



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Leslye Corsiglia

SUBJECT: SEE BELOW

DATE: July 16, 2012

Approved

Date

7/23/12

COUNCIL DISTRICT: 2

SUBJECT: AUTHORIZATION TO EXECUTE AN AGREEMENT FOR THE PURCHASE OF A STORM DRAIN EASEMENT FROM THE STATE OF CALIFORNIA TO SERVE THE CITY OWNED FORD AND MONTEREY AFFORDABLE HOUSING PROJECT SITE.

RECOMMENDATION

Adopt a resolution authorizing the City Manager to execute an agreement for the purchase of a storm drain easement to serve the City-owned Ford and Monterey Family affordable housing project site from the State of California, to accept the easement on behalf of the City, and to negotiate and execute any other documents related to the needed storm drain easement.

OUTCOME

This purchase will ensure that the City holds the easement for the storm drain serving this City owned property, which will also assist the City's ground lessee, Eden Housing, Inc. ("Eden Housing"), in moving forward with its development of the 75-unit Ford and Monterey Family Apartment affordable housing project ("Project") consistent with the Development and Disposition Agreement approved on March 29, 2011, and subsequently entered into between the City and Eden Housing.

BACKGROUND

The State of California owned a large parcel in the vicinity of Ford Road and the Monterey Highway. Around 1989, the State sold a portion of this large parcel, reserving a 15' wide storm

drain easement to serve the 3.06 acre parcel that the State had retained. In 2006, the City acquired this retained 3.06 acre parcel, now known as the Ford and Monterey site, from the State of California. At the time of this purchase, the State of California neglected to transfer the existing storm drain easement that it had reserved to serve Ford and Monterey site. Now in order to ensure that the Project can move forward, the City needs to acquire that easement. The State of California requires payment of \$1,000 in exchange for this easement and Eden Housing has agreed to provide the funds for the purchase of the easement.

ANALYSIS

At the time that the City acquired the Ford & Monterey site located 235 feet east of the intersection of Ford Road and Monterey Highway, from the State Department of Transportation, the State neglected to include within the transfer this appurtenant storm drain easement it had reserved across the adjacent parcels. Since the storm drain for the Ford & Monterey site crosses these adjacent parcels, the City needs to hold a storm drain easement. This approval will enable the City Manager to execute the documents necessary for the City to acquire and accept the storm drain easement. Funds for the purchase will be provided by Eden Housing, the ground lessee. Acquisition of the easement will also enable Eden's planning for a 75-unit family affordable apartment project on the leased city property to move forward.

EVALUATION AND FOLLOW UP

The Housing Department posts quarterly reports on the status of its construction projects to its website, www.sjhousing.org. The Ford and Monterey Family Apartments will be included in these reports.

PUBLIC OUTREACH

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

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In addition to the Public Outreach was previously completed prior to the housing project's approval by City Council, this memorandum will be posted on the City's website for the August 7, 2012 City Council meeting.

COORDINATION

This report has been coordinated with the Office of the City Attorney.

FISCAL/POLICY ALIGNMENT

This action is consistent with the City's *2007-2012 Five-Year Housing Investment Plan*, adopted by City Council on June 12, 2007, to increase the supply of affordable housing, and with the City's *Consolidated Plan 2005-2010* to provide housing units for very low- and extremely low-income households.

CEQA

Mitigated Negative Declaration, File No. PDC09-022.

/s/
LESLYE CORSIGLIA
Director of Housing

For questions please contact Leslye Corsiglia, Director of Housing, at 408-535-3851