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Agenda Item: ID#17-654 (10:30 A.M.)

Date: 5/11/17

CITY CLERK: FRESNO

FRESNO CITY COUNCIL



Supplemental Information Packet

Agenda Related Item(s) – ID#17-654 (10:30 A.M.)

Contents of Supplement: Purchase and Sales Agreement Item(s)

JOINT MEETING OF THE CITY OF FRESNO IN ITS CAPACITY AS HOUSING SUCCESSOR TO THE REDEVELOPMENT AGENCY OF THE CITY OF FRESNO AND FRESNO REVITALIZATION CORPORATION

Approval of a Purchase and Sale Agreement for APNs

467-245-02T, -03T, -04T, -05T, -06T, -07T, -08T, -09T, -10T, -11T, -12T,
467-262-01T, -02T, -03T, and -04T. (Properties located in District 3)

2. Adopt a finding of Categorical Exemption pursuant to CEQA Guidelines section 15332

Supplemental Information:

Any agenda related public documents received and distributed to a majority of the City Council after the Agenda Packet is printed are included in Supplemental Packets. Supplemental Packets are produced as needed. The Supplemental Packet is available for public inspection in the City Clerk's Office, 2600 Fresno Street, during normal business hours (main location pursuant to the Brown Act, G.C. 54957.5(2)). In addition, Supplemental Packets are available for public review at the City Council meeting in the City Council Chambers, 2600 Fresno Street. Supplemental Packets are also available on-line on the City Clerk's website.

Americans with Disabilities Act (ADA):

The meeting room is accessible to the physically disabled, and the services of a translator can be made available. Requests for additional accommodations for the disabled, sign language interpreters, assistive listening devices, or translators should be made one week prior to the meeting. Please call City Clerk's Office at 621-7650. Please keep the doorways, aisles and wheelchair seating areas open and accessible. If you need assistance with seating because of a disability, please see Security.

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2017 MAY 9 AM 11:05

**REAL PROPERTY PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS**

CITY CLERK, FRESNO CA

THE CITY OF FRESNO, a municipal corporation, in its capacity as Housing Successor to the Redevelopment Agency of the City of Fresno ("Seller"), and HOUSING AUTHORITY OF THE CITY OF FRESNO, CALIFORNIA, a public body corporate and politic, ("Buyer"), enter into this Real Property Purchase and Sale Agreement and Joint Escrow Instructions (the "Agreement"), effective as of the date that the Buyer has executed it and the Agency has approved it.

RECITALS

- A. The Redevelopment Agency for the City of Fresno (the "Former Redevelopment Agency") was responsible for implementing the redevelopment plan (the "Plan") governing the land area identified as the Southwest Fresno General Neighborhood Renewal Area Redevelopment Plan Area (the "Project Area"), in accordance with the California Community Redevelopment Law (Health and Safety Code §§ 33000, et. seq.; hereafter the "CRL"). The Plan and the CRL authorized the Former Redevelopment Agency to purchase property for redevelopment purposes.
- B. AB1X26 ("AB 26") was enacted on June 28, 2011, and thereafter upheld by the California Supreme Court, eliminating redevelopment agencies effective on February 1, 2012. AB 26 authorizes a local government to become successor agency to a former redevelopment agency sponsored by such local government.
- C. On January 26, 2012, the City Council adopted Resolution No. 2012-12 electing to retain the housing assets and housing functions previously performed by the Agency pursuant to Health & Safety Code Section 34176. Accordingly, the City of Fresno became the Housing Successor Agency to the Former Redevelopment Agency (the "Housing Successor to the Former Redevelopment Agency").
- D. As the Housing Successor to the Former Redevelopment Agency, Seller owns certain real property within the Project Area, and the City of Fresno commonly known as APNs 467-245-02T, -03T, -04T, -05T, -06T, -07T, -08T, -09T, -10T, -11T, -12T, 467-262-01T, -02T, -03T, -04T, Fresno, California, as more particularly described on Exhibit A, attached hereto and incorporated by this reference (the "Property").
- E. Seller now desires to sell the Property to Buyer, and Buyer now desires to purchase the Property from Seller, pursuant to the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. **Purchase and Sale.** Seller will sell the Property to Buyer, and Buyer will purchase the Property from Seller on the terms and conditions set forth in this Agreement. Sale of the Property is subject to compliance with CRL. The Property includes, without exception:
 - (a) All buildings and structures located on the Property;
 - (b) Any and all other improvements to the Property and any other fixtures or items of personal property that Seller may have any interest in as may be appurtenant or affixed to the Property; and
 - (c)
2. **Easements.** Upon the vacation of any easement appurtenant to the Property held by the Seller for street, highway, or public service purposes, title to any property previously subject to the easement will be clear of the easement pursuant to section 8351 of the California Streets and Highways Code.
3. **Conditions Precedent.** Closing shall be conditioned upon performance of all of obligations in this Agreement and satisfaction of the conditions listed in Sections 2.1, 2.2, and 2.3, provided that each party may, in their sole discretion, as the case may be, elect to waive any such condition of Closing.
 - 2.1 **Compliance with CEQA.** As to both parties, this is not a project for the purposes of California Environmental Quality Act (CEQA) Guidelines section 15178.
 - 2.2 **Environmental Assessment.** The Property is being sold in an "As is" condition. Notwithstanding the foregoing, Buyer may perform a Phase 1 Environmental Site Assessment at Buyer's cost. Seller shall provide Buyer with any copies of environmental reports pertaining to the Property in Seller's possession without any warranty as to their accuracy.
 - 2.3 **Approvals.** Approval of this Agreement by (i) City of Fresno in its capacity as the Housing Successor to the Redevelopment Agency and (ii) the Housing Authority of the City of Fresno. Seller acknowledges that Buyer's Executive Director is executing this Agreement on behalf of Buyer. Buyer shall have up to sixty (60) days after the opening of Escrow to terminate the Escrow and this Agreement pursuant to Section 6.5 below for any reason whatsoever, including the failure of Buyer's Board of Director to approve the Closing of Escrow.
4. **Affordability Covenants.** In the event that affordable housing is developed on the Property, Buyer shall record Affordable Dwelling Unit Covenants and Restrictions in the name of the Seller, in a form reasonably acceptable to Buyer on no more than 25% of the future affordable housing units built on the Property. For the purposes of

