

RESOLUTION NUMBER R- 311868DATE 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 10211 RANCHO CARMEL DRIVE, SAN DIEGO, CALIFORNIA IDENTIFIED AS ASSESSOR'S PARCEL NUMBER 313-680-18; AUTHORIZING THE MAYOR OR HIS DESIGNEE TO ENTER INTO AGREEMENTS TO CONSUMMATE THE SALE AND RESTRICT THE USE OF A PORTION OF THE PROPERTY FOR AFFORDABLE HOUSING PURPOSES; AUTHORIZING THE PAYMENT OF REAL ESTATE BROKERAGE COMMISSIONS RELATED TO THE SALE; 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 approximately .458 acres of real property, improved with a two-story parking structure, located at 10211 Rancho Carmel Drive, San Diego, California, identified as Assessor's Parcel Number 313-680-18 (Property); and

WHEREAS, the City has no current or foreseeable use for the Property, and has determined the Property to be in excess of the City's needs; and

WHEREAS, the value of the Property 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 \$300,000 to \$420,000; and

WHEREAS, the City has received offers to purchase the Property which include the development of both market-rate and affordable housing units, which vary in the number of restricted units being offered, the number of market rate units being provided, and purchase price; and

WHEREAS, the Council of the City of San Diego (Council) has determined that the development of affordable housing is a public benefit and serves a public purpose; and

WHEREAS, the Council desires to restrict a portion of the units developed on the Property for affordable housing purposes, to be offered only to individuals or households with a household income equal to or less than a specific percentage of the 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) as follows: (a) at least five of the units shall be restricted to Income-Qualified Individuals with an income equal to or less than 60% of the AMI; and (b) if a purchaser is able to rezone the Property to increase the number of units permitted to be developed, then an additional five units shall be restricted and offered only to Income-Qualified Individuals with an income equal to or less than 80% of the AMI and an additional five units shall be restricted and offered to Income-Qualified Individuals with an income equal to or less than 120% of the AMI; and

WHEREAS, if the Council authorizes the Mayor or his designee to sell the Property, Council must determine the minimum acceptable sale price for which the Property may be sold for at least the first 12 months following the passage of this resolution. Thereafter, the Property 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 Property, the Mayor or his designee determines that the Property 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 the Property; 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 determine to be reasonable and in the best interests of the City, provided that such offer restricts a portion of the Property for affordable housing purposes as required by this resolution; and to execute and deliver on behalf of the City, a purchase and sale agreement, deed, and all other agreements and documents necessary to complete the sale transaction, restrict at least fifteen units to affordable housing uses to be offered only Income-Qualified Individuals as set forth in this resolution for a period of 55 years, and transfer the Property to the buyer; and

WHEREAS, City staff has determined it is in the best interests of the City to retain the services of a real estate broker, currently Jones Lang LaSalle, to represent the City and facilitate the sale of the Property through negotiations on the open market in order to achieve the highest sale price for the City, and that the City should pay real estate broker's commission in the amount of six percent of the sales price, all in compliance with San Diego Municipal Code section 22.0905; and

WHEREAS, the Purchase and Sale Agreement may require the buyer to pay City \$100.00 in consideration for City's execution and delivery of the Purchase and Sale Agreement 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, San Diego Charter section 77 requires all proceeds from the sale of City real property be deposited into the City's Capital Outlay Fund; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that the Mayor or his designee, is authorized to sell approximately .458 acres of real property, improved with a two-story parking structure, owned by the City, located at 10211 Rancho Carmel Drive, San Diego,

California, identified as Assessor's Parcel Number 313-680-18 (Property), at a price equal to or greater than Six Hundred Thousand Dollars (\$600,000), which is the minimum acceptable sale price for at least the 12 month period following the passage of this resolution, provided that any sale restrict the use of a portion of the Property for 55 years as follows: (a) at least five of the units shall be restricted to Income-Qualified Individuals with an income equal to or less than 60% of the AMI; and (b) if a purchaser is able to rezone the Property to increase the number of units permitted to be developed, than an additional five units shall be restricted and offered only to Income-Qualified Individuals with an income equal to or less than 80% of the AMI and an additional five units shall be restricted and offered to Income-Qualified Individuals with an income equal to or less than 120% of the AMI; and

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 Property.

1. The Property 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 sales price, provided that it is greater than the minimum acceptable sale price established by this resolution. If the re-appraised value is less than the minimum acceptable sale price set on the date of this resolution, or the Mayor or his designee determines that the Property 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 Property.

2. To retain, on terms deemed by the Mayor or his designee to be reasonable and in the best interests of the City, the services of a real estate broker to represent the City and facilitate the sale of the Property, and to pay the real estate broker commission related to the sale

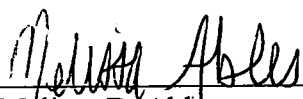
of the Property in an amount equal to six percent of the sale price, which shall be done in compliance with San Diego Municipal Code section 22.0905.

3. To accept an offer to purchase the Property 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, provided that the offer includes the restrictions of a portion of the Property for affordable housing purposes as required by this resolution for a period of 55 years, and to execute and deliver, on behalf of the City, a purchase and sale agreement, deed, and all other agreements and documents, necessary to complete the sale, restrict the use of a portion of the Property for affordable housing purposes that will only be offered to Income-Qualified Individuals for a period of 55 years as required by this resolution, and transfer the Property to the buyer.

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 brokerage commissions and other costs of selling the Property, and deposit them into the Capital Outlay Fund 400002.

APPROVED: MARA W. ELLIOTT, City Attorney

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

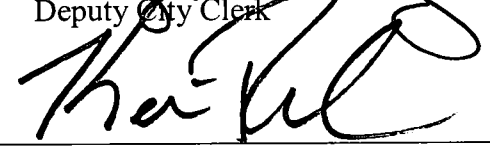
MDA:nja  
06/14/18  
Or. Dept: READ  
Doc. No.: 1779316

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   
Deputy City Clerk

Approved: 7/20/18  
(date)

  
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 *Stacy Meadows*, Deputy

Office of the City Clerk, San Diego, California

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