

ORDINANCE NO. 7,279–N.S.

AUTHORIZING THE CITY MANAGER TO EXECUTE AN OPTION AGREEMENT AND ALL OTHER NECESSARY DOCUMENTS TO SELL CERTAIN REAL PROPERTY LOCATED AT 3135 HARPER STREET

BE IT ORDAINED by the Council of the City of Berkeley as follows:

Section 1. The Council of the City of Berkeley (the “Council”) finds as follows:

a. The City of Berkeley (the “City”) owns certain real property located at 3135 Harper Street (the “Property”). The Property is more particularly described in the legal description attached hereto as Exhibit A, which is incorporated herein by this reference; and

b. The Property is currently unimproved; and

c. In January 2012, the City issued a Request for Proposals to develop the property as an affordable housing site; and

d. Satellite Housing submitted a proposal to develop: (i) forty-two (42) senior rental units including forty-one (41) one-bedroom units affordable to senior residents earning less than 60% of area median income and one (1) property manager’s unit ; (ii) a four (4) story building consisting of approximately forty-two thousand and three hundred (42,300) square feet; (iii) with nine (9) covered parking spaces; and (iv) a senior services meeting room and lobby on the first level as Harper Crossings (the Project). A panel of Housing Advisory Commission members and a public sector lender recommended that Council select Satellite Housing as the developer of the Property based upon its Harper Crossings proposal; and

e. Council approved Resolution No. 65,962-N.S. on July 10, 2012 directing the City Manager to work with Satellite Housing to develop a more refined financing plan to develop the Project; and

d. On September 27, 2012, the City and Satellite Housing entered into an Exclusive Negotiating Rights Agreement in order to negotiate and execute an Option Agreement; and

e. The boards of Affordable Housing Associates and Satellite Housing, both affordable housing development agencies based in Berkeley, recently approved a merger of the two organizations into a new entity which is named Satellite Affordable Housing Associates (SAHA); and

f. In December 2012, Council adopted a Resolution approving a Housing Trust Fund (HTF) reservation of \$2,300,000 for the Project; and

g. The City desires to convey the Property to the Satellite AHA Development, Inc. (SAHAD) ("Developer") for the development of the Property in accordance with the terms and conditions of the Option Agreement a copy of which is attached to this Ordinance as Exhibit B and which is incorporated herein by reference (the Option). Exercise of the Option is conditioned upon the City and the Developer executing a mutually acceptable Disposition and Development Agreement (DDA) prior to the expiration of the Option term (December 31, 2013). Execution of the DDA shall be subject to the City Council's future approval and authorization; and

h. Pursuant to the Option, the City shall convey the Property to SAHAD for a price of Five Hundred Dollars (\$500.00) if the DDA is executed prior to December 31, 2013. As additional consideration for conveyance of the Property, Developer shall construct the Project; and

i. City Charter Article VIII, Section 44(7) requires that the sale of public property owned by the City to be approved by Ordinance.

j. City staff recommends the sale of the Property to SAHAD pursuant to the Option Agreement which is conditioned upon future execution of a DDA.

Section 2. The Option Agreement and the sale of the Property pursuant to and conditioned upon the execution of the Option Agreement are hereby approved. The City Manager is hereby authorized to execute the Option Agreement and all other documents necessary and to implement the Option Agreement.

Section 3. Copies of this Ordinance shall be posted for two days prior to adoption in the display case located near the walkway in front of Council Chambers, 2134 Martin Luther King Jr. Way. Within 15 days of adoption, copies of this Ordinance shall be filed at each branch of the Berkeley Public Library and the title shall be published in a newspaper of general circulation.

At a regular meeting of the Council of the City of Berkeley held on February 5, 2013 this Ordinance was passed to print and ordered published by posting by the following vote:

Ayes: Anderson, Arreguin, Capitelli, Maio, Moore, Wengraf, Worthington, Wozniak and Bates.

Noes: None.

