



THE CITY OF SAN DIEGO
Redevelopment Agency's Report

DATE ISSUED: November 22, 2005

REPORT NO. RA-05-35

ATTENTION: Chair and Members of the Redevelopment Agency
Docket of November 29, 2005

SUBJECT: Agreements related to the purchase of property in the College Community
Redevelopment Project Area

SUMMARY

Issues – Should the Redevelopment Agency:

- 1) Authorize the Executive Director to enter into a Purchase Agreement with B & B Properties to purchase the property located at 5710 Hardy Avenue within the College Community Redevelopment Project Area?
- 2) Authorize the Executive Director to enter into a Purchase Agreement with Wesley House Student Residence Inc. to convey the property located at 5710 Hardy Avenue within the College Community Redevelopment Project Area?

Executive Director's Recommendation – That the Redevelopment Agency:

- 1) Authorize the Executive Director to enter into a Purchase Agreement with B & B Properties to purchase the property located at 5710 Hardy Avenue within the College Community Redevelopment Project Area.
- 2) Authorize the Executive Director to enter into a Purchase Agreement with Wesley House Student Residence Inc. to convey the property located at 5710 Hardy Avenue within the College Community Redevelopment Project Area.

Fiscal Impact – There is no fiscal impact to the Agency associated with this transaction. No Agency funds will be transferred. The Agency will accept and convey the property through escrow pursuant to the terms outlined in the attached agreements.

Housing Impact Statement – This action will assist Wesley House Student Residence Inc. to acquire the property needed for their proposed mixed-use religious center and affordable student housing project. The housing element of the proposed project consists of 60 units, all of which are proposed to be set-aside as affordable units.

BACKGROUND

On March 4, 2003 the Redevelopment Agency of the City of San Diego (Agency) voted unanimously to enter into an Exclusive Negotiating Agreement (ENA) (Report No. RA-04-27) for the proposed Religious Centers Project.

The Religious Centers Project consists of the relocation of all five of the religious centers within the Core Sub-Area of the College Community Redevelopment Project Area. The Wesley Foundation, associated with Wesley House Student Residence Inc., is one of these five religious centers. Wesley Foundation currently owns and operates their religious center at 5716 Hardy Avenue. Their operations have grown throughout the years and demand a much larger space to continue to operate. In addition, Wesley Foundation would like to provide affordable student housing on their site, a service not currently available.

Wesley Foundation has determined that the two parcels of land adjacent to their current property at 5716 Hardy Avenue would be sufficient for their current and future operating needs. Wesley House Student Residences Inc. has been meeting with the owners of 5712 and 5710 Hardy Avenue. Discussions with Sigma Epsilon fraternity, owners of 5712 Hardy Avenue are on going.

Wesley House Student Residences Inc. has negotiated the purchase of the property located at 5716 Hardy Avenue owned by B & B Properties and will provide all funds necessary for the transaction. The property is an 11-unit apartment building. One condition for the sale of the property is that the sale of the property be made to the Redevelopment Agency.

DISCUSSION

Pursuant to the Purchase Agreements, B & B Properties will sell the property located at 5710 Hardy Avenue to the Agency. Through escrow, the Agency will then convey the property to Wesley House Student Residences Inc. Upon close of escrow, Wesley House Student Residences Inc will own the property. Because the Agency intends to relocate a newly constructed building which the Agency owns adjacent to 5710 Hardy Avenue, the Agency has instructed the escrow agent to record an easement on the property before conveying it to Wesley House Student Residences Inc. This easement will allow Agency access to the property and will allow the Agency, or its development partner, to construct a shared parking garage and access to both the Religious Center Project as well as the newly relocated Agency owned building. Wesley House Student Residences Inc. has agreed to the granting of this easement.

SUMMARY

With approval of the Purchase Agreements, the Agency will accept, then convey the property located at 5710 Hardy Avenue at no cost to the Agency. This action is part of the land assemblage necessary for the proposed Wesley House Student Residence project.

ALTERNATIVE

That the Redevelopment Agency not approve the Purchase Agreements with B & B Properties and Wesley House Student Residences Inc. for the purchase and sale of the property located at 5710 Hardy Avenue.

Respectfully submitted,

Maureen Ostrye
Deputy Executive Director,
Redevelopment Agency

Approved: Debra Fischle-Faulk
Assistant Executive Director,
Redevelopment Agency

- Attachments: 1. Purchase Agreement between the Redevelopment Agency of the City of San Diego and B & B Properties; and
2. Purchase Agreement between the Redevelopment Agency of the City San Diego and Wesley House Student Residence Inc

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