



City Council/Community Redevelopment
Agency Staff Report

DATE: MARCH 25, 2009

PUBLIC HEARING

SUBJECT: APPROVE THE SALE OF A 9,150 SQUARE FOOT PARCEL (.21 ACRE) FROM THE COMMUNITY REDEVELOPMENT AGENCY TO THE CITY OF PALM SPRINGS FOR THE SUM OF \$27,450, LOCATED AT 3845 EAST RAMON ROAD ON THE SOUTH SIDE OF RAMON ROAD AT AVENIDA EVELITA, MERGED PROJECT AREA #1 (FORMERLY PROJECT AREA 9-D) (APN 680-041-004) AND A 9,404 SQUARE FOOT PARCEL (.2159 ACRE) FOR THE SUM OF \$22,500, LOCATED AT THE NORTHEAST CORNER OF JIMINEZ CIRCLE AND ROSA PARKS BOULEVARD, MERGED PROJECT AREA #1 (FORMERLY DESERT HIGHLAND PROJECT AREA) (APN 669-353-001)

FROM: David H. Ready, Executive Director

BY: Community & Economic Development Department

SUMMARY:

The Community Redevelopment Agency of the City of Palm Springs ("Agency") proposes to sell a 9,150 square foot parcel to the City of Palm Springs for the amount of \$27,450 and a 9,404 square foot parcel for \$22,500. The purpose of this sale is to enable the Agency to comply with 33334.16 of California Redevelopment Law, which prohibits agencies from holding land purchased for low- or moderate-income housing for longer than five years.

RECOMMENDATION:

COMMUNITY REDEVELOPMENT AGENCY RECOMMENDATION:

Adopt Resolution No. _____, "A RESOLUTION OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALM SPRINGS, CALIFORNIA APPROVING THE PURCHASE AND SALE WITH THE CITY OF PALM SPRINGS, CALIFORNIA, FOR A PROPERTY AT 3845 EAST RAMON ROAD (APN 680-041-004), IN

ITEM NO. 1.C

THE AMOUNT OF \$27,450 AND A PROPERTY AT THE NORTHEAST CORNER OF JIMINEZ CIRCLE AND ROSA PARKS BOULEVARD (APN 669-353-001), IN THE AMOUNT OF \$22,500 AND ACCEPTING A PROMISSORY NOTE IN THE AMOUNT OF \$49,950"

CITY OF PALM SPRINGS RECOMMENDATION:

Adopt Resolution No. _____, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA APPROVING AN AGREEMENT FOR PURCHASE AND SALE WITH THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALM SPRINGS, CALIFORNIA, FOR A PROPERTY AT 3845 EAST RAMON ROAD (APN 680-041-004), IN THE AMOUNT OF \$27,450 AND A PROPERTY AT THE NORTHEAST CORNER OF JIMINEZ CIRCLE AND ROSA PARKS BOULEVARD (APN 669-353-001), IN THE AMOUNT OF \$22,500, AND MAKING A PROMISSORY NOTE IN THE AMOUNT OF \$49,950;"

AUTHORIZE THE EXECUTIVE DIRECTOR ON BEHALF OF THE AGENCY AND THE CITY MANAGER ON BEHALF OF THE CITY TO EXECUTE ALL THE DOCUMENTS RELATED TO THE PURCHASE AND SALE, AND PROMISSORY NOTE ON BEHALF OF THE AGENCY AND CITY, IN A FORM ACCEPTABLE TO THE CITY ATTORNEY.

BACKGROUND:

The Community Redevelopment Agency of the City of Palm Springs ("Agency") proposes to sell a 9,150 square foot parcel to the City of Palm Springs for \$27,450 and a 9,404 square foot parcel to the City of Palm Springs for \$22,500. The purpose of this sale is to enable the Agency to comply with Section 33334.16 of California Redevelopment Law, which prohibits agencies from holding land purchased for low- or moderate-income housing for longer than five years.

On January 22, 1992 the City Council approved the resolutions necessary to create Assessment District 157, which widened and approved Ramon Road among other projects. The Public Works department proceeded with the right-of-way acquisition on the 131 parcels in the District but several properties required the use of eminent domain. On February 28, 1992 the City Council approved a resolution allowing the City to proceed with a condemnation action under Government Code Section 7627.2 for a 10-foot by 122 foot strip from the owner of the subject property. The Owner asserted a severance damage claim, in that the acquisition of the 10 foot strip rendered the front parking area substandard and made leasing the units difficult.

