

RESOLUTION NO. 95-109

RESOLUTION OF THE COUNCIL OF THE CITY OF POMONA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AUTHORIZING THE CITY ADMINISTRATOR OR HIS DESIGNEE TO AUTHORIZE THE SALE OF THREE (3) COMPLETED HOUSES AT THE HERITAGE COURT PROJECT

BE IT RESOLVED by the Council of the City of Pomona, California, as follows:

SECTION 1. The Mayor of the City of Pomona is hereby authorized to execute this resolution instructing the City Administrator or his designee to authorize the sale of three (3) completed houses at the Heritage Court Project and the issuance of an RFP (Request for Proposal) to build a fourth house on the remaining vacant lot.

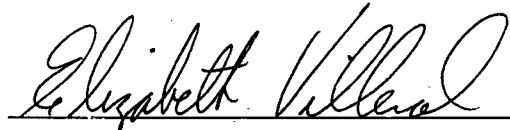
SECTION 2. The City Clerk is directed to attest the execution of this resolution.

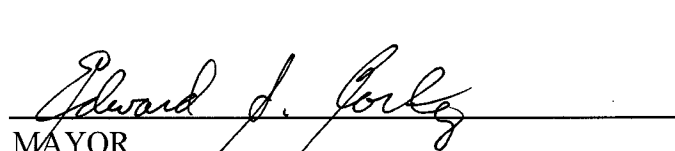
SECTION 3. The Clerk shall certify to the passage and adoption of this resolution and it shall thereupon take effect and be in force.

APPROVED AND PASSED this 17th day of July, 1995.

ATTEST:

THE CITY OF POMONA:


CITY CLERK


MAYOR

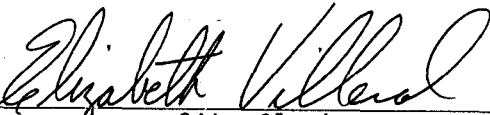
APPROVED AS TO FORM:


CITY ATTORNEY

STATE OF CALIFORNIA)
)ss.
COUNTY OF LOS ANGELES)

I HEREBY CERTIFY that the foregoing Resolution was passed and adopted by the City Council of the City of Pomona, California, and signed by the Mayor of said City at an _____ regular meeting of said Council, held on the 17th day of July, 1995, by the following vote, to wit:

AYES:	Councilmember:	<u>Robles, Carrizosa, Lantz, West, White</u>
"	"	<u>(Mayor) Cortez.</u>
NOES:	"	<u>Soto.</u>
ABSTENTIONS:	"	_____
ABSENT:	"	_____
NOT VOTING:	"	_____



City Clerk

(EV/09-20-95)



CITY OF POMONA COUNCIL REPORT

July 17, 1995

No. 95-120

TO: MAYOR AND CITY COUNCIL

**SUBJECT: HERITAGE COURT PROJECT-PUBLIC HEARING FOR PURPOSE OF
CONSIDERING THE SALE OF THREE (3) HOUSES.**

SUMMARY

Issue - Request for authorization to sell three (3) completed houses at the Heritage Court Project and the issuance of an RFP (Request for Proposal) to build a fourth house on the remaining vacant lot.

Recommendation - It is recommended that the City Council, sitting as the Governing Body of the Redevelopment Agency, conduct a public hearing, receive testimony and after closing the public hearing, authorize the following:

1. That staff market and offer for sale the three completed houses at Heritage Court for the appraised prices for a period of ninety (90) days.
2. In the event that no reasonable offers are received by the Agency within 90 days, that staff turn the sales over to a real estate broker.
3. That staff prepare and issue a RFP to build a fourth house on the vacant lot. The RFP will be returned to the Agency Board at a future date for approval of the contractor.
4. When qualified potential purchasers are identified, the sale terms for the three (3) houses will be returned to the Agency Board for final approval.

Fiscal Impact - With the exception of general maintenance and utility expenses during Agency ownership of the subject properties, the above action will have no additional fiscal impact.

Previous Related Action - On June 28, 1993, the City Council, sitting as the Governing Body of the Redevelopment Agency, approved the award of a contract to complete construction of three (3) move-on older single family dwellings, on-site improvements, a sound wall adjacent to the San Bernardino Freeway, a perimeter block wall, and landscaping for the Heritage Court Project.

HERITAGE COURT PROJECT

JULY 17, 1995

Page 2 of 3

BACKGROUND

On November 2, 1992, the City Council sitting as the Governing Body of the Redevelopment Agency, authorized the use of \$809,990 in Redevelopment Agency low/mod housing set-aside funds to purchase and rehabilitate four (4) move - on older single family dwellings at Heritage Court. At the time that Council directed staff to purchase the property, it was stated that the costs were estimates and that staff would return with the final package. Staff prepared bid documents and advertised a Notice of Sealed Bids on April 11 and 17 of 1993.

