

**MOORPARK CITY COUNCIL  
AGENDA REPORT**

**TO: Honorable City Council**

**FROM: Jessica Sandifer, Program Manager**



**DATE: April 12, 2016 (CC Meeting of 4/20/16)**

**SUBJECT: Consider Purchase of 776 W. Los Angeles Avenue (APN 506-0-050-515) and Resolution Amending Fiscal Year 2015/16 Budget to Fund Transaction**

**BACKGROUND & DISCUSSION**

Staff has negotiated with CLP Investments, LLC, to purchase the property located at 776 W. Los Angeles Avenue. The property is adjacent to the future Pacific Communities development property and the 76 Station on Los Angeles Avenue. The site is approximately 1.6 acres in size and is being purchased for use as a future affordable housing site. Depending upon the final design of the Pacific Communities development, the location of the affordable housing site could be at a different location within the development. The details of the final location of the site and related affordable housing requirements for the project will be worked out as a part of the Development Agreement. CLP Investments, LLC, has opened escrow with the current property owner, Mohammed and Sohila Sheshebor ("Sheshebor"). The escrow will be assigned to the City of Moorpark for closing.

The purchase price negotiated between CLP Investments, LLC and Sheshebor is \$1,375,000. The City will be executing an Assignment Agreement with CLP Investments, LLC, requiring them to pay the \$175,000 difference in the purchase cost and all escrow costs. The City will be purchasing the site for \$1,200,000. The City will either recover the purchase price of the property as part of the Development Agreement; when it is resold to an affordable housing developer; or the asset could be converted into a loan to assist the affordable housing developer with developing the site. Maintenance of the site is expected to be assumed by CLP Investments, LLC, as part of an agreement with the City.

**FISCAL IMPACT**

The total funding requirement for this acquisition is \$1,200,000. Recall that on February 3, 2016, City Council appropriated \$1,550,000 from the City Affordable Housing Fund (2201) for the purchase and maintenance of four (4) First Time Home Buyer units in the Brighton Development. The City is only purchasing one of the Brighton units. Staff is

proposing to transfer the remaining balance of \$1,162,500 from the Home Buyer Program (2201-2430-5025) to the newly established unit 776 W. Los Angeles Ave (2201-7625-5097). An additional \$37,500 is requested from the City Affordable Housing Fund (2201), which has an estimated available fund balance of \$2,539,302 as of the current period.

**STAFF RECOMMENDATION (ROLL CALL VOTE)**

1. Authorize purchase of property at 776 W. Los Angeles Avenue and authorize the City Manager to approve and sign all documents relevant to the transaction and maintenance of the site, subject to final language approval of the City Manager and City Attorney; and
2. Authorize City Clerk to accept the Grant Deed for the property; and
3. Adopt Resolution No. 2016-\_\_\_\_\_, amending the Fiscal Year 2015-16 budget to purchase the property.

Attachment

1. Resolution No. 2016-\_\_\_\_\_

## ATTACHMENT 1

RESOLUTION NO. 2016-\_\_\_\_\_

A RESOLUTION OF CITY COUNCIL OF THE CITY OF MOORPARK, CALIFORNIA, AUTHORIZING AN AGGREGATE BUDGET LINE ITEM TRANSFER OF \$1,162,500 AND AMENDING THE FISCAL YEAR 2015/2016 BUDGET BY APPROPRIATING \$37,500 FROM THE CITY AFFORDABLE HOUSING FUND (2201) FOR THE PURCHASE OF 776 W. LOS ANGELES AVENUE

WHEREAS, on June 17, 2015, the City of Moorpark adopted the Operating and Capital Improvement Projects budget for Fiscal Year (FY) 2015/16, which included \$338,716 appropriations in the City Affordable Housing Fund (2201) for operations; and

WHEREAS, on February 3, 2016, Resolution No. 2016-3476 appropriated \$1,550,000 for the purchase and maintenance of the remaining four (4) affordable housing units located in the Brighton Development, for the First Time Home Buyer program; and

WHEREAS, the City will only be purchasing one of the affordable housing units located in the Brighton Development for the First Time Home Buyer program; and

WHEREAS, a staff report has been presented to the City Council requesting authorization to purchase the property at 776 W. Los Angeles Avenue for a future affordable housing site for \$1,200,000; and

WHEREAS, staff is recommending transferring the remaining \$1,162,500 from the purchase of the affordable housing units in the Brighton Development to the purchase of 776 W. Los Angeles Avenue; and

WHEREAS, a budget amendment of \$37,500 is requested from the City Affordable Housing Fund (2201) to fully fund the purchase of 776 W. Los Angeles Avenue; and

WHEREAS, Exhibit "A", attached hereto and made a part hereof, describes said budget amendment and the resultant impact to the budget line items.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MOORPARK DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The purchase of 776 W. Los Angeles Avenue is hereby approved.

SECTION 2. The aggregate budget line item transfer of \$1,162,500 from the First Time Home Buyer Unit to the purchase of 776 W. Los Angeles Avenue as more particularly described in Exhibit "A", attached hereto, is hereby approved.

SECTION 3. An budget amendment of \$37,500 from the City Affordable Housing Fund (2201), as more particularly described in Exhibit "A", attached hereto, is hereby approved.

SECTION 4. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the book of original resolutions.

PASSED AND ADOPTED this 20th day of April, 2016.

\_\_\_\_\_  
Janice S. Parvin, Mayor

ATTEST:

\_\_\_\_\_  
Maureen Benson, City Clerk

Exhibit A – Budget Amendment

**EXHIBIT A**

**BUDGET AMENDMENT FOR**

City Affordable Housing Fund (2201) for Purchase of 776 W. Los Angeles Avenue

**2015/16**

**FUND ALLOCATION FROM:**

<b>Fund</b>	<b>Account Number</b>	<b>Amount</b>
City Affordable Housing Fund	2201-5500	\$ 37,500 00
		\$ -
Total		\$ 37,500 00

**DISTRIBUTION OF APPROPRIATION TO EXPENSE ACCOUNTS:**

<b>Account Number</b>	<b>Current Budget</b>	<b>Revision</b>	<b>Amended Budget</b>
2201.2430 5025.9102	\$ 139,000.00	\$ (22,500 00)	\$ 116,500.00
2201.2430.5025.9252	\$ 20,000.00	\$ (15,000 00)	\$ 5,000 00
2201.2430.5025.9610	\$ 1,720,000 00	\$ (1,125,000 00)	\$ 595,000.00
2201.7625.5097.9610	\$ -	\$ 1,200,000.00	\$ 1,200,000.00
Total	\$ 1,879,000.00	\$ 37,500.00	\$ 716,500 00

Approved as to Form: 