

RESOLUTION NO. 2024-83

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA AUTHORIZING THE CITY MANAGER TO ENTER INTO A PURCHASE AND SALE AGREEMENT TO ACQUIRE THE PROPERTY LOCATED AT 306 RESERVATION ROAD, CITY OF MARINA, APN 032-173-006-000 (THE "PROPERTY"), CONSENT TO THE SALE AND TRANSFER OF THE PROPERTY, AND ISSUE A CERTIFICATE OF ACCEPTANCE, EVIDENCING SUCH CONSENT.

WHEREAS, in March 2008, John Lawson, the owner, purchased the Property with assistance from the City of Marina. The City required the developer of the project where the Property is located to sell the home below its fair market value at the time. In consideration of the City's assistance, the Owner agreed to a "Buyers Occupancy and Resale Restriction Agreement with Option to Purchase" (the "Resale Restriction Agreement"); and

WHEREAS, in accordance with Section 12 of the Resale Restriction Agreement, the City determined that the purchase price for the Property is \$294,549 ("Purchase Price") prior to any adjustments for deferred maintenance. The City needs to enter into a Purchase and Sale Agreement to purchase the Property. Upon finding a buyer that qualifies for the affordable unit, the City intends to sell the Property; and

WHEREAS, having exercised the option to purchase, the Property, the City will need to enter into a purchase and sale agreement ("Agreement"). The Agreement will provide the City with the ability to, prior to acquisition, inspect the Property to determine its condition, including any deferred maintenance. The City will negotiate the purchase price with the Owner following the inspection and will pay no more than the maximum purchase price of \$294,459 as calculated under the Resale Restriction Agreement; and

WHEREAS, Government Code Section 27281 provides that instruments conveying an interest in real property to the City may not be recorded without a Certificate of Acceptance from the City Council. To that end, request is made by this resolution to consent to the conveyance of the Property to the City of Marina and issue a Certificate of Acceptance evidencing the City's consent.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Marina does hereby:

1. Authorize the City Manager to enter into a purchase and sale agreement to acquire the Property for a purchase price not to exceed \$294,549, subject to any deductions due to deferred maintenance and other transaction costs, such agreement to be subject to final review by the City Attorney; and
2. Consent to the sale and transfer of the Property to the City of Marina and issue a Certificate of Acceptance as set forth in California Government Code Section 27281, evidencing such consent in the form attached as Exhibit A.

PASSED AND ADOPTED by the City Council of the City of Marina at a regular meeting duly held on the 2nd day of July 2024 by the following vote:

AYES, COUNCIL MEMBERS: McAdams, McCarthy, Biala, Visscher, Delgado

NOES, COUNCIL MEMBERS: None

ABSENT, COUNCIL MEMBERS: None

ABSTAIN, COUNCIL MEMBERS: None

Bruce C. Delgado, Mayor

ATTEST:

Anita Sharp, Deputy City Clerk

June 27, 2024

Item No. **10g(5)**

Mayor and Members
of the City Council

City Council Meeting
of July 2, 2024

**CITY COUNCIL TO CONSIDER ADOPTING RESOLUTIONS NO. 2024-,
AUTHORIZING THE CITY MANAGER TO ENTER INTO A PURCHASE
AND SALE AGREEMENT FOR REAL PROPERTY AT 306
RESERVATION ROAD, CITY OF MARINA, AND CONSENT TO THE
SALE AND TRANSFER OF THE PROPERTY TO THE CITY, AND ISSUE
A CERTIFICATE OF ACCEPTANCE EVIDENCING SUCH CONSENT**

RECOMMENDATION

It is recommended that the City Council consider:

1. Adopting Resolution No. 2024-, authorizing the City Manager to enter into a purchase and sale agreement to acquire the property located at 306 Reservation Road, City of Marina, APN 032-173-006-000 (the "Property") for a purchase price not to exceed \$294,549, subject to any deductions due to deferred maintenance and other transaction costs; and
2. To consent to the sale and transfer of the Property to the City of Marina and to issue a Certificate of Acceptance as set forth in California Government Code Section 27281, evidencing such consent.

BACKGROUND

In March 2008, John Lawson, the owner, purchased the Property with assistance from the City of Marina. The City required the developer of the project where the Property is located to sell the home below its fair market value at the time. In consideration of the City's assistance, the Owner agreed to a "Buyers Occupancy and Resale Restriction Agreement with Option to Purchase" (the "Resale Restriction Agreement").

The Owner attempted to sell the Property but was unable to do so in accordance with the Resale Restriction Agreement. On May 21, 2024, because of the challenges related to sale of the Property, Council authorized the City Manager to exercise the City's option to acquire the Property in accordance with Section 10 of the Resale Restriction Agreement.

In accordance with Section 12 of the Resale Restriction Agreement, the City determined that the purchase price for the Property is \$294,549 ("Purchase Price") prior to any adjustments for deferred maintenance. The City needs to enter into a Purchase and Sale Agreement to purchase the Property. Upon finding a buyer that qualifies for the affordable unit, the City intends to sell the Property.

ANALYSIS

Having exercised the option to purchase, the Property, the City needs to enter into a purchase and sale agreement ("Agreement"). The Agreement will provide the City with the ability to, prior to acquisition, inspect the Property to determine its condition, including any deferred maintenance. The City will negotiate the purchase price with the Owner following the inspection and will pay no more than the maximum purchase price of \$294,459 as calculated under the Resale Restriction Agreement.

Government Code Section 27281 provides that instruments conveying an interest in real property

to the City may not be recorded without a Certificate of Acceptance from the City Council. To that end, request is made by resolution to consent to the conveyance of the Property to the City of Marina and issue a Certificate of Acceptance evidencing the City's consent.

FISCAL IMPACT

No more than the maximum purchase price of \$294,459 as calculated under the Resale Restriction Agreement from the city's General Fund-Affordable Housing Account.

CONCLUSION This item is submitted for City Council consideration.

Layne Long
City Manager
City of Marina

REVIEWED:

Rene A. Ortega
City Attorney
City of Marina