On November 10, 1992, the City Council approved a purchase and sale agreement for the purpose of settlement with the property owner whereby the City would acquire the 10 foot strip from AD 157 proceeds and the Agency would acquire the remaining property, including the four apartments with Low and Moderate Income Housing Funds. The transaction was carried on the City and Agency books, however, as city owned property since the primary reason for the acquisition was the purchase of needed right-of-way for

Ramon Road. In 1996, after operating the apartment for three years and with no success at locating a buyer, the Agency demolished the units rather than expend the considerable investment to bring them up to code, which was made more difficult by the substandard parking area.

In 1998, Agency Staff undertook a marketing effort on all surplus City and Agency property, some of which sold. There were several prospective buyers interested in this property at the time, but each one asked for the assessment district payments (or the entire lien) to be waived as the cost of the assessment district was more than the vacant land's value. The Council at the time did not agree and the property remained unsold. Even in the recent real estate boom, when there were several office projects built along that section of Ramon Road, there were no buyers for the property.

When reviewing the list of Land Held for Resale as part of the recent annual financial audit of the Agency, staff researched the transaction and determined that, in fact, the land was owned by the Agency and purchased with Low and Moderate Income Housing Funds, making it subject to Section 33334.16 of California Redevelopment Law.

The second property was acquired as part of a proposed project with Habitat for Humanity in September, 1990. The parcel was obtained by the Agency from Desert Water Agency along with 2 other similarly sized lots in the Desert Highland Estates tract. The Agency had discussed a project with Habitat for Humanity over the years, as well as other housing developers, and would have included the parcel in a third phase of Desert Highland infill if the residential market had not declined so significantly over the past two years.

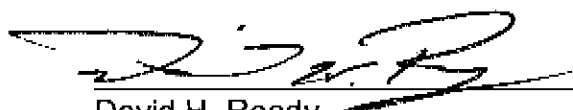
In selling these properties to the City, the Agency will receive a Promissory Note from the City for \$49,950. This transaction on the Ramon Road parcel is at a net \$3.00 per square foot, which represents a modest residual value after the assessment lien. The additional cost to the City is that it will now be responsible for the remaining AD 157 lien on the property in the amount of \$8,165.65. The \$22,500 for the Desert Highland lot is the per-lot amount paid by Century Homes (and now recorded as a lien on the five homes).



Diana Shay
Redevelopment Coordinator



Thomas J. Wilson
Assistant City Manager, Development Services



David H. Ready
Executive Director

Attachments:

1. Agreement for Purchase and Sale

2. Summary Report
3. Agency Resolution
4. City Resolution
5. Public Hearing Notice
6. Promissory Note

RESOLUTION NO. _____

A RESOLUTION OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALM SPRINGS, CALIFORNIA, APPROVING THE SALE OF A 9,150 SQUARE FOOT PARCEL, APN 680-041-004, TO THE CITY OF PALM SPRINGS FOR \$27,450 AND A 9,404 SQUARE FOOT PARCEL, APN 669-353-001, TO THE CITY OF PALM SPRINGS FOR \$22,500.

WHEREAS the Community Redevelopment Agency of the City of Palm Springs does own a parcel of land of approximately 0.21 acres, which it acquired in November, 1992 as part of the City of Palm Springs' settlement of litigation related to AD 157; and

WHEREAS the Community Redevelopment Agency of the City of Palm Springs does own a parcel of land of approximately 0.2159 acres, which it acquired for the purpose of affordable housing; and

WHEREAS Section 33334.16 of California Redevelopment Law (Health & Safety Code Section 33334.16) declares that "the agency shall, within five years from the date it first acquires the property interest for the development of housing affordable to persons and families of low and moderate income, initiate activities consistent with the development of the property for that purpose"; and

WHEREAS the Agency originally acquired the parcels in 1992 and 1990, respectively, for such purposes, and as such has held the land for longer than the five year limit; and

WHEREAS selling the parcels from the Agency to the City of Palm Springs would help the Agency comply with Section 33334.16.

