



CITY OF POMONA, POMONA SUCCESSOR AGENCY AND POMONA HOUSING AUTHORITY STAFF REPORT

August 5, 2019

To: Honorable Mayor and City Council Members, Chair and Members of the
Successor Agency and Chair and Members of the Pomona Housing Authority

From: Linda Lowry, City Manager/Executive Director

Submitted By: Kirk Pelser, Deputy City Manager/Deputy Executive Director

**SUBJECT: ADOPTION OF RESOLUTIONS APPROVING AN ASSIGNMENT,
ASSUMPTION AND CONSENT TO ASSIGNMENT OF PURCHASE
AND SALE AGREEMENTS**

RECOMMENDATION:

- 1) It is Recommended that the City Council, in its respective capacities, adopt resolutions approving an Assignment, Assumption and Consent to Assignment of Purchase and Sale Agreements
 - a) **A RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF POMONA, CALIFORNIA, APPROVING AN ASSIGNMENT, ASSUMPTION AND CONSENT TO ASSIGNMENT OF PURCHASE AND SALE AGREEMENTS FOR THE PROPERTIES LOCATED AT 150-180 E. CENTER STREET (APN'S 8336-026-900 - 903) IN POMONA, CALIFORNIA TO TRIAD VENTURES, INC.**
 - b) **A RESOLUTION OF THE CITY COUNCIL, SITTING AS THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF POMONA, CALIFORNIA, APPROVING AN ASSIGNMENT,**

ASSUMPTION AND CONSENT TO ASSIGNMENT OF PURCHASE AND SALE AGREEMENTS FOR THE PROPERTY AT 192 E. CENTER STREET AND 353 N. GIBBS STREET (APN'S 8336-026-904 & 905) IN POMONA, CALIFORNIA TO TRIAD VENTURES, INC.

c) A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POMONA, CALIFORNIA, APPROVING AN ASSIGNMENT, ASSUMPTION AND CONSENT TO ASSIGNMENT OF PURCHASE AND SALE AGREEMENTS FOR THE PROPERTY COMMONLY KNOWN AS CITY PARKING LOT 2 (APN 8336-021-901) IN POMONA, CALIFORNIA TO TRIAD VENTURES, INC.

- 2) It is also recommended that the City Council, in its respective capacities, authorize the City Manager/Executive Director to execute the Assignment, Assumption and Consent to Assignment of Purchase and Sale Agreements (Assignment Agreement) for the sale of the subject properties, in substantially the form submitted, and any documents required to complete the intended assignment.

Fiscal Impact – There is no fiscal impact associated with approval of the Assignment Agreement. However, the ultimate sale of the subject properties, based upon the previously approved Sale Agreements will result in:

- The Housing Authority will receive sale proceeds of \$580,000, less customary closing costs and the costs associated with preparing and implementing a Relocation Plan and providing any Relocation benefits due to qualified residents of Authority owned properties.
- The Successor Agency will receive sale proceeds of \$312,000 less customary closing costs. The RDA Dissolution Law requires that proceeds from the sale of property be forwarded to the Los Angeles County Treasurer and Tax Collector's Office for distribution to the various taxing entities, including the City of Pomona. The City's portion is estimated to be \$ 71,000.
- The VPD will receive sale proceeds of \$370,000 less customary closing costs.

Previous Action(s) –

- On November 19, 2018, the Housing Authority and the City Council approved Purchase and Sale Agreements for the noted Housing Authority and VPD properties.

Approval of an Assignment Agreement for Sale of Successor Agency, Housing Authority and Vehicle Parking District Parcels

August 5, 2019

Page 3 of 4

- On March 19, 2018, the City Council, acting in their capacity as the Successor Agency to the former Redevelopment Agency, approved a Purchase and Sale Agreement for the sale of the noted Successor Agency property. This Oversight Board approved this transaction on April 26, 2018.

Environmental Review – 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 Property will have a significant effect on the environment and, therefore, approval of the Assignment Agreement, and the previously approved Purchase and Sale Agreements are not subject to CEQA. The proposed transaction concerns merely the disposition of property, and any entitlements, change in use, or similar alternation to the Property will be subject to future discretionary action by the Pomona City Council and/or Planning Commission.

EXECUTIVE SUMMARY

The City Council and the City Council acting in its capacities as a Housing Authority and Successor Agency and will consider Resolutions (Attachments No. 1, 2 & 3) approving an Assignment, Assumption and Consent to Assignment of Purchase and Sale Agreements (Attachment No. 4) with Triad Ventures, Inc. The combined fair market value of the properties was determined to be \$1,262,000 based upon appraisal reports prepared in January and August 2018 by two MAI Certified real estate appraisers, Hennessey & Hennessey LLC and Lidgard & Associates. Maps of the properties are found in Attachments 5-7.

BACKGROUND & DISCUSSION

As noted above, the City Council, Housing Authority and Successor Agency previously approved the sale of the subject properties. The City and Housing Authority approved the sale of their portions on November 19, 2018 and the Successor Agency approved the sale of its portion on March 18, 2018.

Triad Ventures, Inc. (Developer) approached the City in 2017 with an interest in developing residential units on the properties. The Developer formed a partnership with another residential development company, Watt Communities. Watt Communities was the entity that signed the purchase and sale agreements. Watt has since made a decision that this development opportunity does not align with their current corporate objectives which creates the need for Watt to assign their rights to purchase the properties to Triad, who will either seek another partner to joint venture with, or perhaps pursue the project on their own. Triad is fully committed to proceed with a residential development and staff recommends approval of the Assignment Agreement.

COUNCIL PRIORITIES & GOALS:

This item supports the 2019-2020 City Council Priority 2: Economic Development – Goal J: Encourage the development of quality housing opportunities for all.

CONCLUSION

Based on the foregoing, staff recommends approval of the attached Resolutions and of the Assignment Agreement. The ultimate sale of the properties will generate proceeds to the City, Housing Authority and Successor Agency. Development of the properties will be subject to discretionary entitlements approved by the Planning Commission and/or City Council.

Attachments:

- No. 1 Resolution Approving Assignment for Housing Authority Property
- No. 2 Resolution Approving Assignment for Successor Agency Property
- No. 3 Resolution Approving Assignment for Vehicle Parking District Property
- No. 4 Assignment, Assumption and Consent to Assignment of Purchase and Sale Agreements
- No. 5 Map of Housing Authority Properties
- No. 6 Map of Successor Agency Properties
- No. 7 Map of Vehicle Parking District Property