this Agreement, affordable housing shall mean no less than 120% of the Area Medium Income ("AMI")

5. **Purchase Price.** The purchase price for the Property is SIX HUNDRED SIXTY THOUSAND DOLLARS (\$660,000) ("Purchase Price"). The Purchase Price, subject to adjustments provided in this Agreement (if any), will be paid by Buyer in cash or by wire transfer of immediately available funds at the Closing.
6. **Seller's Warranties.** Seller represents and warrants that: (a) Seller owns the Property, free and clear of all liens, licenses, claims, encumbrances, easements, leases, encroachments on the Property from adjacent Property, encroachments from the Property onto adjacent Property, and any rights of way, other than those disclosed by the public record; (b) no claims, suits, legal actions, proceedings or other matters including, without limitation, arbitration or mediations, are pending or, to Seller's knowledge, threatened against Seller before any court or governmental entity, and there are no existing court orders that affect the Property or any portions thereof; (c) Seller has no knowledge of any violations of, or notices concerning defects or noncompliance with any code, statute, regulation, ordinance, judicial order, judicial holding, or other applicable law concerning the Property;

The continued accuracy in all respects of Seller's representations and warranties shall be a condition precedent to Buyer's obligation to close. All representations and warranties contained in this Agreement shall be deemed remade as of the date of Closing and shall survive the Closing. If any of the representations and warranties are not correct at the time made or as of the Closing, Buyer may terminate this Agreement and there shall be no further liability on the part of Buyer to Seller.

7. **Opening Escrow/Escrow Deposit.** Within ten (10) business days after the execution of this Agreement by both parties, the parties will open an escrow ("Escrow") with Old Republic Title Company at 7451 N. Remington Ave. Suite 102, Fresno, CA 93711 ("Title Company"), Attention: Christina Brazil, and Buyer shall deposit into Escrow the sum of THIRTY THREE THOUSAND DOLLARS (\$33,000) ("Deposit") to be placed in an interest bearing account.

7.1 **Agreement as Joint Escrow Instructions.** This Agreement, when signed by Buyer and Seller and deposited into escrow with the Title Company, will be the parties' joint escrow instructions. Buyer and Seller will sign and deliver any other form instructions the Title Company may require that are consistent with this Agreement.

7.2 **Deposits into Escrow.** Buyer and Seller will deposit all instruments, documents, money, and other items into escrow with the Title Company that (i) this Agreement identifies or (ii) the Title Company may require that are consistent with the terms and purposes of this Agreement, and necessary to Closing. Within thirty (30) days after the Successor Agency approve this Agreement, Seller will deposit into the escrow with Title Company, or will conditionally deliver to Buyer, a recordable grant deed duly executed and acknowledged before a notary public, and accompanied by documentation

reasonably necessary to establish the authority of any signatory executing such deed on behalf of Seller.