NOW THEREFORE BE the Community Redevelopment Agency of the City of Palm Springs resolves:

1. A Grant Deed conveying the 9,150 square foot parcel, APN 680-041-004, from Agency to the City of Palm Springs in a form approved by Agency Counsel is hereby approved.
2. A Grant Deed conveying the 9,404 square foot parcel, APN 669-353-001, from Agency to the City of Palm Springs in a form approved by Agency Counsel is hereby approved.
3. Purchase and Sale of Real Property Agreement between City and Agency is hereby approved.

4. Authorize and direct Executive Director or his designee to complete and execute the promissory note and other such documents as may be reasonably necessary or prudent to complete this transaction.

ADOPTED this _____ day of _____, 2009.

Executive Director

CERTIFICATION:

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF PALM SPRINGS)

I, JAMES THOMPSON, Agency Secretary to the Agency Board of Directors of the Community Redevelopment Agency of the City of Palm Springs, hereby certifies that Resolution No. _____ is a full, true and correct copy, and was duly adopted at a regular meeting of the Agency Board on _____, 2009, by the following vote:

AYES:
NOES:
ABSENT:

James Thompson, Agency Secretary

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, APPROVING THE PURCHASE OF A 9,150 SQUARE FOOT PARCEL, APN 680-041-004, FROM THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALM SPRINGS FOR \$27,450 AND A 9,404 SQUARE FOOT PARCEL, APN 669-353-001, TO THE CITY OF PALM SPRINGS FOR \$22,500.

WHEREAS the Community Redevelopment Agency of the City of Palm Springs does own a parcel of land of approximately 0.21 acres, which it acquired in November, 1992 as part of the City of Palm Springs' settlement of litigation related to AD 157; and

WHEREAS the Community Redevelopment Agency of the City of Palm Springs does own a parcel of land of approximately 0.2159 acres, which it acquired for the purpose of affordable housing; and

WHEREAS the Agency desires to sell both parcels to the City in order to comply with Section 33334.16 of California Redevelopment Law (Health & Safety Code Section 33334.16); and

WHEREAS the City purchasing the parcels from the Agency would help the Agency comply with Section 33334.16.

NOW THEREFORE the City Council of the City of Palm Springs resolves:

1. The City of Palm Springs agrees to purchase and accepts a Grant Deed conveying the 9,150 square foot parcel, APN 680-041-004, from Agency in a form approved by the City Attorney.
2. The City of Palm Springs agrees to purchase and accepts a Grant Deed conveying the 9,404 square foot parcel, APN 669-353-001, from Agency in a form approved by the City Attorney.

3. Approve Purchase and Sale of Real Property Agreement between City and Agency.

4. Authorize and direct City Manager or his designee to complete and execute the promissory note and other such documents as may be reasonably necessary or prudent to complete this transaction.

ADOPTED this _____ day of _____, 2009.

City Manager

CERTIFICATION:

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF PALM SPRINGS)

I, JAMES THOMPSON, City Clerk of the City of Palm Springs, hereby certifies that Resolution No. _____ is a full, true and correct copy, and was duly adopted at a regular meeting of the City Council on _____, 2009, by the following vote:

AYES:
NOES:
ABSENT:

James Thompson, City Clerk

SUMMARY REPORT:

**SALE OF A 0.21 ACRE PARCEL AND A 0.2159 ACRE PARCEL FROM
THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY**

TO

THE CITY OF PALM SPRINGS

MARCH 2009

INTRODUCTION

Before real property acquired by a Community Redevelopment Agency with tax increment proceeds may be sold or leased, the transaction must be approved by the Agency Board in accordance with California Health and Safety Code Section 33433.

This Section requires a "Summary Report", which describes and specifies certain information in regard to the proposed transaction, be available for public inspection.

DESCRIPTION OF THE PROPOSED AGREEMENT

Site and Interests to be Conveyed

The Site consists of two parcels of land of approximately 0.21 acres (9,150 square feet) and 0.2159 acres (9,404 square feet). The first Site is located on the south side of Ramon Road near Avenida Evelita and the second is located at the Northeast Corner of Jiminez Circle and Rosa Parks Boulevard. The purpose of this sale is to enable the Agency to comply with California Redevelopment Law, which prohibits agencies from holding land purchased for low- or moderate-income housing for longer than five years.

The first parcel was purchased by the Agency on November 13, 1992 for the purpose of settlement of litigation and the second property was acquired by the Agency on September 1, 1990 after the previous structure on it, a single family home, had been demolished.

Proposed Development

The City does not have a proposed use for either parcel but can own property without the limitation of Section 33334.16.

