



Good Neighbors

San Diego
Housing Commission

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REPORT

DATE: For the Agenda of October 4, 2002

ITEM 108

REPORT NO.: HCR02-085

SUBJECT: Sale of Excess Land (Council District 6)

SUMMARY

Issue: Should the Housing Commission approve and recommend to the Housing Authority the sale of excess land located at 2766 Cardinal Road, San Diego, CA 92123, upon approval by U. S. Department of Housing and Urban Development (HUD)?

Recommendation: Approve and recommend to the Housing Authority the sale of excess land located at 2766 Cardinal Road, San Diego, CA 92123, upon approval by HUD to the Children's Home Society (CHS) for \$120,000; authorize the Chief Executive Officer or designee to execute all required documents and modify the budget in order to incorporate the funds.

Fiscal Impact: The \$120,000 received from the sale of excess land will be used for low-income public housing purposes.

Previous Related Action(s): None

Future Related Action(s): Upon approval of the Housing Commission, this item will be forwarded to the Housing Authority for consideration.

BACKGROUND

The Housing Authority of the City of San Diego acquired by deed on November 24, 1981, and recorded file No. 54613, real property located at 2766 Cardinal Road, San Diego, CA 92123 (Attachment 1). In January 1983, the Housing Commission completed construction of a wood frame/stucco duplex consisting of two 3-bedroom dwellings units with attached garages. This work was funded through HUD's Conventional Public



A state agency authorized by the City of San Diego

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Housing Program and the property has been managed by the Housing Commission as low-income public housing since that time.

During the 1970's, CHS constructed an office building with onsite parking located at 7695 Cardinal Court, which is immediately adjacent to the Housing Authority's Cardinal Road property (Attachment 2).

In 2001, a property owner on Mocking Bird Drive requested that the Housing Commission repair her fence allegedly damaged by a tree located on Housing Authority's property. After investigating the issue, it was determined that the Housing Authority's Cardinal Road property extended beyond the apparent boundary of the existing fenced lot and in fact included portions of the CHS parking area.

In an attempt to resolve this issue, staff determined that the encroached piece of land (9450.75 square feet) was excess to the requirements of the Housing Commission and that the potential loss of that portion of the property would in no way negatively impact the habitability of the Cardinal Road property.

DISCUSSION

Both the Housing Commission and the CHS have worked diligently toward resolving this matter. In order to determine the value of the excess land, appraisals were commissioned by both parties. CHS determined the value to be \$60,000 (Attachment 3) while the Housing Commission's certified general appraiser valued the property at \$163,000 (Attachment 4). Negotiations ensued and a sale price of \$120,000 was agreed upon.

The terms and conditions of the sale are as follows:

1. Payment to the Housing Authority of the sum of \$120,000 net dollars after all costs and expenses at the close of escrow;
2. This Agreement is contingent upon approval of the sale by both the San Diego Housing Commission and the Housing Authority;
3. This Agreement is contingent upon approval of release of regulatory agreement by HUD, which release will be processed by the Commission;
4. This Agreement is contingent upon approval of a lot line adjustment to be processed by the Children's Home Society at its sole cost and expense; however, the San Diego Housing Commission will sign the necessary papers and application with the City for approval of such boundary line adjustment, and will, as requested by the CHS, communicate to the City its support for such request;

5. Children's Home Society will pay for all costs of escrow and title fees in connection with the purchase and sale. Escrow shall be at Chicago Title Company;
6. Children's Home Society will process the lot line adjustment or subdivision through the City in a diligent manner, and the Housing Commission will support such processing as discussed in Section 4 above. The purchase and sale escrow will close no later than fifteen days after the filing in the Official Records of the certificate of compliance, parcel map and/or other instrument which would legally allow combination of the purchased property with the adjoining property already owned by the Children's Home Society;
7. Each party to bear their own attorneys' fees, engineering fees, appraisal fees and other out-of-pocket costs to date and costs associated with the purchase and sale; and,
8. Upon close of escrow the Housing Authority shall release the Children's Home Society from any and all liability in connection with their occupation of the subject property from the beginning of time to the close of escrow.

ALTERNATIVES

Not sell the excess property to CHS. The alternative is not recommended because there is no Housing Commission need for the excess land, and this proposal provides an opportunity to resolve the lot line dispute and receive revenue to be used for eligible affordable housing activities.

Respectfully submitted,

**Signature on File
With Original Document**

Approved by,

Steve Snyder
Asset Management Manager

Elizabeth C. Morris
Chief Executive Officer

SS:rb

- Attachments:
1. Description of Property
 2. Property Map
 3. CHS Appraisal
 4. SDHC Appraisal
 5. Board Resolution