



HOUSING AUTHORITY AGENDA REPORT

Meeting Date: February 18, 2021

From: Clay Holstine, Executive Director

Subject: Sale of 4.21 Acres (vacant) Owned by the Brisbane
Housing Authority

Recommendation:

Approve the sale of 4.21 acres of vacant land owned by the Brisbane Housing Authority and authorize the Executive Director to sign a Vacant Land Purchase Agreement and related documents in a final form as approved by the General Counsel.

Background

The Brisbane Housing Authority owns vacant property within Brisbane Acres, totaling about 4.21 acres. The property is vacant, consists of four contiguous lots, and is located immediately south of the intersection of San Bruno Avenue and Gladys Avenue. The former Redevelopment Agency of the City of Brisbane purchased the property for just under \$2 million, using its Low and Moderate Income Housing fund. After the dissolution of Redevelopment Agencies, the property was transferred to the Housing Authority. Under the law that dissolved Redevelopment Agencies, as to this property, the Housing Authority is under an obligation to sell the property or undertake action to develop the property for low and moderate income housing purposes.

Had the Redevelopment Agency not been terminated by the State of California there would have been sufficient funds to build a Habitat for Humanity project on this site. The Agency and Habitat were having fruitful discussions at that time. The Agency and Habitat had a record of success with two other small projects in town. Habitat projects require significant public investment. This includes not only donation of property but also significant cash contribution. While the Brisbane Housing Authority (the successor the Redevelopment Agency) has the ability to donate land it has severely limited cash funds to incentivize a project.

Over the years, the Housing Authority has attempted to find a purchaser of the property to develop it for affordable housing purposes. Because, however, of the property's location and challenges to develop it, the Housing Authority's efforts to find an affordable housing developer had not been successful. Accordingly, earlier this year, the Housing Authority declared this property surplus property and provided the required notice to recreation districts, school districts, and the State Department of Housing and Community Development to determine if any such districts or any affordable housing developers were interested in purchasing the property. No recreation or school districts expressed interest. Although one affordable housing developer (Mid Pen) (with whom the Housing Authority had discussed previously the development of the property) expressed interest, ultimately Mid-Pen did not choose to move forward with negotiations. Accordingly, the Housing Authority engaged the services of a real estate broker to sell the property on the open market.

After the property had been listed for many months, recently the Housing Authority received all cash offer for the property. The Housing Authority met in closed session to discuss the terms and conditions of the sale and to provide direction to the Executive Director. Those discussions have led to a Vacant Land and Purchase Agreement, and related document, consistent with the direction the Housing Authority has provided. The item is on the Housing Authority's agenda for public comment and Housing Authority action. Staff is recommending the Housing Authority authorize the sale and authorize the Executive Director to sign the Agreement and related documents in a final form as approved by General Counsel.

The salient terms for the sale of the property as set forth below.

Discussion

The property would be sold for \$2.35 million, which is higher than the appraised value of the property. (Assessed for \$ 2,150,000 in September of 2017). Of that amount, \$70,500 will be deposited into escrow and \$2,279,500 paid at closing. The Housing Authority will provide any reports it has concerning any hazards of environmental issues it has on the property. There will be a 6% commission, split between the brokers that the Housing Authority retained and the purchaser's broker.

Fiscal Impact

The property was purchased using the former Redevelopment Agency's Low and Moderate Income Housing Fund. Such funds must be used to provide affordable housing. The proceeds of the sale of this property will be placed in a similar Housing Authority fund and used to provide housing for low and moderate income households.



Clay Holstine, Executive Director

Attachments:

1. Housing Authority Resolution HA 2021-01
2. Vacant Land Purchase Agreement and related documents (Please Note: the contracts will be coming forward prior to the meeting on Thursday night)
Attachments were posted- 2/16/21

ATTACHMENT 1

RESOLUTION NO. HA-2021-01

A RESOLUTION OF THE BRISBANE HOUSING AUTHORITY AUTHORIZING THE SALE FO VACANT PROPERTY WITHIN THE BRISBANE ACRES AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A VACANT LAND PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS AND RELATED DOCUMENTS IN CONNECTION WITH THE SALE

WHEREAS, the Brisbane Housing Authority owns vacant property with Brisbane Acres, totaling about 4.21 acres, which property consists of four contiguous lots and is located immediately south of the intersection of San Bruno Avenue and Gladys Avenue in the City of Brisbane; and

WHEREAS, the former Redevelopment Agency of the City of Brisbane purchased this property for just under \$2 million, using its Low and Moderate Income Housing Fund; and

WHEREAS, after the dissolution of Redevelopment Agencies, the property was transferred to the Brisbane Housing Authority; and

WHEREAS, the Brisbane Housing Authority declared this property surplus, provided the required notices of its availability to all relevant agencies as required by law, and, having not received any offers concerning the property, listed the property for sale on the open market; and

WHEREAS, the Housing Authority has received an offer from Pei-Hsung Hu and/or Assignees to purchase the property for \$2.35 million, which amount is greater than the appraised value of the property; and

WHEREAS, the Brisbane Housing Authority has considered the terms and conditions of the sale of this property; and

WHEREAS, the net proceeds of the sale of the property will be placed in the Low and Moderate Income Housing Fund of the Housing Authority and used for affordable housing purposes.

NOW, THEREFORE, be it resolved by the Brisbane Housing Authority as follows:

Section 1. The sale of 4.21 acres of vacant land in Brisbane Acres to Pei-Hsung Hu and/or Assignees is approved and the Executive Director is authorized to sign a Vacant Land Purchase Agreement and Joint Escrow Instructions, and related documents in connection with the sale, in a form as approved by the General Counsel.

Section 2. The Housing Authority Clerk is authorized to record a grant deed from the Brisbane Housing Authority to the purchaser as provided herein.

Section 3. This resolution shall become effective immediately upon its adoption.

Karen Cunningham, Authority Chairperson

I hereby certify that the foregoing Resolution No. HA 2021-01 was duly and regularly adopted at a special meeting of the Brisbane Housing Authority on February 18, 2021 by the following vote:

AYES:

NOES:

ABSTAIN;

ABSENT:

Ingrid Padilla, Authority Clerk