Financing

The City will make a Promissory Note to the Agency for the transaction.

Agency Responsibilities

The Agency will bear no additional responsibilities for the parcel once the sale is completed.

COST OF AGREEMENT TO THE AGENCY

The Agency will receive \$49,950 for the two parcels. Once the Promissory Note is paid off, the funds will be deposited in the Low- and Moderate Income Housing Fund for use in the development of affordable housing. There is no other cost to the Agency.

AGREEMENT FOR PURCHASE AND SALE
OF REAL PROPERTY

THIS AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY ("Agreement") is made this ____ day of _____, 2009__ ("Effective Date"), by and between the Community Redevelopment Agency of the City of Palm Springs, a public body, corporate and politic, ("Agency") and the City of Palm Springs, a municipal corporation ("City").

R E C I T A L S:

WHEREAS, the Community Redevelopment Agency does own a parcel of land of approximately 0.21 acres, which was a parcel acquired in a settlement with a property owner over anticipated litigation over a taking of a portion of his property for the purpose of widening of the south half of Ramon Road, namely, a significant portion of the off-street parking; and

WHEREAS, at the time of the acquisition by the Agency for the purpose of settlement the property was improved with four occupied apartments, which the Agency operated for a period of time during which it searched for a buyer; and

WHEREAS, the Agency determined in 1995 that it was infeasible to operate the apartments with the diminished on-site parking, and demolished the structures; and

WHEREAS, the Agency's marketing of the property has been hindered by its size and the existence of an assessment district lien on the property; and

WHEREAS, the Community Redevelopment Agency does own a parcel of land of approximately 0.2159 acres, which was a parcel acquired in as part of a proposed affordable housing project, at the northeast corner of Jiminez Road and Rosa Parks Boulevard; and

WHEREAS, Section 33334.16 of California Redevelopment Law (Health & Safety Code Section 33334.16) declares that "the agency shall, within five years from the date it first acquires the property interest for the development of housing affordable to persons and families of low and moderate income, initiate activities consistent with the development of the property for that purpose"; and

WHEREAS, Agency originally acquired the first parcel on November 13, 1992 and the second on September 1, 1990 for the described purposes, but as such has held the remaining land for longer than the five year limit; and

WHEREAS, The Agency desires to comply with the provisions of Section 33334.16, and selling the parcels to the City of Palm Springs would help the Agency comply with the statute but would allow the City to continue to market the parcels to projects that would benefit the project area.

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

TERMS AND CONDITIONS

PURCHASE AND SALE OF PROPERTY. Subject to all of the terms, conditions and provisions of this Agreement, and for the consideration herein set forth, Agency hereby agrees to sell to City and City hereby agrees to purchase from Agency the Agency's fee interest in the Property, as specifically described at Exhibit "A", attached hereto and made a part hereof.

1. PAYMENT OF PURCHASE PRICE.

1. Purchase Price. City agrees to purchase the Ramon Road Property from Agency and Agency agrees to sell the Property to City for the purchase price ("Purchase Price") of Twenty Seven Thousand Four Hundred Fifty and 00/100 Dollars (\$27,450.00), and the City agrees to purchase the Rosa Parks Property from Agency and Agency agrees to sell the Property to City for the purchase price of Twenty Two Thousand Five Hundred Dollars (\$22,500), payable by City as set forth at Section 3.1 below.

"Good funds" shall mean a wire transfer of funds, cashier's or certified check drawn on or issued by the offices of a financial institution located in the State of California, or cash.

2. Time of Payment. The entire Purchase Price shall be paid in good funds upon the Effective Date of this Agreement.

3. ESCROW.

1. Closing. Closing of the sale of the Property shall take place upon the recordation of the Grant Deed by the City. The Closing Date shall be on or before February 28, 2009; provided, however, that either party herein may, upon twenty (20) days prior written notice to the other party and receipt of such other party's consent, elect to extend the Closing Date for a period of up to sixty (60) days.

2. Conveyance of Title. At the Closing Date, Agency shall deliver to City a Grant Deed ("Grant Deed") for each property in the form of attached hereto as Exhibit "B", which Grant Deed shall convey all of Agency's interest in the fee to City. City is instructed to record such Grant Deeds in the Official Records of Riverside County, California.

