

Acquisition of Real Property

1001 University Avenue

1007 University Avenue

1011 University Avenue

1925 Ninth Street



March 28, 2017

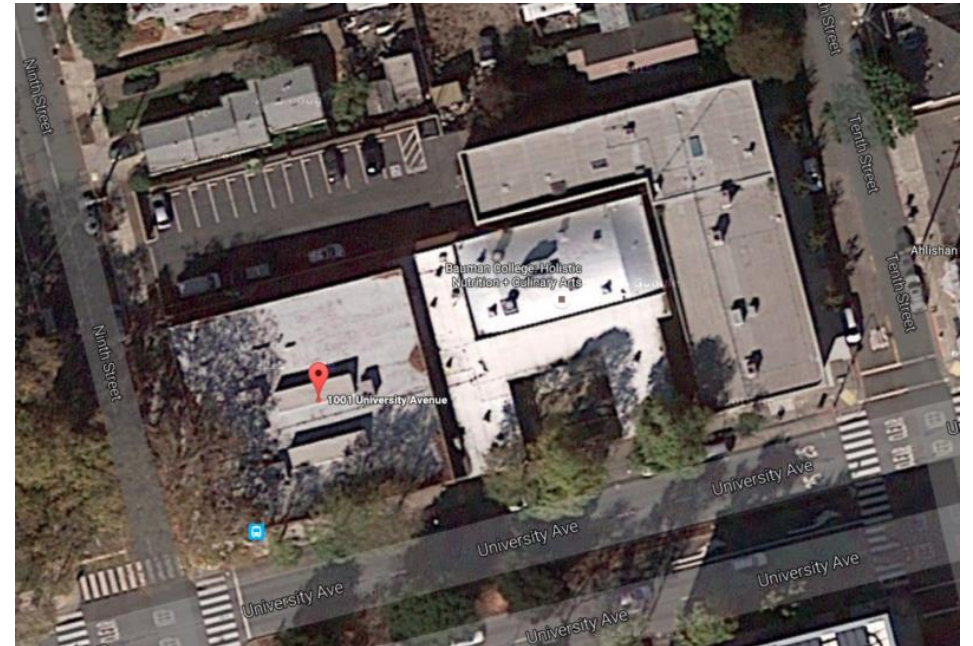
PRESENTATION AGENDA

- I. Site Overview

- II. City's Interest in the Property
 - Long-term Plan vs. Short-term Plan

- III. Financing Plan

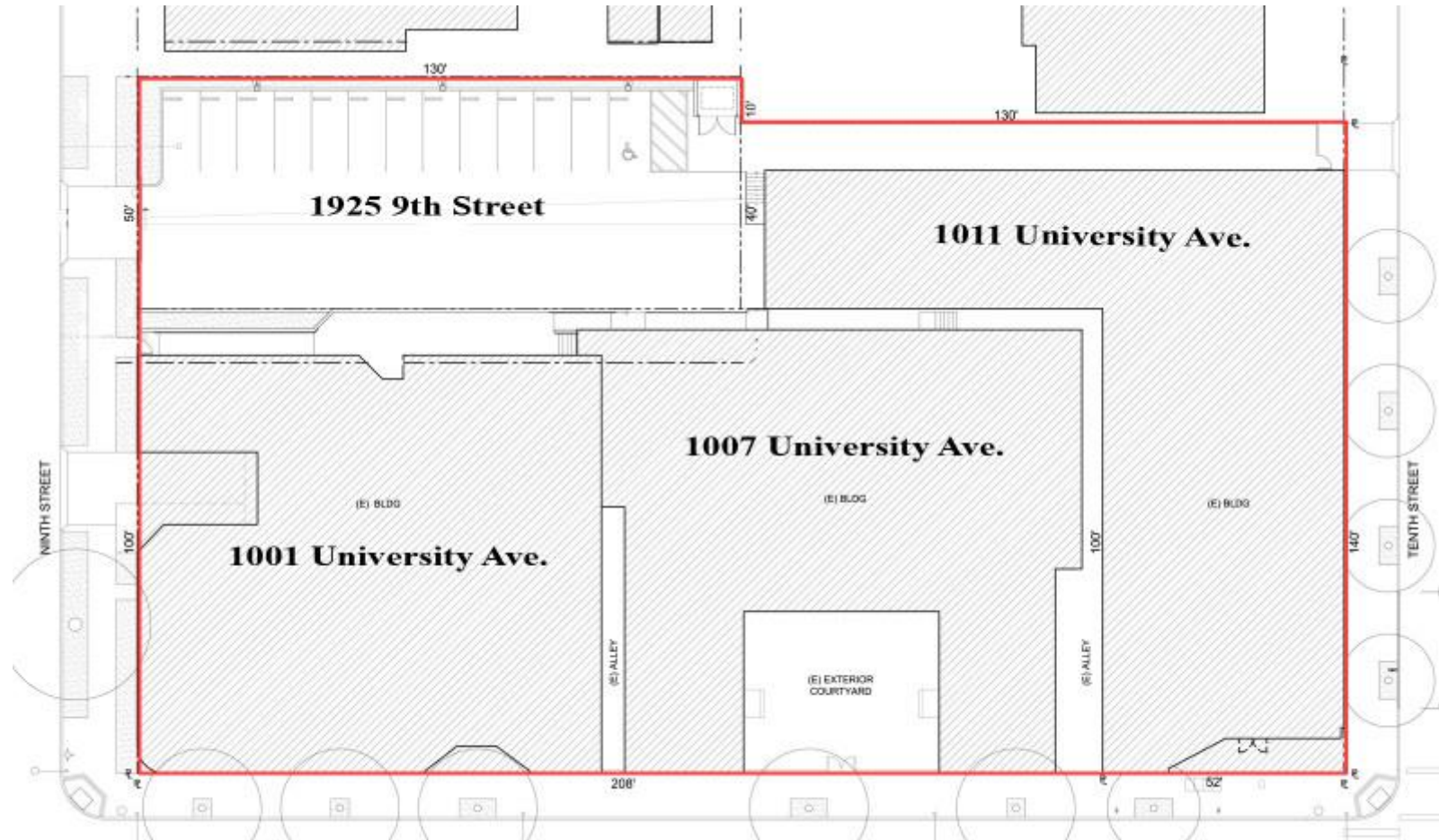
- I. Recommended Actions



Site Overview



Three parcels along University Avenue between Ninth and Tenth streets



Site Overview

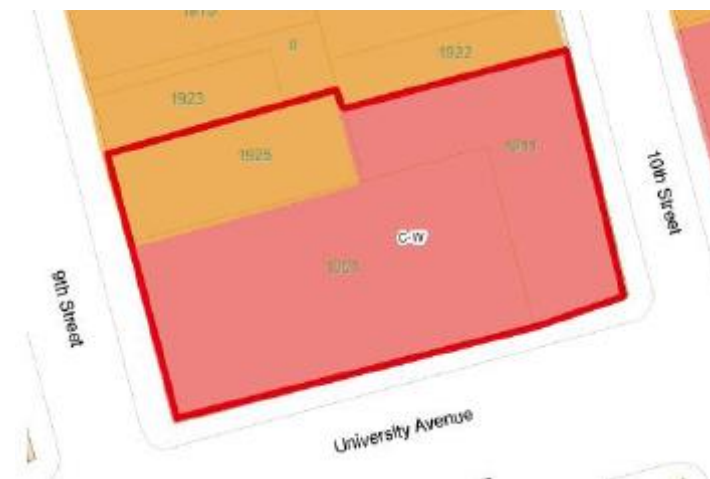


Long-term Plan



› Multi-unit Affordable Housing

- 1001 University Ave (*CW Zoning*)
- 1011 University Ave (*CW Zoning*)
- 1925 9th Street (*R3 Zoning, potential to rezone*)



The site's location on the well-established University Avenue transit corridor, and its proximity to multiple neighborhood business districts, medical services and schools make the site ideal for below market rate housing for a diverse population.

- › Continue existing use at 1007 University Ave (*tenant, Culinary School*)

Short-term Plan



› 1011 University Ave

– Interim City Council Chamber

- Old City Hall needs seismic upgrades*
- Searching for temporary location for several years*
- Meetings of the City Council, Rent Board, and Zoning Adjustments Board would utilize the interim Council Chamber*
- Likely interim use for 5-10 years*
- City would continue developing long-term options for future Council Chamber*

› 1001 University Ave

– *TBD*



Financing Plan

Purchase Price: \$6,650,000

Initial Financing

Workers' Compensation Fund 875

Repayment

