13 (41st Street Property) at a minimum acceptable sale price of \$1,130,000 (collectively referred to as Properties), provided that any sale restricts the use of the Properties to development of residential units offered for sale or rent to Income-Qualified Individuals, with the exception of one manager's unit for each of the Properties, for a period of 55 years. The minimum acceptable sale price shall be established for at least the 12 month period following the passage of this resolution.

BE IT FURTHER RESOLVED, that the Mayor, or his designee, is authorized to do all of the following in connection with the sale of the Properties:

1. The Properties shall be re-appraised at least once every 12 months until sold, and the resulting appraised value of the Property shall become the minimum acceptable sale price, provided that it is greater than minimum acceptable sale prices established for the individual Properties by this resolution. If the re-appraised value is less than the minimum acceptable sale price set on the date of this resolution for one of the Properties, or the Mayor or his designee determines that the Properties, or one of them, cannot be sold at or above the minimum acceptable sale price set on the date of this resolution, the Mayor or his designee shall seek review and additional direction from the Council as to the disposition of the Properties.

2. To accept an offer to purchase the Properties based on the above criteria, on terms and conditions deemed by the Mayor or his designee to be reasonable and in the best interests of the City, and to execute and deliver, on behalf of the City, a purchase and sale agreement(s), deed(s), and all other agreements and documents, necessary to complete the sale, restrict the use of all units developed to affordable housing purposes for the period of 55 years with the exception of one manager's unit for each of the Properties, and transfer the Property to the buyer(s).

BE IT FURTHER RESOLVED, that the Chief Financial Officer is authorized and directed to accept the Independent Consideration, and deposit it into the General Fund 100000.

BE IT FURTHER RESOLVED, that the Chief Financial Officer is authorized and directed to accept the proceeds of the sale of the Property, net of the costs of selling the Property, and deposit them into the Capital Improvement Program Fund 499633 State Route 274 and Route 209.

APPROVED: MARA W. ELLIOTT, City Attorney

By Melissa D. Ables
Melissa D. Ables
Deputy City Attorney

MDA:nja
06/14/18
Or. Dept: READ
Doc. No.: 1775839

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of JUL 10 2018.

ELIZABETH S. MALAND
City Clerk

By [Signature]
Deputy City Clerk

Approved: 7/20/18
(date)

[Signature]
KEVIN L. FAULCONER, Mayor

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on JUL 10 2018, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Barbara Bry	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lorie Zapf	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Ward	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Myrtle Cole	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mark Kersey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Cate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scott Sherman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Alvarez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Georgette Gomez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage JUL 20 2018

(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

AUTHENTICATED BY:

(Seal)

KEVIN L. FAULCONER
Mayor of The City of San Diego, California.

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By , Deputy

Office of the City Clerk, San Diego, California

311856

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