

RESOLUTION NUMBER R- 312729

DATE OF FINAL PASSAGE OCT 31 2019

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING THE MAYOR OR HIS DESIGNEE TO SELL CERTAIN EXCESS CITY PROPERTY LOCATED ON BONITA DRIVE SOUTH OF COBAN STREET, SAN DIEGO, CALIFORNIA, IDENTIFIED AS ASSESSOR'S PARCEL NUMBER 552-190-19 BY NEGOTIATION; AUTHORIZING THE MAYOR OR HIS DESIGNEE TO ENTER INTO AGREEMENTS TO CONSUMMATE THE SALE; 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 .27 acres of unimproved real property located on Bonita Drive south of Coban Street, San Diego, California, identified as Assessor's Parcel Number 552-190-19 (Property); and

WHEREAS, the City has no current or foreseeable use for the Property, except for storm drain purposes which will be met through the reservation of an easement at the time of sale, 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 \$170,000.00; and

WHEREAS, after marketing the Property on the open market, the City only received two offers to purchase the Property, both of which were below the appraised value and therefore, if the City sells the Property to one of the two buyers, it will be necessary to waive the requirement of Council Policy 700-10 that the Property be sold at or above the appraised value; and

WHEREAS, City staff recommends moving forward with the sale of the Property to one of the two potential buyers, either to Habitat for Humanity at a purchase price of \$500 with the future sale of the Property being restricted to a buyer at eighty percent (80%) area median income, or to CityMark Communities, LLC at a purchase price of \$60,000; and

WHEREAS, there is a severe shortage of affordable housing in the City, and providing City-owned property at less than market value to a buyer that will agree to construct affordable housing is a public benefit to the City and serves a public purpose; and

WHEREAS, if the Council authorizes the Mayor to sell the Property, and accept one of the offers received to purchase 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, and to execute and deliver on behalf of the City, a purchase and sale agreement, grant deed, and all other agreements and documents necessary to complete the sale transaction, reserve any needed easements, 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 Colliers International, 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 four and one-half percent (4.5%) of the sale 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 used exclusively for the acquisition and construction of permanent public improvements; 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 .27 acres of real property owned by the City, located on Bonita Drive south of Coban Street, San Diego, California, identified as Assessor's Parcel Number 552-190-19, and described as an unimproved lot, to Habitat for Humanity at a price equal to or greater than Five Hundred Dollars (\$500.00) provided that such sale requires that any development on the Property be used for affordable housing purposes and offered only to income-qualified individuals whose income is 80% or below the Area Median Income as established 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).

BE IT FURTHER RESOLVED, that ensuring the development of affordable housing furthers a public purpose and provides a public benefit.

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. 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 said real estate broker commission related to the

sale of the Property in an amount equal to four and one-half (4.5%) percent of the sale price, which shall be done in compliance with San Diego Municipal Code section 22.0905.

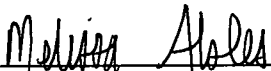
2. To accept an offer to purchase the Property based on the above criteria, on terms and conditions deemed by the Mayor or his designee to be reasonable and in the best interests of the City, and to execute and deliver, on behalf of the City, a purchase and sale agreement, grant deed, and all other agreements and documents necessary to complete the sale, reserve any easements needed by the City, ensure that the Property may only be offered to Income-Qualified Individuals, and transfer the Property to the buyer.

BE IT FURTHER RESOLVED, that compliance with the requirement in Council Policy 700-10 that the City sell the Property at or above the appraised value is hereby waived.

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 for use as required by San Diego Charter section 77.

APPROVED: MARA W. ELLIOTT, City Attorney

By  _____
Melissa D. Ables
Deputy City Attorney

MDA:nja
10/15/19
Or. Dept: READ
Doc. No.: 2201133

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of OCT 29 2019.

ELIZABETH S. MALAND
City Clerk

By Connie Patterson
Deputy City Clerk

Approved: 10/31/19
(date)

Kevin L. Faulconer
KEVIN L. FAULCONER, Mayor

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on OCT 29 2019, 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"/>
Jennifer Campbell	<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"/>
Monica Montgomery	<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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scott Sherman	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vivian Moreno	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Georgette Gómez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage OCT 31 2019

(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:

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

(Seal)

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

By Connie Patterson, Deputy

Office of the City Clerk, San Diego, California

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