



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 06/02/2020

ITEM NO: 2

DATE: May 28, 2020
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Adopt a Resolution Approving the Vacant Land Purchase Agreement and First Amendment to the Agreement for the Sale of Town-Owned Property Located on 20 Dittos Lane, Authorizing the Town Manager to Execute all Documents Needed to Complete the Transaction in a Form Acceptable to the Town Attorney.

RECOMMENDATION:

Adopt a Resolution (Attachment 1) approving the Vacant Land Purchase Agreement (Attachment 2) and First Amendment to the Agreement (Attachment 3) for the sale of Town-owned property located on 20 Dittos lane, authorizing the Town Manager to execute all documents needed to complete the transaction in a form acceptable to the Town Attorney.

BACKGROUND:

On October 16, 2018, the Town Council approved an exclusive negotiating agreement with Sarah Chaffin for the siting and development of affordable teacher housing at 20 Dittos Lane. Since that time, the developer has been engaging in the Town's planning and development application process. On February 11, 2020, the developer received approval for the Architectural and Site application and Subdivision Application which included requests for a lot line adjustment, subdivision of one lot into three, and construction of two single-family residences on property zoned R1-D. In addition, the developer has submitted the grading permit application to the Town.

With the developer having completed all the initial requisite elements of the Town's planning and development process, the Town is prepared to finalize the contracting phase of the property disposition.

PREPARED BY: Arn Andrews
Assistant Town Manager

Reviewed by: Town Manager and Town Attorney

DISCUSSION:

As previously stated, completion of this transaction will result in the developer building affordable housing on the site as illustrated in Exhibit A of the First Addendum. Provided below are the salient elements of the Vacant Land Purchase Agreement (Agreement) and First Addendum to the Agreement.

Agreement/Amendment Elements	Comments
Purchase Price	The site is being sold to the developer for \$1.00. The Town is responsible for title insurance, escrow, and other related closing fees (estimate \$2,000).
Property Improvements	Two (2) single-family residential units and two (2) accessory dwelling units.
Property Easements	In exchange for ingress easement, egress easement, emergency vehicle easement, public utility easement, and sanitary sewer easement, certain lands will be granted to 18 Dittos Lane.
Below Market Housing Guidelines	This project would provide affordable housing up to 120% of Area Median Income with a preference for teachers or school district staff.
Deed Restrictions	55 years with an opportunity to extend for the longest feasible time.
Town Loan Agreement	Town agrees to loan Buyer the sum of \$600,000.00, with zero interest, amortized over 55 Years from the Town Below Market Housing Fund.

CONCLUSION:

The sale of 20 Dittos Lane will result in the development of four (4) affordable housing units with a preference for teachers and school district staff.

COORDINATION:

This staff report was coordinated with the Town Attorney.

FISCAL IMPACT:

Traditional seller fees associated with property transactions can be absorbed by the Town Manager's Office.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

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SUBJECT: 20 Dittos Lane Vacant Land Purchase Agreement

DATE: May 28, 2020

Attachments:

1. Draft Resolution
2. Vacant Land Purchase Agreement and Exhibit A
3. First Addendum to Vacant Land Purchase Agreement