- 7.3 **Title.** Seller will convey title of the Property to Buyer AS IS, without regard to all title defects, liens, encumbrances, conditions, covenants, restrictions, leases or agreements, and other adverse interests of record or known to Seller.
- 7.4 **Title and Closing Costs.** Buyer will pay any costs of clearing and conveying title. Buyer will pay the cost of a CLTA or ALTA owner's title policy insuring Buyer's title in the condition described in Section 5.3. Escrow fees, costs to record the grant deed, etc., shall be split equally between Buyer and Seller.
- 7.5 **Closing.** The escrow will be considered closed ("Closing" or "Close" or the "Closing Date") on the date that the Title Company records the grant deed. The escrow will be in condition to Close when all conditions to Close are satisfied or waived, the Title Company is prepared to issue the title policy described herein, and the Title Company is otherwise able to record the grant deed. Unless extended by the mutual consent of the parties, the escrow and this Agreement shall terminate if Closing does not occur within sixty (60) days following final execution of this Agreement (including attestation by the Clerk) (the "Outside Closing Date"). Seller's Executive Director is authorized to agree to administratively extend this Agreement as necessary to accommodate satisfaction of conditions precedent. Subject to section 10.17, upon termination of the escrow, the Title Company will return all funds, including the Deposit, and documents to the respective depositor, less any termination fee if applicable, and this Agreement will be of no further effect except as herein provided.
- 7.6 **Recordation.** At Closing, Title Company shall date the grant deed, and all other undated documents in escrow, with the date of Closing, and the Title Company shall record the grant deed, performance deed of trust and all other documents necessary to the Closing.
- 7.7 **Disbursements.** At Closing, Title Company shall disburse the Purchase Price, less Seller's costs to clear title (placing it in the condition set forth in Section 5.3), prorations, and other costs, if any, to Seller, when Title Company is committed to issue a standard CLTA or ALTA owner's title insurance policy to Buyer insuring its fee title in the condition set forth in Section 5.3, above, for the Purchase Price or such lesser amount as Buyer may designate.
- 7.8 **Risk of loss.** Any loss or damage, to the Property or any improvements on it, before Closing is at Seller's risk.
- 7.9 **Broker.** Neither party engaged a broker for this transaction.

8. Delivery of Possession. Seller shall deliver exclusive possession of the Property at Closing.

9. **Buyer's Right to Enter and Inspect the Property.** Buyer shall have the right to enter, inspect, and conduct any due diligence tests on the property that Buyer deems advisable. Seller grants Buyer, and/or Buyer's agents, the right, upon 24 hours notice, to enter onto the Property to conduct tests and investigations, if all the following occur: (a) Buyer conducts tests and investigations at its sole cost and expense; (b) the tests and investigations do not unreasonably interfere with Seller's possession.

10. **Miscellaneous Provisions.**

- 10.1 **Further Assurances.** Each party will sign and deliver further documents, or take any further actions required to complete the purchase and sale described herein.
- 10.2 **Notices.** All notices and other communications required or permitted under this Agreement shall be in writing and shall be deemed delivered: (a) on the date of service if served personally on the person to receive the notice, (b) on the date deposited in the U.S. mail, if delivered by depositing the notice or communication in the U. S. mail, postage prepaid, and addressed to the relevant party at the address set forth below, (c) on the date of transmission if delivered by facsimile, to the number provided below, that provides a transmission confirmation showing the date and time transmitted, or (d) on the date of transmission if delivered electronically via email and showing the date and time transmitted.

To Seller:

CITY IN ITS CAPACITY AS HOUSING SUCCESSOR TO
THE REDEVELOPMENT AGENCY OF THE CITY OF
FRESNO, a public body corporate and politic

Attention: Executive Director
848 M Street, 3rd floor
Fresno, CA 93721
Phone No.: 559.621.7600
Fax No.: 559.498.1870

To Buyer:

HOUSING AUTHORITY OF THE CITY OF FRESNO,
CALIFORNIA, a public body corporate and politic

Attention: CEO/Executive Director
1331 Fulton Mall
Fresno, California 93721
Phone No.: 559.443.8400

- 10.3 **Entire Agreement.** Each Exhibit referred to in this Agreement is by that reference incorporated into and made a part of this Agreement. This Agreement is the entire agreement between the parties regarding the purchase and sale of the Property, and supersedes all prior discussions, negotiations, commitments or understanding, written or oral.

