

NOTICE AND CALL OF SPECIAL MEETING:

Notice is hereby given that a special meeting of the RDA of the City of Kerman will be held on Oct 7, 2009 at 6:30 pm. Address and meeting items listed below.

KERMAN REDEVELOPMENT AGENCY	AGENDA
October 7, 2009– Special Meeting	Kerman City Hall
6:30 PM	850 S. Madera Avenue
	Kerman, CA 93630
Agency Members: Chairperson Trinidad Rodriguez, Richard Stockwell, Raj Dhaliwal, Jack Sidhu, Charlie Jones.	
City meetings are intended to be accessible to all persons. Please let us know if you require any accommodation to allow you to access and participate in this meeting. For assistance, please call (559) 846-9380 two days prior to the meeting.	
Materials related to an item on this agenda that are public documents and are submitted after distribution and posting of the agenda are available for public inspection in the City Clerk's office at 942 South Madera Avenue, Kerman, during normal business hours. Documents that are public documents provided by others during a meeting will be available at the same location during business hours after the meeting.	

Present:

Absent:

Also Present:

WELCOME – Chairperson Trinidad M. Rodriguez

CALL TO ORDER

ROLL CALL – Agency Secretary Renee Holdcroft

A. AGENDA APPROVAL

B. MINUTES – Last Regular Meeting

C. REQUEST TO ADDRESS AGENCY

This portion of the meeting is reserved for members of the public to address the Redevelopment Agency on items of interest that are not on the Agenda and are within the subject matter jurisdiction of the Redevelopment Agency. Speakers shall be limited to three minutes. It is requested that no comments be made during this period on items on the Agenda. Members of the public wishing to address the Redevelopment Agency on items on the Agenda should notify the Chairperson when that Agenda item is called, and the Chairperson will recognize your discussion at that time. It should be noted that the Redevelopment Agency is prohibited by law from taking any action on matters discussed that are not on the Agenda. Speakers are asked to please use the microphone, and provide their name and address.

D. PUBLIC HEARINGS

1. Public Hearing: Approve Resolution Authorizing the Sale of Single Family Dwelling located at 15412 W. California Avenue and direct the Executive Direct to sign the purchase agreement and any related documents necessary to close the sale. [LP]

As detailed in the staff report enclosed with your agenda packet, the Redevelopment Agency of the City of Kerman is proposing to sell the single family dwelling located at

1514 W. California to persons of low or moderate income. The Kerman RDA acquired the property from the City of Kerman and subsequently entered into a partnership with the Kerman Unified School District Construction Trades Program to construct a single family dwelling on the lot.

The home is complete and ready for sale. The terms of sale as previously approved by the Board of Directors are summarized as follows:

** Sale price was set at \$120,000*

** Sale restricted to persons of low or moderate income (per HUD Income Limits)*

** Qualified buyer(s) to receive a "land write down" of up to \$30,000*

** Land write-down to be structured as a loan amortized over 10 year at 5% annual interest*

Recommendation: That the Board of Directors conduct a public and adopt resolution approving the sale of single family dwelling located at 15412 W. California and authorize the Executive Director to sign the purchase agreement and any related documents necessary to close the sale.

E. ORDER OF BUSINESS

Agency Treasurer's Report:

F. WRITTEN COMMUNICATIONS

G. REQUEST FOR CLOSED SESSION

H. ADJOURNMENT



Kerman City Council

Public Hearing
Sale of RDA House

CITY COUNCIL
MEETING OF OCTOBER 7, 2009

To: Mayor and City Council Members
From: Luis Patlan, Director of Planning & Development Services
Subject: Public Hearing Authorizing the Redevelopment Agency of the City of Kerman to Sell a Single-Family Dwelling as a Small Housing Project

Recommendation:

Staff recommends that the City Council adopt the attached resolution authorizing the Redevelopment Agency of the City of Kerman to sell a single-family dwelling located at 15412 as a small housing project to persons of low or moderate income.

Background:

The Kerman Redevelopment Agency acquired a parcel of land from the City of Kerman for the development of a single-family home. The lot is located at 15412 W. California. The parcel was previously used as a temporary storm drain basin that was eliminated with the installation of a new storm drain line.

The Kerman RDA entered into a partnership with the Kerman Unified School District Construction Trades Program for the construction of new home on the site. The Construction Trades Program provides young adults with a unique opportunity to learn valuable skills in the various construction trades by actually building a new home from the ground up. Construction of the home was completed in August.