On June 28, 1993, the City Council approved a revised budget of \$950,000 for the project. This budget included the construction of a sound wall adjacent to the San Bernardino Freeway, the demolition of the fourth house which was determined to be infeasible for rehabilitation, irrigation systems for three houses, a perimeter block wall and landscaping.

DISCUSSION

Heritage Court presently consists of three (3) completely remodeled dwellings, on-site improvements, a sound wall, perimeter block walls, and landscaping. The dwellings range in size from 1,800 to 3,200 square feet and were appraised in July of 1993 at prices ranging from \$200,000 to \$265,000. Disposition of these units will be through an open market approach with notices posted at the site, advertisements in local and regional newspapers and open houses for a period of ninety (90) days. Offers from prospective buyers will be considered by the City Administrator or his designee and acted upon appropriately. No real estate commissions will be incurred by the Agency using this approach. During the ninety (90) day period staff will prepare a RFP to solicit qualified local real estate brokers to assume the sale if necessary.

In November and December of 1994, staff consulted with the City Attorney's Office regarding the disposition of the homes at Heritage Court. The issue discussed was does the Agency have the authority to sell the three (3) homes at "market value", in light of the use of the 20% set-aside funds for the project. It was the opinion of the City Attorney's Office that the Agency must at minimum designate that one unit at Heritage Court be sold at an "affordable price." Since the Heritage Court site still has an undeveloped parcel, it is proposed that the Agency develop the fourth parcel with a dwelling unit to be sold at an affordable price.

The Agency will prepare an RFP (Request For Proposal) to build the fourth dwelling unit on the remaining lot. The design will reflect the style and character of the existing units on a slightly smaller scale for an income qualified household. The project will be offered to contractors and developers as a "turn-key" project (the Agency will provide the land, design and technical assistance to the successful bidder in return for a complete ready to occupy dwelling). No agency funds will be provided. The successful bidder must be able to finance the complete construction of the fourth house and recoup costs and profit margin through a set sale price established by the

HERITAGE COURT PROJECT

JULY 17, 1995

Page 3 of 3

Agency. The sale price will not exceed 120% of the median affordability for a family of six as established by the Department of Housing and Urban Development (HUD) for the Los Angeles Standard Metropolitan Statistical Area (SMSA). This translates to a sales price for the unit at between \$105,000 to \$125,000. An affordability covenant will be recorded against the property for a period of 30 years.

Attachments:

Summary Report

Marketing Plan


Appraisal Report

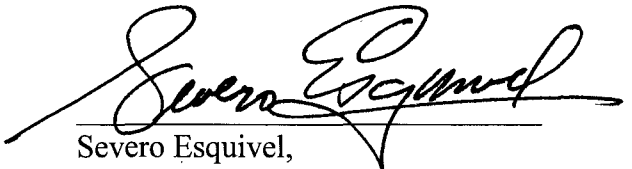
House Plan

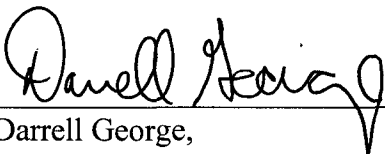
Resolution

Respectfully Submitted,

Approved by,


William Vasquez,
Community Development Director


Severo Esquivel,
City Administrator


Darrell George,
Economic Development Director

Prepared by,


Barry C. Bolduc, Rehabilitation Specialist

**SUMMARY REPORT PURSUANT TO
SECTION 33433
of the
CALIFORNIA COMMUNITY DEVELOPMENT LAW
DISPOSITION AGREEMENT
by and between the
REDEVELOPMENT AGENCY OF THE CITY OF POMONA
and
HERITAGE COURT HOMEBUYERS**

I. INTRODUCTION

This summary report has been prepared by the Redevelopment Agency of the City of Pomona ("Agency") pursuant to Section 33433 of the California Health and Safety Code. This report sets forth certain details of the proposed Disposition Agreement ("Agreement") between the Agency and Heritage Court Homebuyers. ("Buyers").

The purpose of this agreement is to convey four (4) single family homes to four (4) individual families. One of these families have to meet specific income and other criteria to be eligible to purchase the Heritage Court home.