3. Promissory Note. At the Closing Date, City shall deliver to Agency an executed Promissory Note in the form attached hereto as Exhibit "C", which Promissory Note shall be recorded in the Official Records of Riverside County, California.

4. EFFECTIVE DATE. This Agreement shall take effect from and after the date (which date shall be inserted into the preamble of this Agreement) of adoption and approval by the Agency pursuant to official action of the Agency.

5. NO WARRANTIES: "AS-IS" SALE. Except as set forth in this Agreement, City acknowledges that neither Agency nor any of its employees, agents or representatives has made any representations, warranties or agreements to or with City on behalf of Agency as to any matters concerning the Property, the physical condition, the present use thereof, the merchantability, or the suitability of City's intended use of the Property. Agency further acknowledges and agrees that the Property is to be purchased, conveyed and accepted by Agency in its present "AS-IS" condition.

Reserved.

7. MISCELLANEOUS.

7.1 Successors. This Agreement shall be binding upon the parties hereto and their respective heirs, representatives, transferees, successors and assigns. The obligations of City under this Agreement shall inure to the benefit of Agency and City, and their respective heirs, representatives, transferees, successors and assigns.

7.2 Time of Essence. Time is of the essence in this Agreement and with respect to each covenant and condition hereof. Agency and City each specifically agrees to strictly comply and perform its obligations herein in the time and manner specified and waives any and all rights to claim such compliance by mere substantial compliance with the terms of this Agreement.

7.3 Time Period Computations. All periods of time referred to in this Agreement shall include all Saturdays, Sundays and California state or national holidays unless the reference is to business days, in which event such weekends and holidays shall be excluded in the computation of time and provide that if the last date to perform any act or give any notice with respect to this Agreement shall fall on a Saturday, Sunday or California state or national holiday, such act or notice shall be deemed to have been timely performed or given on the next succeeding day which is not a Saturday, Sunday or California state or national holiday.

7.4 Interpretation; Governing Law. This Agreement shall be construed according to its fair meaning and as if prepared by both parties hereto. This Agreement shall be construed in accordance with the laws of the State of California in effect at the time of the execution of this Agreement. Titles and captions are for convenience only and shall not constitute a portion of this Agreement. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates.

7.5 No Waiver. No delay or omission by either party hereto in exercising any right or power accruing upon the compliance or failure of performance by the other party hereto under the provisions of this Agreement shall impair any such right or power or be construed to be a waiver thereof. A waiver by either party hereto of a breach of any of the covenants, conditions or agreements hereof to be performed by

the other party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions hereof.

7.6 Modifications. Any alteration, change or modification of or to this Agreement, in order to become effective, shall be made by written instrument or endorsement thereon and in each such instance executed on behalf of each party hereto.

7.7 Severability. If any term, provision, condition or covenant of this Agreement or the application thereof to any party or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this instrument, or the application of such term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

7.8 Merger of Prior Agreements and Understandings. This Agreement, and other documents incorporated herein by reference contain the entire understanding between the parties relating to the transaction contemplated hereby and all prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged herein and shall be of no further force or effect.

7.9 Notices. Any notice which either party may desire to give to the other party must be in writing and shall be effective (i) when personally delivered by the other party or messenger or courier thereof; (ii) three (3) business days after deposit in the United States Mail, registered or certified; or (iii) twenty-four (24) hours after deposit before the daily deadline time with a reputable overnight courier or service; in each case postage fully prepaid and addressed to the respective parties as set forth below or to such other address and to such other persons as the parties may hereafter designate by written notice to the other parties hereto:

To Agency: Community Redevelopment Agency of the
City of Palm Springs
3200 East Tahquitz Canyon Way
Palm Springs, CA 92262
Attn: Executive Director

Copy to: Woodruff, Spradlin & Smart
555 Anton Boulevard
Costa Mesa, California 92626
Attn: Douglas C. Holland, Esq.

To City: City of Palm Springs,
3200 East Tahquitz Canyon Way
Palm Springs, CA 92262
Attn: City Manager

Either party may from time to time, by written notice to the others, designate a different address which shall be substituted for the one(s) above specified, and/or specify additional parties to be notified.

7.10 Attorneys' Fees. In the event of litigation between the parties arising out of this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and other costs and expenses incurred in addition to whatever other relief to which it may be entitled.

7.11 Execution in Counterpart. This Agreement and any modifications, amendments or supplements thereto may be executed in several counterparts, and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all parties are not signatories to the original or the same counterpart.