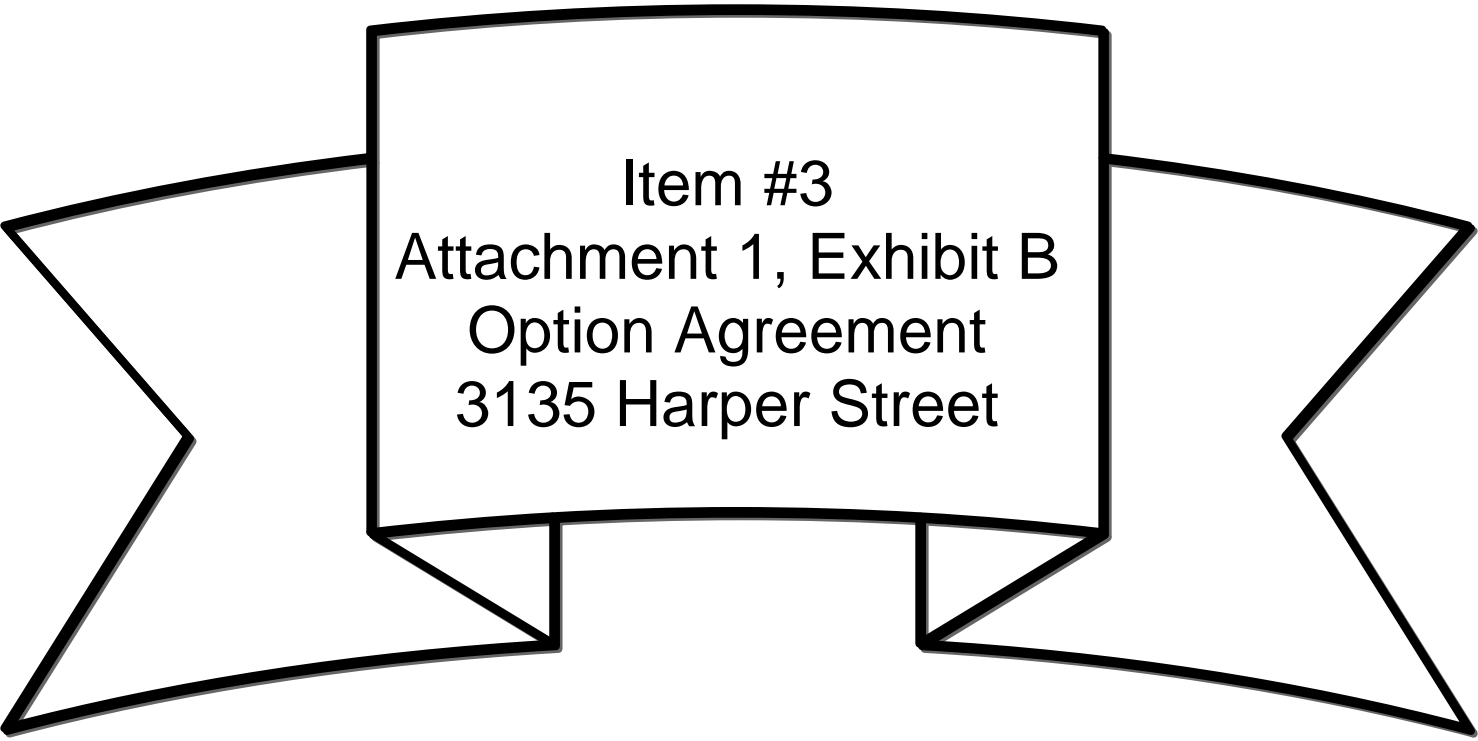
Absent: None.

Exhibit A
Legal Description of Property

The land referred to is situated in the County of Alameda, City of Berkeley, State of California and is described as follows:

Beginning at the intersection between the northerly boundary of Fairview Street with the easterly boundary of Harper Street as said streets are shown upon Map of the Werner Tract filed May 8, 1893, in Book 14 of Maps, Page 11 Alameda County Records; thence northerly along the easterly boundary of said Harper Street with bearing North 5° 00' 00" West, a distance of 113.36 feet to the true point of beginning; thence, northerly along said boundary line North 5° 00' 00" West, a distance of 89.0 feet to a point on the easterly boundary of Harper Street; thence, North 80° 30' 00" East, a distance of 163.88 feet to a point on the Westerly boundary of Martin Luther King Junior Way (formerly Grove Street) as shown in the Deed of Extension of Grove Street recorded July 6, 1896, in Deed Book 589, Page 267, Alameda County Records; thence, Southerly along said boundary South 5° 00' 00" East, a distance of 89.0 feet; thence South 80° 30' 00" West, 163.88 feet to the true point of beginning.

Assessor's Parcel No: 052-1551-013



Item #3
Attachment 1, Exhibit B
Option Agreement
3135 Harper Street

Please refer to the revised agenda material for Item #2, attachment 1, Exhibit B in the 02/05/13 agenda packet for report materials.

This attachment is also on file and available for review at the City Clerk Department or can be accessed from the City Council Website.

City Clerk Department
2180 Milvia Street
Berkeley, CA 94704
(510) 981-6900

or from:

The City of Berkeley, City Council's Web site
<http://www.cityofberkeley.info>