This report is based upon information in the Hope III Program proposal and is organized into the following five sections:

- A. Salient Points of the Proposed Agreement** - This section includes a description of the program and the major responsibilities of the Buyer and the Agency.
- B. Cost of the Program to the Agency** - This section outlines the total and net cost of the Program to the Agency.
- C. Estimated Value of the Interests to be Conveyed at Highest Use** - This section summarizes the value of the interest to be conveyed to the Buyer at the highest and best use.
- D. Blight Alleviation** - This section describes the existing or former blighting conditions of the property, and an explanation of how the Program will assist in the alleviation of blighting conditions.
- E. Conformancy with the AB 1290 Implementation Plan**

A. Salient Points of the Agreement

Program Description

Heritage Court presently consists of three (3) completely remodeled dwellings, with on-site improvements, sound wall, perimeter block walls, and landscaping. The dwellings range in size from 1,800 to 3,200 square feet and were appraised in July of 1994, at prices from \$200,000 to \$265,000. Disposition of these units will be through an open market approach with notices posted at the site, advertisement in local and regional newspapers and open houses. Reasonable offers from prospective buyers will be accepted. No real estate commissions will be incurred by the Agency using this approach. If, after ninety (90) days, no reasonable offers have been tendered the Agency will turn the sales over to a local real estate broker that offers the most desirable terms.

In December of 1994, staff consulted with the City Attorney's Office regarding the disposition of the homes at Heritage Court. The issue was, did the Agency have the authority to sell the three homes at "market value", in light of the use of the 20% set-aside funds for the project. It was, in the opinion of the City Attorney's Office, that the Agency must at minimum designate one unit at Heritage Court to be sold at an "affordable price." Since the Heritage Court site still has an undeveloped parcel, it is proposed that the Agency develop the fourth parcel with a dwelling unit at an affordable price.

The Agency will prepare an RFP (Request For Proposal) to build the fourth dwelling unit on the remaining lot. The design will reflect the style and character of the existing units on a slightly smaller scale for an income qualified household. The project will be offered to contractors and developers as a turn-key project, the Agency will provide the land, design and technical assistance to the successful bidder in return for a complete ready to occupy dwelling. No agency funds will be provided, the successful bidder must be able to finance the complete construction of the fourth house and recoup costs and profit margin through a set sale price established by the Agency. The sale price will not exceed 120% of the median affordability for a family of six as established by HUD for the Los Angeles SMSA. This represents a sale price of the unit, based on the SMSA, at between \$105,000 to \$125,000. An affordability covenant will be recorded against the property for a period of 30 years.

B. Cost of the Program to the Agency

The Heritage Court Program totaled \$950,000 the Agency Low/Mod Housing fund contributed 100% of the funding for Heritage Court. The Agency purchased the property from Great Western Bank after the bank foreclosed on the original developer. Proceeds from the sale of Heritage

Court will be returned to the Agency.

C. Estimated Value of the Interests to be Conveyed at Highest Use

The value of the interest to be conveyed to the purchasers of the Heritage Court properties is the fair market value of the property as established by the certified appraiser Franklin Stanson. The use of the properties has and will continue to be single family residences. The zoning is R-1 and given the use permitted under this zoning the dwellings are being used at the highest and best use.

D. Blight Alleviation

The previous existing conditions of the Heritage Court was four (4) boarded up decaying dwellings constituting a blighted area. The abandoned homes had building code violations and the dilapidation and deterioration added to the blight in this otherwise well maintained neighborhood. With the purchase and rehabilitation of the units the blight in this neighborhood has been reduced and will have a positive impact on the surrounding dwelling units. The influx of financially stable families with a homeownership position neighborhood will preserve the character of the neighborhood.

E. Conformance with the AB 1290 Implementation Plan

For purposes of the Implementation Plan, rehabilitated units are defined as any single-or multi-family unit which has undergone improvements to correct code violations and is recorded by a City building permit.

The Heritage Court will have a deed-restricted unit and therefore will be included in the AB 1290 Plan. This unit will remain restricted for a period of up to thirty (30) years. The City has the opportunity to deed-restrict occupancy of this unit to lower and moderate income households for the life of the Project Areas, and count toward fulfillment of the Project Areas' inclusionary requirements.

TO: William G. Vasquez, Community Development Director

FROM: Barry C. Bolduc, Rehabilitation Specialist

SUBJECT: MARKETING OF HERITAGE COURT HOUSES

Per our conversation pertaining to the marketing of the Heritage Court Houses, the Housing Staff will assume marketing responsibilities for a period of ninety (90) days. If no acceptable offers are tendered at the end of that period, an acceptable offer would be one that is within ten percent (10%) of the appraised value. The sale of the properties will be turned over to a qualified local real estate company who submits the lowest bid.