7.12 Due Execution. The person(s) executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement of Purchase and Sale of Property as of the date set forth above.

"Agency"

COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF PALM
SPRINGS,
a public body, corporate and politic

By: _____
Executive Director

ATTEST:

Assistant Secretary

APPROVED AS TO FORM:

Agency Counsel

"CITY OF PALM SPRINGS"

David H. Ready, City Manager

ATTEST:

City Clerk

EXHIBIT "A"

LEGAL DESCRIPTION OF AGENCY PROPERTY

The Land is that certain real property located in the City of Palm Springs, County of Riverside, State of California, more particularly described as follows:

1. Lot 4 Map Book 020/086 Vista Del Cielo. (3845 E. Ramon Road)
2. Lot 63 Map Book 039/058 Palm Springs Gateway Estates 1. (Desert Highland)

EXHIBIT "B"
GRANT DEED

GRANT DEED

FREE RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

City Clerk, City of Palm Springs
P.O. Box 2743
Palm Springs, CA 92263-2743

Order No. _____

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALM SPRINGS, a public body, corporate and politic, hereby grants to THE CITY OF PALM SPRINGS, a municipal corporation, the real property in the City of Palm Springs, County of Riverside, State of California, described in Exhibit "1" attached hereto and incorporated herein, by reference subject to the existing easements, restrictions and covenants of record thereon, and subject to the terms of the Agreement for the Purchase and Sale of Real Property executed concurrently herewith.

"Agency"

COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF PALM
SPRINGS Agency OF PALM SPRINGS, a
public body, corporate and politic

By: _____

Executive Director

ATTEST:

Assistant Secretary

APPROVED AS TO FORM:

Agency Counsel

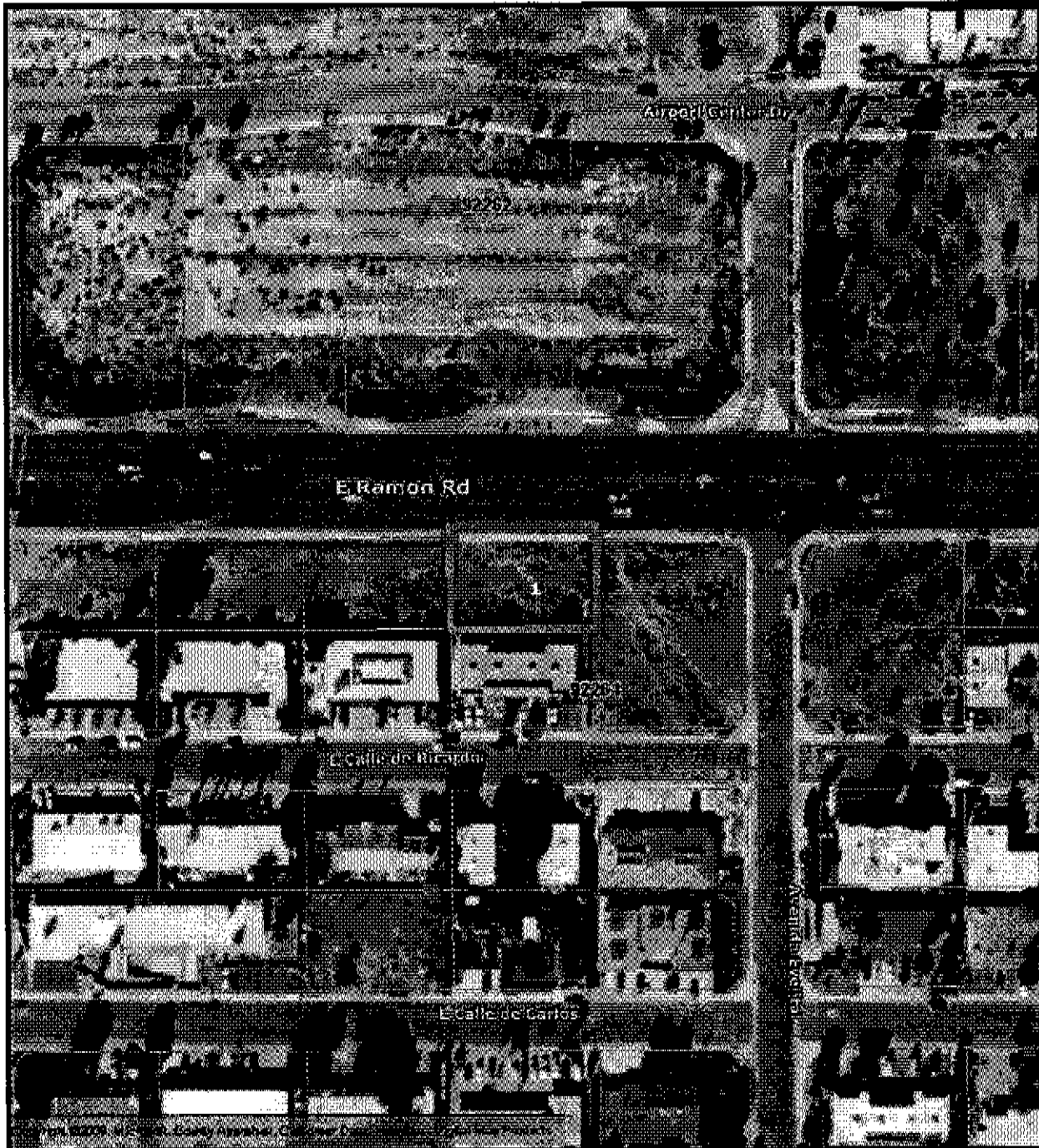
EXHIBIT "1"