Discussion:

The Redevelopment Agency of the City of Kerman is prepared to sell the single family dwelling located at 1514 W. California Avenue. The Kerman RDA acquired the property using tax increment revenue. As such, the City Council, acting as the legislative body, is required to conduct a public hearing and adopt a resolution authorizing the Kerman RDA to sell the dwelling as a small housing project to persons of low or moderate income consistent with Sections 33433 subparagraph c and 33013 of the Health and Safety Code.

(Continued on next page)

Fiscal Impact:

There is no fiscal impact to the general fund in connection with this action. The Redevelopment Agency of the City of Kerman purchased the subject property from the City for \$35,000. The Agency intends to sell the single-family home to a qualified person of low or moderate income.

Public Hearing:

In compliance with Section 33431 of California Redevelopment Law, the Kerman City Council required to conduct a public hearing and authorize the Redevelopment Agency to sell the property as a small housing project to persons of low or moderate income. The RDA published a notice of the time and place of the hearing in the Kerman News for once a week for two consecutive weeks on September 23 and September 30 (see public hearing notice attached hereto as Exhibit 'B').

Environmental Review:

Staff has determined that the proposed project is categorically exempt under Section 15332 (Class 32) of the California Environmental Quality Act (CEQA) guidelines. The project is an in-fill development on a 0.08 acre lot located within the city limits of Kerman that is designated and zoned for the proposed use. The site can be adequately served by all required utilities and public services.

Conclusion:

The overall purpose of the Kerman Redevelopment Agency is to eliminate or reduce the symptoms of blight and to expand the supply of safe, decent and affordable housing. The acquisition of a vacant lot and the subsequent construction of a single-family home for sale to a qualified low and moderate income first-time homebuyer meet these primary objectives. Therefore, staff recommends that the City Council adopts a resolution authorizing the Redevelopment Agency to sell the single-family dwelling as a small housing project to persons of low or moderate income consistent with Section 33431 of the Health and Safety Code (see resolution attached hereto as Exhibit 'C').

Attachments:

- Exhibit 'A' – Photograph of RDA House*
- Exhibit 'B' – Public Hearing Notice*
- Exhibit 'C' – Resolution Authorizing the Sale of RDA House*

Exhibit 'A'

Photograph of RDA House



Exhibit 'B'

Public Hearing Notice

NOTICE OF PUBLIC HEARINGS

City of Kerman City Council

And

Redevelopment Agency of the City of Kerman

NOTICE IS HEREBY GIVEN that on Wednesday, October 7, 2009, at 6:30 p.m. or as soon thereafter as the matter can be heard, public hearings will be held at City Council Chambers located at 850 S. Madera Avenue, Kerman, California on the following matters:

City of Kerman City Council will hold a public hearing to authorize the sale of a single family dwelling by the Redevelopment Agency of the City of Kerman as a small housing project consistent with Section 33433 subparagraph c of the Health and Safety Code.

Redevelopment Agency of the City of Kerman will hold a special meeting to approve the sale of the single family dwelling and authorize the Executive Director to sign the purchase contract and any related documents necessary for the sale of the property consistent with Section 33433 of the Health and Safety Code.

The staff report on this matter is available to the public at least three days prior to the public hearings and may be reviewed at Kerman City Hall located at 850 S. Madera Avenue. All interested persons are invited to comment on the matter.

Any questions regarding this notice should be directed to Mr. Luis Patlan, Planning Director, at (559) 846-9386.

Date: 9/15/09

Pub: Twice (9/23/09 and 9/30/09)

/s/ L. Renee Holdcroft

City Clerk

Exhibit 'C'

RESOLUTION NO. 09-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KERMAN AUTHORIZING THE SALE OF A SINGLE-FAMILY DWELLING LOCATED AT 15412 W. CALIFORNIA AVENUE AS A SMALL HOUSING PROJECT TO PERSONS OF LOW OR MODERATE INCOME

WHEREAS, the Redevelopment Agency contracted with the Kerman Unified School District and the Kerman High School Building Trades Class, caused the construction of a single-family dwelling located at 15412 W. California Avenue, Kerman, California, and

WHEREAS, the development of a single-family dwelling will provide housing affordable for persons of low to moderate income consistent with Section 33334.6 of the Health and Safety Code and the implementation plan adopted pursuant to Section 33490 of the Health and Safety Code; and

WHEREAS, the Agency has accepted the single-family dwelling as complete and ready to market for sale to a qualified low to moderate income first-time homebuyer as prescribed herein; and

WHEREAS, the Agency previously authorized the sale of the subject property on June 17, 2009, and has, on numerous occasions previously discussed the terms and conditions for the sale of the dwelling; and

WHEREAS, the Agency can sell real property without public bidding after a public hearing to hear comments, said hearing was conducted on October 21, 2009, notice of said hearing being published on October 23, 2009 and October 30, 2009 as required by Section 33431 of the Health and Safety Code.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Redevelopment Agency of the City of Kerman does hereby resolve, adopts, determine, and order as follows:

1. The Board of Directors hereby authorizes the Executive Director to execute the purchase contract in the amount of \$120,000 and any other documents necessary for the close of sale.

