



CITY OF POMONA SUCCESSOR AGENCY REPORT

May 6, 2019

To: Honorable Chair and Members of the Successor Agency

From: Linda Lowry, Executive Director

Submitted By: Kirk Pelser, Deputy Executive Director

SUBJECT: ADOPTION OF A RESOLUTION APPROVING THE SALE OF 405 WEST 9th STREET IN POMONA, CALIFORNIA (APN 8341-015-901) TO PARKER INSIGHT, LLC, FOR THE PURCHASE PRICE OF \$40,000 - COUNCIL DISTRICT 2

RECOMMENDATION:

It is recommended that the Successor Agency to the former Redevelopment Agency ("Successor Agency"), adopt the following Resolution (Attachment No. 1):

RESOLUTION NO. SA 2019-3 - A RESOLUTION OF THE CITY COUNCIL, SITTING AS THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF POMONA, CALIFORNIA, APPROVING THE SALE OF PROPERTY LOCATED AT 405 WEST 9TH STREET IN POMONA, CALIFORNIA (APN 8341-015-901) TO PARKER INSIGHTS, LLC, FOR THE PURCHASE PRICE OF \$40,000; and

Authorize the City Manager to execute the Real Property Purchase & Sale Agreement and Joint Escrow Instructions, in substantially the form submitted, and all related documents to complete the sale transaction contingent upon the Consolidated Oversight Board's ("Oversight Board") approval of the disposition of the Property as herein presented.

FISCAL IMPACT:

Based upon a sale price of \$40,000, the City General Fund will receive net sale proceeds equal to roughly 23% of the sales price less customary closing costs. This estimated net amount is \$9,200.

PREVIOUS ACTION:

On April 15, 2019, the Council accepted the \$40,000 offer from the Buyer and directed staff to prepare sale documentation for final approval.

ENVIRONMENTAL IMPACT:

Pursuant to section 15061(b)(3) of the CEQA Guidelines, it can be seen with certainty that there is no possibility that the sale of the subject Site will have a significant effect on the environment and, therefore, approval of the Purchase and Sale Agreement is not subject to CEQA.

PUBLIC NOTICING REQUIREMENTS:

None applicable.

EXECUTIVE SUMMARY:

The Successor Agency will consider a resolution approving a Real Property Purchase & Sale Agreement and Joint Escrow Instructions (Agreement) with Parker Insight LLC, for the sale of Successor Agency property known as 405 West 9th Street in Pomona, California (APN's 8341-015-901) for the price of \$40,000. The proposed sale is consistent with the Successor Agency's approved Long Range Property Management Plan (LRPMP), and applicable State Law, which requires the Successor Agency to sell the property at not less than fair market value, and as expeditiously as practical. The subject property's fair market value was determined to be \$46,000 by an April 2017 appraisal prepared by an MIA certified appraisal firm.

BACKGROUND & DISCUSSION:

The Dissolution Law that eliminated all redevelopment agencies in the State requires the sale of all real property assets of the former Redevelopment Agency, following the California Department of Finance's ("DOF") approval of the LRPMP. The DOF approved Pomona's LRPMP on October 7, 2014, and the Property is among the assets that must be sold.

The parcel, commonly known as 405 West 9th Street, is on the list of parcels to be sold by the Successor Agency as part of the redevelopment dissolution in California (Aerial Photo – Attachment No. 2). The former RDA purchased the subject property in 2001 for approximately \$4,500 for the purpose of land assemblage for future development opportunity.

The subject parcel has been listed for sale on the City's web site for more than two years, with very limited prior interest. The current \$40,000 offer is the only viable offer received to date. An earlier offer of \$30,000 was rejected by staff in anticipation of its unacceptability to the Successor Agency and Oversight Boards. Staff strongly recommends that the Council accept this current offer of \$40,000 (with no sale commission). At 2,304 square feet, the property is substandard in size and will be difficult to build on. The proposed buyer's offer is contingent upon first receiving City approvals to build a single family home on the site. Their request is a reasonable one given the site's constraints and the fact that theirs is the first viable offer the City

has received. The City will ultimately receive net sale proceeds equal to roughly 23% of the sales price less customary closing costs. This estimated net amount is \$9,200.

The sale is subject to approval by the Consolidated Oversight Board.

CONCLUSION:

The property needs to be sold pursuant the State Dissolution Law, and the Property is listed as Site No. 6 on the approved LRPMP. Staff is recommending the Successor Agency accept the Buyer's valid offer of \$40,000 in accordance with State law and the approved Long Range Property Management Plan.

Prepared by:

Kirk Pelsner
Deputy City Manager

ATTACHMENTS:

Attachment No. 1 - Resolution Approving the Sale with Exhibit A – Real Property Purchase & Sale Agreement and Joint Escrow Instruction

Attachment No. 2 - Aerial Photo