LEGAL DESCRIPTION OF PROPERTY

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3. Lot 4 Map Book 020/086 Vista Del Cielo. (3845 E. Ramon Road)
4. Lot 63 Map Book 039/058 Palm Springs Gateway Estates 1. (Desert Highland)



3845 E. Ramon Road

APN 680-041-004



133 ft

CityGIS

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Desert Highland

APN 669-353-001



133 ft

CityGIS

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SUMMARY REPORT:

**SALE OF A 0.21 ACRE PARCEL AND A 0.2159 ACRE PARCEL FROM
THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY
TO
THE CITY OF PALM SPRINGS**

MARCH 2009

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Proposed Development

The City does not have a proposed use for either parcel but can own property without the limitation of Section 33334.16.

Financing

The City will make a Promissory Note to the Agency for the transaction.

Agency Responsibilities

The Agency will bear no additional responsibilities for the parcel once the sale is completed.

COST OF AGREEMENT TO THE AGENCY

The Agency will receive \$49,950 for the two parcels. Once the Promissory Note is paid off, the funds will be deposited in the Low- and Moderate Income Housing Fund for use in the development of affordable housing. There is no other cost to the Agency.

RESOLUTION NO. _____

A RESOLUTION OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALM SPRINGS, CALIFORNIA, APPROVING THE SALE OF A 9,150 SQUARE FOOT PARCEL, APN 680-041-004, TO THE CITY OF PALM SPRINGS FOR \$27,450 AND A 9,404 SQUARE FOOT PARCEL, APN 669-353-001, TO THE CITY OF PALM SPRINGS FOR \$22,500.

WHEREAS the Community Redevelopment Agency of the City of Palm Springs does own a parcel of land of approximately 0.21 acres, which it acquired in November, 1992 as part of the City of Palm Springs' settlement of litigation related to AD 157; and

WHEREAS the Community Redevelopment Agency of the City of Palm Springs does own a parcel of land of approximately 0.2159 acres, which it acquired for the purpose of affordable housing; and

WHEREAS Section 33334.16 of California Redevelopment Law (Health & Safety Code Section 33334.16) declares that "the agency shall, within five years from the date it first acquires the property interest for the development of housing affordable to persons and families of low and moderate income, initiate activities consistent with the development of the property for that purpose"; and

WHEREAS the Agency originally acquired the parcels in 1992 and 1990, respectively, for such purposes, and as such has held the land for longer than the five year limit; and

WHEREAS selling the parcels from the Agency to the City of Palm Springs would help the Agency comply with Section 33334.16.

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3. Purchase and Sale of Real Property Agreement between City and Agency is hereby approved.

4. Authorize and direct Executive Director or his designee to complete and execute the promissory note and other such documents as may be reasonably necessary or prudent to complete this transaction.

ADOPTED this _____ day of _____, 2009.