2. That the single-family dwelling will be sold to persons of low and or moderate income pursuant to the most recent Department of Housing and Urban Development (HUD) Income Limits established for Fresno County. The criteria used to identify and select qualified homebuyers is attached hereto as Exhibit 'A'.

3. The Executive Director is hereby authorized to execute the real estate purchase contract, and directed to cause the preparation of escrow instructions, grant deeds, deeds of

trust, promissory notes, owner participation agreements, and such other documentation as may be necessary or convenient to the sale of the dwelling unit.

4. The sale price of the single-family dwelling unit shall be One Hundred and Twenty Thousand Dollars (\$120,000). The difference in the sale price and the estimated fair market price of Thirty Thousand Dollars (\$30,000) will be a down payment and shall be structured as a loan amortized at five percent (5%) interest for ten years. The principle and interest will be reduced by 1/10th every year the buyer owns and occupies the home and will be considered paid in full at the anniversary date on the tenth year. Should the home be sold or rented during the ten year period, the owner will be required to repay the outstanding balance owed at the time of the sale or within 30 days of any change in ownership or occupancy where no sale has occurred.

5. The Executive Director is hereby authorized to pay a commission to the Boyd Company in an amount not to exceed 3% of the purchase price along with any non-recurring closing costs associated with the sale of the subject property.

The foregoing resolution was adopted following a regular meeting of the Redevelopment Agency of the City of Kerman on the on 7th of October 2009, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

APPROVED:

Trinidad M. Rodriguez, Chairperson
Kerman Redevelopment Agency

ATTEST:

L. Renee Holdcroft, Secretary
Kerman Redevelopment Agency

EXHIBIT 'A'

Criteria for Selection of Eligible Homebuyers

1. The purchaser must verify that he/she has been a resident of the Kerman area (within City limits or within Kerman Unified School District boundaries) for a period of no less than 12 months, prior to the close of escrow.
2. Buyer's income must be less than 120 percent of the median income based on household size as set forth by the latest U.S. Department of Housing and Urban Development (HUD) income limits established for Fresno County. Buyer must verify family income for lower to moderate income for a two year period (2008 and 2007).
3. The single-family dwelling shall remain affordable to persons or families of low to moderate income for the longest feasible time, but no less than ten (10) years. The obligations of this paragraph shall be a covenant running with the land, and shall be enforceable by the Kerman Redevelopment Agency against the original buyer/owner and successors in interest.
4. If the single-family dwelling is sold within ten (10) years at a price that exceeds the affordable housing costs existing at the time of sale, after paying all expenses of sale and encumbrances against the property, if any, the seller may retain one-half of the equity, and the remaining equity shall be returned to the Kerman Redevelopment Agency and deposited into the Agency's Low and Moderate Income Housing Fund. The obligations of this paragraph shall be a covenant running with the land, shall be enforceable by the Kerman Redevelopment Agency against the original buyer/owner and successors in interest.
5. The Kerman Redevelopment Agency shall provide buyer with a down payment assistance loan of up to \$30,000 or the amount that the buyer needs to qualify for mortgage financing, whichever amount is less. The down payment shall be in the form of a loan earning interest at the rate of 5 percent per year amortized over ten (10) years. Buyer is not obligated to make payments on the principal or interest so long as the single-family dwelling is occupied by the original purchaser, his or her spouse or dependents. The principle and interest will be reduced by 1/10th every year the buyer owns and occupies the home and will be considered paid in full at the anniversary date on the tenth year. Upon the sale, exchange, transfer, or other change of ownership or occupancy, all principal and interest accrued and outstanding shall be paid at closing, or within 30 days of any change in ownership or occupancy if no closing of escrow occurs.

6. The buyer shall execute a promissory note, deed of trust, and any other agreements or documents necessary to effectuate the sale of the dwelling unit in favor of the Kerman Redevelopment Agency. The promissory note shall be secured by a deed of trust which may be subordinated or junior to the line of the purchasers' mortgage lender.
7. The grant deed for the sale of the single-family dwelling shall include the following non-discrimination covenant:

The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color creed, religion, sex, marital status, national origin, or ancestry in the sale, lease, sublease, transfer, use occupancy, tenure or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, established or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, or use or occupancy of tenants, lessees, subtenants, or use or occupancy of tenants, lessees, subtenants, sublessees, or ventees in the premises herein conveyed. The foregoing covenants shall run with the land.