



Legislation Text

File #: 17-017SA, **Version:** 1

Recommendation to declare the property located at 306 East Home Street, Assessor Parcel Number 7131-036-900 (Subject Property), as surplus;

Authorize City Manager, or designee, to execute any and all documents, including the Standard Offer, Agreement and Escrow Instructions, for Purchase of Real Estate with Santana Investors, LLC, and/or assignee(s) (Selected Buyer), for the sale of the Subject Property in the amount of \$200,000;

Authorize City Manager, or designee, to execute any and all documents, including the Standard Offer, Agreement and Escrow Instructions, for Purchase of Real Estate with Marina Homes Construction, Inc., for the sale of the Subject Property in the amount of \$198,000, and/or assignee(s) should the Selected Buyer not be able to close escrow; and

Accept Categorical Exemption CE 17-248. (District 8)

The City of Long Beach, as Successor Agency to the Redevelopment Agency of the City of Long Beach (Successor Agency), currently owns the property located at 306 East Home Street (Subject Property) (Exhibit A). The Subject Property is approximately 6,750 square feet and is currently unimproved. The Subject Property is included in the Successor Agency's Long Range Property Management Plan, which was approved by the State of California Department of Finance on March 10, 2015, and amended on June 24, 2015 (Revised Plan). The Subject Property has been categorized with a permissible use of "Sale of Property," allowing for the Subject Property to be sold and proceeds distributed as property tax to the local taxing agencies.

Upon approval of the Revised Plan, the Subject Property was marketed by Lee & Associates, who worked with the Selected Buyer and the Reserve Buyer to present the Successor Agency with offers to purchase the property for \$200,000, or \$198,000, respectively. Due to timing challenges with completing the sale of the Subject Property, staff is requesting authority to enter into an Agreement with the Selected Buyer; and, in the event that the sale cannot be completed with the Selected Buyer, proceed to an Agreement with the Reserve Buyer. Both offers are within the range of market value as determined by a broker opinion of value and the sale of the Subject Property is consistent with the Revised Plan and dissolution law.

In compliance with Government Code Section 54220 et seq (Chapter 621, Statutes of 1968), on June 1 and December 8, 2015, staff notified the State of California (State) and requesting parties that the Successor Agency was declaring all Future Development and Sale of

Property parcels as surplus. Further, on September 28, 2016 and July 31, 2017, staff notified qualified housing sponsors of the proposed sale as required by Government Code Section 54222(a). Finally, in accordance with past practice, a memorandum was circulated to all City departments to determine their interest in, or objection to, declaring any parcel surplus. To date, neither the State, requesting parties, qualified housing sponsors, nor any City department has expressed an interest in, or objection to, the sale of the Subject Property. On September 27, 2017, a Categorical Exemption, CE 17-248 (Exhibit B), was completed related to the proposed transaction.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on September 18, 2017 and by Budget Management Officer Rhutu Amin Gharib on October 3, 2017.

Successor Agency action is requested on October 24, 2017, so the sale of 306 East Home Street may be considered by the Oversight Board on November 6, 2017.

If the sale is completed with the Selected Buyer, sale proceeds of \$200,000, less escrow and closing fees, commission, and recovery of administrative costs, will be remitted to the Los Angeles County Auditor-Controller (County) for distribution to the affected taxing agencies. The net proceeds available for remittance is estimated to be \$168,000. The County will distribute the net proceeds to the affected taxing agencies based on their share of the 1 percent tax rate. The City's share is approximately 21 percent, resulting in roughly \$35,280.

Should the Reserve Offer be accepted, sale proceeds of \$198,000, less escrow and closing fees, commission, and recovery of administrative costs, will be remitted to the Los Angeles County Auditor-Controller (County) for distribution to the affected taxing agencies. The net proceeds available for remittance is estimated to be \$166,320. The County will distribute the net proceeds to the affected taxing agencies based on their share of the 1 percent tax rate. The City's share is approximately 21 percent, resulting in roughly \$34,927.

Consistent with City Council policy direction, 75 percent of the City's proceeds shall be retained for non-recurring economic programs in the former North Long Beach Redevelopment Project Area, and 25 percent shall be retained for non-recurring economic programs with a Citywide impact.

Approve recommendation.

AMY J. BODEK, AICP
DIRECTOR OF DEVELOPMENT SERVICES

PATRICK H. WEST
CITY MANAGER