- 10.4 **Amendment or Cancellation.** Buyer and Seller may amend or cancel this Agreement only by mutual written consent of the parties, unless otherwise expressly provided herein.
- 10.5 **Successors and Assigns.** This Agreement is binding upon and shall inure to the benefit of each party, and each party's heirs, successors, assigns, transferees, agents, employees or representatives. The Buyer may assign this agreement and its rights hereunder without the consent of Seller.
- 10.6 **Time of the Essence.** Time is of the essence of each term in this Agreement.
- 10.7 **Attorneys' Fees.** If any party to this Agreement or the Title Company begins any action, proceeding, or arbitration arising out of this Agreement, then as between Buyer and Seller, the prevailing party shall be entitled to receive from the other party, besides any other relief that may be granted, its reasonable attorneys' fees, costs, and expenses incurred in the action, proceeding, or arbitration.
- 10.8 **Governing Law.** This Agreement and the legal relations between the parties shall be governed by and construed according to California law. Venue for the filing of any action to enforce or interpret this Agreement or any rights and duties hereunder shall be in Fresno, California.
- 10.9 **Headings.** The section headings in this Agreement are for convenience only. The headings are not part of this Agreement and shall not be used to construe it.
- 10.10 **Waiver.** If Buyer or Seller waives a breach of any provision herein, the waiver will not be a continuing waiver. The waiver will not constitute a waiver of any subsequent breach, or a waiver of a breach of any other provision hereof.
- 10.11 **Severability.** The provisions of this Agreement are severable. The invalidity or unenforceability of any provision in this Agreement will not affect the other provisions.
- 10.12 **Interpretation.** This Agreement is the result of the combined efforts of the parties. If any provision of this Agreement is found ambiguous, the ambiguity will not be resolved by construing this Agreement in favor or against any party, but by construing the terms according to their generally accepted meaning.
- 10.13 **Precedence of documents.** If any conflict exists between the body of this Agreement and any Exhibit or Attachment to it, the provisions of the body of this Agreement will control and take precedence over the Exhibit or Attachment.
- 10.14 **Counterparts.** This Agreement may be executed in counterparts, each of which when executed and delivered will be deemed an original, and all of

which together will constitute one instrument. Facsimile or electronic copy signatures shall be deemed as valid and binding as original signatures.

- 10.15 **Survival.** All representations and warranties, indemnifications, and other provisions which, by their nature are intended to continue, shall survive Closing and delivery of the grant deed.
- 10.16 **Seller's Default and Buyer's Remedies.** If the sale of the Property is not consummated due to Seller's material default hereunder that is not cured within five (5) business days of Notice from Buyer of Default, then Buyer shall have the right, to elect, as its sole and exclusive remedy, to either (a) terminate this Agreement by written notice to Seller, promptly after which the Deposit shall be returned to Buyer, (b) waive the default and proceed to close the transaction contemplated herein. Notwithstanding anything to the contrary contained herein, Seller shall not be deemed in default unless and until Buyer provides Seller with written notice of such default and Seller fails to cure such default within five (5) business days of its receipt of such written notice.
- 10.17 **Buyer's Default and Seller's Remedies.** If the sale of the Property is not consummated due to Buyer's material default, then Seller shall have the right, to elect, as its sole and exclusive remedy, to terminate this Agreement by written notice to Buyer, after which the Deposit shall be forfeited.

IN WITNESS WHEREOF the Seller and Buyer have signed this Agreement on the dates set forth below.

BUYER:

HOUSING AUTHORITY OF THE CITY
OF FRESNO, CALIFORNIA, a public body
corporate and politic

By: Preston Prince
Preston Prince, CEO/Executive Director

Dated: 5-8-17, 20__

SELLER:

CITY OF FRESNO, in its capacity as Housing
Successor to the Redevelopment Agency of the
City of Fresno

By: Marlene Murphy
Marlene Murphy, Executive Director

Dated: _____, 20__

The City of Fresno has signed this Agreement pursuant to authority granted on _____,
20__

ATTEST:
YVONNE SPENCE, CMC
Ex-officio Clerk

APPROVED AS TO FORM:
DOUGLAS T. SLOAN
Ex-officio Attorney

By _____
Deputy

Dated: _____, 20__

By _____
Deputy

Dated: _____, 20__

Attachments:

Exhibit A: Legal Description

EXHIBIT "A"

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF FRESNO,
COUNTY OF FRESNO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

APNs: 467-245-02T
467-245-03T
467-245-04T
467-245-05T
467-245-06T
467-245-07T
467-245-08T
467-245-09T
467-245-10T
467-245-11T
467-245-12T
467-262-01T
467-262-02T
467-262-03T
467-262-04T