



Kathryn Harrison
Councilmember District 4

SUPPLEMENTAL AGENDA MATERIAL

Meeting Date: May 2, 2017

Item Number: 28

Item Description: Establish a 90 Day Deadline to Either Collect Over \$641,000 Owed in Lien or to Bring Owner in Compliance with Agreement

Submitted by: Councilmember Harrison

This item establishes a 90 day deadline to require the owner of the lot on the corner of Haste Street and Telegraph to pay the current amount of the lien (over \$641,000) owed to the City in lien or to comply with the terms of the Settlement Agreement dated October 15, 2013. We have amended this item to require that the debt collected from the Owner be placed in the City's General Fund and go towards funding Budget Referrals made for the 2017/2018 Fiscal Year. When the Council votes on the Budget in the end of June 2017, they will vote on, specifically, where this money is placed.

Kriss Worthington

Councilmember, City of Berkeley, District 7
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AMENDMENT
CONSENT CALENDAR

March 14, 2017

(Continued from February 14, 2017)

To: Honorable Mayor and Members of the City Council
From: Councilmember Kriss Worthington
Subject: Establish a 90 Day Deadline to Either Collect Over \$641,000 Owed in Lien or to Bring Owner in Compliance with Agreement

RECOMMENDATION:

Establish a 90 day deadline to require the owner of the lot on the corner of Haste Street and Telegraph to pay the current amount of the lien (over \$641,000) owed to the City in lien or to comply with the terms of the Settlement Agreement dated October 15, 2013, including specifically Section 2 thereof, and the timeframes set forth in Section 3 starting with 6.0 on, and authorize the City Attorney to take appropriate action, including but not limited to initiating arbitration proceedings, to enforce the Settlement Agreement if the owner does not comply.

Authorize that the debt collected from the Owner be placed in the City's General Fund and go towards funding Budget Referrals made for the 2017/2018 Fiscal Year. When the Council votes on the Budget in the end of June 2017, they will vote on, specifically, where this money is placed.

~~Establish a 90-day deadline to require the owner of the lot on the corner of Haste Street and Telegraph to pay over \$641,000 owed to the City in lien or to bring the owner in compliance with the agreement to use the lot to provide affordable housing for the community, as well as a public restroom.~~

BACKGROUND:

The property owner's delay in meeting the terms of the agreement with the City of Berkeley to develop affordable housing units and a public restroom has proven to be a continued blight for both neighborhood residents and business owners. Complaints of rats, trash, and noise have continued, especially with business owners especially affected by the lot's lack of aesthetic appeal and sanitation. With the construction of the Sequoia building and the Cody's Books building being in progress, it is urgent to get immediate results on this lot.

In the 2013 agreement, it was decided that the owner's failure to comply with the terms therein would give the City the right to collect the amount then owed (\$641,000) plus all applicable interest and fees or require the owner to forfeit the deed to the property. The City has a deed of trust recorded dated November 13, 2013 as collateral for its beneficial interest in the Settlement Agreement. Immediate action to require the owner to begin development of the affordable housing units and public restroom would be of the utmost importance. The Owner should be required to deliver an executed agreement with a

purchaser committed to developing the Property or begin construction of the structure themselves within the 90 Day Deadline.

Requiring the owner to pay his debt would also pose new opportunities for the City to place the money in the Housing Trust Fund. The debt collected from the Owner will be placed in the General Fund and will be allocated during the Fiscal Year 2017/2018 Budget Referral process. The City of Berkeley should act promptly to ensure that the lot ceases posing issues to community members and local businesses.

For more information see:

<http://www.dailycal.org/2013/11/03/city-berkeley-settles-lawsuit-owner-vacant-telegraph-lot/>

FINANCIAL IMPLICATIONS:

Minimal. Increase in revenue if action taken.

ENVIRONMENTAL SUSTAINABILITY:

Consistent with Berkeley's Environmental Sustainability Goals and no negative impact.

CONTACT PERSON:

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ACTION CALENDAR

May 2, 2017

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From: Councilmember Kriss Worthington

Subject: Establish a 90 Day Deadline to Either Collect Over \$641,000 Owed in Lien
or to Bring Owner in Compliance with Agreement

RECOMMENDATION:

Establish a 90 day deadline to require the owner of the lot on the corner of Haste Street and Telegraph to pay over \$641,000 owed to the City in lien or to bring the owner in compliance with the agreement to use the lot to provide affordable housing for the community, as well as a public restroom.

BACKGROUND:

The property owner's delay in meeting the terms of the agreement with the City of Berkeley to develop affordable housing units and a public restroom has proven to be a continued blight for both neighborhood residents and business owners. Complaints of rats, trash, and noise have continued, **especially** with business owners especially affected by the lot's lack of aesthetic appeal and sanitation. With the construction of the Sequoia building and the Cody's Books building being in progress, it is urgent to get immediate results on this lot.

In the 2013 agreement, it was decided that the owner's failure to comply with the terms therein would give the City the right to collect the amount then owed (\$641,000) plus all applicable interest and fees or require the owner to forfeit the deed to the property. The City has a deed of trust recorded dated November 13, 2013 as collateral for its beneficial interest in the Settlement Agreement. Immediate action to require the owner to begin development of the affordable housing units and public restroom would be of the utmost importance. The Owner should be required to deliver an executed agreement with a purchaser committed to developing the Property or begin construction of the structure themselves within the 90 Day Deadline.

Requiring the owner to pay his debt would also pose new opportunities for the City to place the money in the Housing Trust Fund. The City of Berkeley should act promptly to ensure that the lot ceases posing issues to community members and local businesses.

For more information see:

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