The marketing plan will consist of the following methods:

1. "For Sale" signs will be posted for each unit and a matching sign at the Heritage Court entrance. The information on the signs will include price, the contact person, telephone number and hours to call.
2. Advertisements in the local and regional newspapers (i.e., Daily Bulletin, La Voz, Precinct Report and Los Angeles Times)
3. Open Houses - Staff will conduct five (5) weekend Open Houses between the hours of 12:00 Noon to 4:00 PM. The open houses will coincide with the newspaper advertisements.

HERITAGE COURT APPRAISED VALUES

270 HERITAGE COURT WEIGLE HOUSE

5 BEDROOMS
2 BATHS
2 CAR GARAGE
3069 SQ. FT.
LOT SIZE 10,000 SQ. FT.

EARLY VICTORIAN STYLE
FORCED AIR GAS FURNACE (2)
CENTRAL AIR CONDITIONING (2)
LANDSCAPED and IRRIGATION SYSTEM
APPRAISED VALUE \$265,000

277 HERITAGE COURT HOLT HOUSE

4 BEDROOM
2 1/2 BATHS
2 CAR GARAGE
2371 SQ. FT.
LOT SIZE 10,000 SQ. FT.

LATE VICTORIAN STYLE
FORCED AIR GAS FURNACE (2)
CENTRAL AIR CONDITIONING (2)
LANDSCAPED and IRRIGATION SYSTEM
APPRAISED VALUE \$235,000

290 HERITAGE COURT CLARK HOUSE

3 BEDROOM
1 1/2 BATH
2 CAR GARAGE
1916 SQ. FT.
LOT SIZE 7840 SQ. FT.

CRAFTSMAN BUNGALOW STYLE
FORCED AIR GAS FURNACE
CENTRAL AIR CONDITIONING
LANDSCAPED and IRRIGATION SYSTEM
APPRAISED VALUE \$200,000

All three homes have been totally rebuilt, new wiring, plumbing, insulation and drywall. New fixtures, appliances, ceramic tile, floor coverings, hardware and new roofing was installed. Attention was paid to the period in which these homes were built and the contractor restored the dwellings to reflect that period as close as reasonably possible.