Staff proposal:

- \$2 million (30% of the purchase price) from General Fund excess Property Transfer Tax
- \$4.650 million (70% of the purchase price) from Measure U1 revenue

Process to Finalize Repayment Plan

- Housing Advisory Commission (*April 2017*)
- City Council (*with budget adoption, by June 30, 2017*)

Financing Plan



Summary of Proposed Funds for Repayment

Total Purchase Price: \$6,650,000

Repayment Source	Principal Repayment Amount	Percent of Purchase Price
General Fund Excess Property Transfer Tax	\$ 2,000,000	30%
Measure U1 Business Tax Revenue	\$ 4,650,000	70%

Annual Repayment Amounts by Source (with interest)

Total Repayment Amount: \$6,765,575

Repayment Source	General Fund Excess Property Transfer Tax*	Measure U1 Business Tax Revenue**
FY 2017-18	406,952	946,163
FY 2018-19	406,952	946,163
FY 2019-20	406,952	946,163
FY 2020-21	406,952	946,163
FY 2021-22	406,952	946,163
Total	\$2,034,760	\$4,730,815

* Total General Fund excess Property Transfer Tax has averaged \$5.8 million over the last two years.

** Total Measure U1 Business Tax revenue is estimated at \$3 million annually.

Recommended Actions



1. Adopt an Urgency Ordinance authorizing the acquisition of 1001, 1007, and 1011 University Avenue, and 1925 Ninth Street (APNs 057-208901401, 057-208901201, and 057-208901500) for \$6,650,000.
2. Adopt first reading of an Ordinance authorizing the acquisition of 1001, 1007, and 1011 University Avenue, and 1925 Ninth Street (APNs 057-208901401, 057208901201, and 057-208901500) for \$6,650,000.

Thank you.

Questions / Council Discussion