



CITY OF POMONA SUCCESSOR AGENCY REPORT

February 24, 2020

To: Honorable Chair and Members of the Successor Agency

From: James Makshanoff, Executive Director

Submitted By: Kirk Pelser, Deputy Executive Director

SUBJECT: ADOPTION OF A RESOLUTION APPROVING THE SALE OF 1320 JACQUELINE DRIVE IN POMONA, CALIFORNIA (APN 8358-034-903) TO MARIA DIAZ FOR THE PURCHASE PRICE OF \$140,000 - COUNCIL DISTRICT 1

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 2020-02 - 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 1320 JACQUELINE DRIVE IN POMONA, CALIFORNIA (APN 8358-034-903) TO MARIA DIAZ FOR THE PURCHASE PRICE OF \$140,000; 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 \$140,000, the City General Fund will receive net sale proceeds equal to roughly 23% of the sales price less customary closing costs and payment of a 1% sales commission to the buyer’s broker. This estimated net amount is \$31,000.

PREVIOUS ACTION:

None.

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 Maria Diaz, for the sale of Successor Agency property known as 1320 Jacqueline Drive in Pomona, California (APN's 8358-034-903) for the price of \$140,000. The property is depicted in Attachment No. 2. 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 \$139,000 by a March 2019 appraisal prepared by the firm of Boznanski & Company.

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. The subject Property located at 1320 Jacqueline Drive was inadvertently omitted from the LRPMP. Based upon guidance from State Department of Finance (DOF) we are to treat the sale of the Property as we did those that are listed on the LRPMP.

The subject Property, totaling 8,173 square feet, was purchased by the former RDA in 2004 as part of an assemblage effort for future development opportunity. Based upon available records, it appears that the former RDA paid approximately \$56,000 for the property. The Property's current fair market value was determined to be \$139,000 by a March 2019 appraisal report prepared by the firm of Boznanski & Company. The Property is the last on the list of former RDA parcels for which Council needs to approve a sale agreement. Two parcels on Center Street remain in escrow from a prior approval. The escrow for those two parcels should close by the end of 2020. There remain several undevelopable parcels that need to be transferred from the former RDA to the City and that were not accounted for in the LRPMP. Staff is seeking guidance from the DOF on how to address these transfer parcels.

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 \$31,000.

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

CONCLUSION:

The property needs to be sold pursuant the State Dissolution Law. Staff is recommending the Successor Agency accept the Buyer's valid offer of \$140,000 in accordance with State law and the approved Long Range Property Management Plan.

Prepared by:

Kirk Pelser
Deputy City Manager

ATTACHMENTS:

Attachment No. 1 – Resolution No.2020-02 Approving the Sale with Exhibit A – Real Property Purchase & Sale Agreement and Joint Escrow Instruction

Attachment No. 2 - Aerial Photo