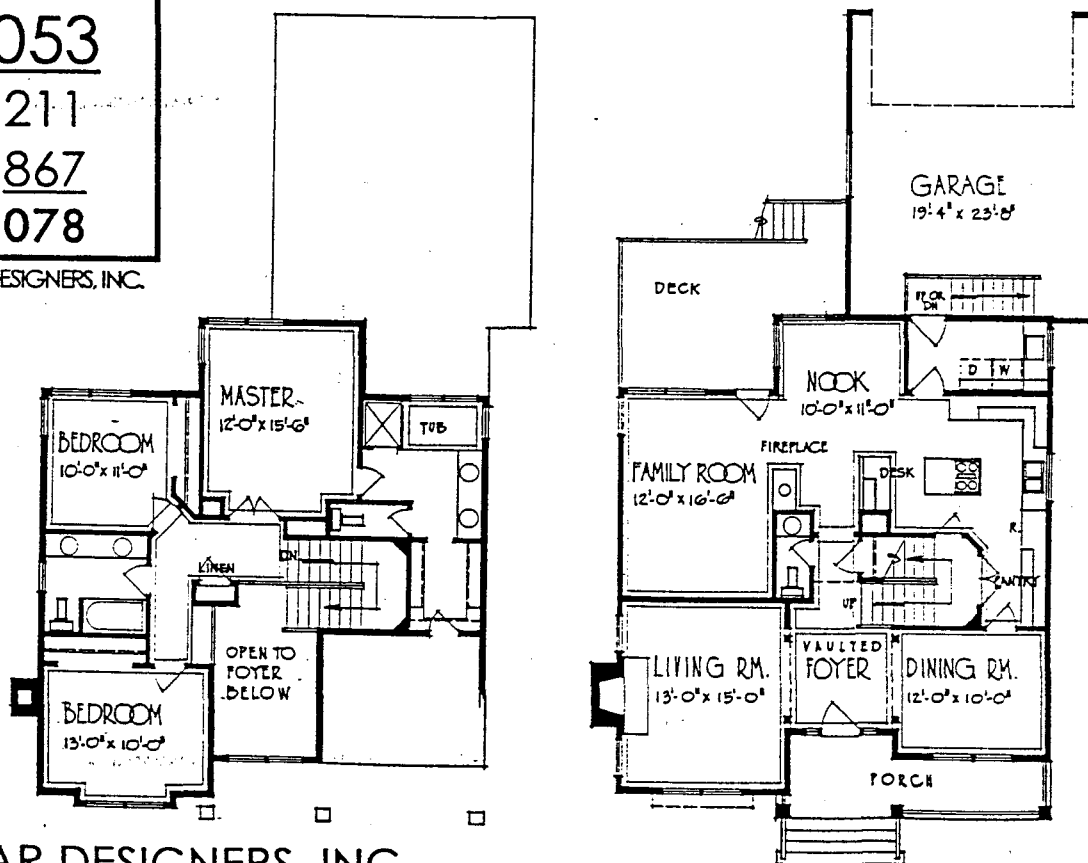


PLAN 2053

Main: 1211

Upper: 867
2078

© 1995 POLLARD HOSMAR DESIGNERS, INC.



POLLARD HOSMAR DESIGNERS, INC.

7110 SW FIR LOOP SUITE 210 TIGARD, OR 97223 (503)624-9251
FAX: (503)624-9466

PROOF OF PUBLICATION
(2015.5 C.C.P.)

STATE OF CALIFORNIA,
County of Los Angeles

I, Nancy Paisley do hereby declare that I am a citizen of the United States; I am over the age of eighteen years, and not a party to or interested in the below-entitled matter. I am the Legal Advertising Clerk of the

INLAND VALLEY DAILY BULLETIN
(Formerly the Progress Bulletin)

A newspaper of general circulation, published daily in the City of Pomona, County of Los Angeles, State of California, and which has been adjudged a newspaper of general circulation by the Superior Court of the County of Los Angeles, State of California, under the date of June 15, 1945, Decree No. Pomo C-606; that the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to wit:

July 1, 7, 1995

I declare under penalty of perjury that the foregoing is true and correct.

Dated: July 7, 1995


.....
Signature

Proof of Publication of:

CITY OF POMONA
NOTICE OF PUBLIC HEARING

<p>NOTICE OF PUBLIC HEARING</p> <p>Pursuant to Section 33433 of the California Health and Safety Code, the Pomona City Council, sitting as the governing Board of the Redevelopment Agency of the City of Pomona, will conduct a public hearing regarding the consideration and possible approval of the sale of four (4) single family homes by the Redevelopment Agency of the City of Pomona to four (4) individual families. This public hearing will be held on July 17, 1995, in the City Hall Council Chambers, 505 South Garey Avenue, Pomona, California, commencing at 7:00 p.m.</p> <p>At any time prior to the time set for the public hearing, any person may submit comments relating to the Sale of the subject properties to the Economic Development Department, located at 505 South Garey Avenue, Pomona, California. At the date, hour, and place of the hearing, any and all persons having any comments regarding the Sale may appear before the Agency to submit said comments.</p> <p>The proposed Sale of these single family properties and a report containing the terms of the proposed sale and other matters required by such Section 33433 of the California Health and Safety Code are available for public inspection, and copies of such documents may be obtained at the Economic Development Department at the above address during the hours of 8:00 a.m. to 6:00 p.m., Monday through Thursday. Telephone (909) 620-2399.</p> <p>ELIZABETH VILLERAL, City Clerk</p> <p>Publish: 7/1, 7/7, 1995 #162082</p>

NOTICE OF PUBLIC HEARING

Pursuant to Section 33433 of the California Health and Safety Code, the Pomona City Council, sitting as the governing Board of the Redevelopment Agency of the City of Pomona, will conduct a public hearing regarding the consideration and possible approval of the Sale of four (4) single family homes by the Redevelopment Agency of the City of Pomona to four (4) individual families. This public hearing will be held on July 17, 1995, in the City Hall Council Chambers, 505 South Garey Avenue, Pomona, California, commencing at 7:00 p.m.

At any time prior to the time set for the public hearing, any person may submit comments relating to the Sale of the subject properties to the Economic Development Department, located at 505 South Garey Avenue, Pomona, California. At the date, hour, and place of the hearing, any and all persons having any comments regarding the Sale may appear before the Agency to submit said comments.

The proposed Sale of these single family properties and a report containing the terms of the proposed sale and other matters required by such Section 33433 of the California Health and Safety Code are available for public inspection, and copies of such documents may be obtained at the Economic Development Department at the above address during the hours of 8:00 a.m. to 6:00 p.m., Monday through Thursday. Telephone (909) 620-2399.

ELIZABETH VILLERAL, City Clerk

Publish Dates: - June 30, 1995 and July 7, 1995

CC/ly/hmbsnoti.wp