Executive Director

CERTIFICATION:

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF PALM SPRINGS)

I, JAMES THOMPSON, Agency Secretary to the Agency Board of Directors of the Community Redevelopment Agency of the City of Palm Springs, hereby certifies that Resolution No. _____ is a full, true and correct copy, and was duly adopted at a regular meeting of the Agency Board on _____, 2009, by the following vote:

AYES:
NOES:
ABSENT:

James Thompson, Agency Secretary

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, APPROVING THE PURCHASE OF A 9,150 SQUARE FOOT PARCEL, APN 680-041-004, FROM THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALM SPRINGS FOR \$27,450 AND A 9,404 SQUARE FOOT PARCEL, APN 669-353-001, TO THE CITY OF PALM SPRINGS FOR \$22,500.

WHEREAS the Community Redevelopment Agency of the City of Palm Springs does own a parcel of land of approximately 0.21 acres, which it acquired in November, 1992 as part of the City of Palm Springs' settlement of litigation related to AD 157; and

WHEREAS the Community Redevelopment Agency of the City of Palm Springs does own a parcel of land of approximately 0.2159 acres, which it acquired for the purpose of affordable housing; and

WHEREAS the Agency desires to sell both parcels to the City in order to comply with Section 33334.16 of California Redevelopment Law (Health & Safety Code Section 33334.16); and

WHEREAS the City purchasing the parcels from the Agency would help the Agency comply with Section 33334.16.

NOW THEREFORE the City Council of the City of Palm Springs resolves:

1. The City of Palm Springs agrees to purchase and accepts a Grant Deed conveying the 9,150 square foot parcel, APN 680-041-004, from Agency in a form approved by the City Attorney.
2. The City of Palm Springs agrees to purchase and accepts a Grant Deed conveying the 9,404 square foot parcel, APN 669-353-001, from Agency in a form approved by the City Attorney.

3. Approve Purchase and Sale of Real Property Agreement between City and Agency.

4. Authorize and direct City Manager or his designee to complete and execute the promissory note and other such documents as may be reasonably necessary or prudent to complete this transaction.

ADOPTED this _____ day of _____, 2009.

City Manager

CERTIFICATION:

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF PALM SPRINGS)

I, JAMES THOMPSON, City Clerk of the City of Palm Springs, hereby certifies that Resolution No. _____ is a full, true and correct copy, and was duly adopted at a regular meeting of the City Council on _____, 2009, by the following vote:

AYES:
NOES:
ABSENT:

James Thompson, City Clerk

NOTICE OF JOINT PUBLIC HEARING
CITY OF PALM SPRINGS CITY COUNCIL
CITY OF PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY
SALE OF 2 AGENCY OWNED PARCELS TO CITY

NOTICE IS HEREBY GIVEN that the Community Redevelopment Agency of the City of Palm Springs and the City of Palm Springs will hold a Public Hearing beginning at 6:00 p.m., Wednesday, March 25, 2009 in the Council Chamber at City Hall, 3200 East Tahquitz Canyon Way, Palm Springs.

The purpose of this hearing is to consider the sale of a 9,150 Square Foot (0.21 acre) parcel located on the south side of Ramon Road near Avenida Evelita, Palm Springs 92264 and a 9,404 Square Foot (0.2159 acre) parcel at the northeast Corner of Jiminez Circle and Rosa Parks Blvd, Palm Springs 92262 from the Community Redevelopment Agency to the City of Palm Springs.

The purpose of this sale is to enable the Agency to comply with Section 33334.16 of California Redevelopment Law, which prohibits agencies from holding land purchased for low- or moderate-income housing for longer than five years.

The first parcel was purchased by the Agency on November 13, 1992. In 1996, the Agency demolished the existing four units on the property. The second property was acquired by the Agency on September 1, 1990 after the previous structure on it, a single family home, had been demolished.

REVIEW OF PROJECT INFORMATION: The staff report and other supporting documents regarding this project are available for public review at City Hall between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday. Please contact the Office of the City Clerk at (760) 323-8204 if you would like to schedule an appointment to review these documents.

COMMENT ON THIS APPLICATION: Response to this notice may be made verbally at the Public Hearing and/or in writing before the hearing. Written comments may be made by letter (for mail or hand delivery) to:

James Thompson, City Clerk
3200 East Tahquitz Canyon Way
Palm Springs, CA 92262

Any challenge of the proposed project in court may be limited to raising only those issues raised at the public hearing described in this notice, or in written correspondence delivered to the City Clerk at, or prior to, the public hearing. (Government Code Section 65009[b][2]). An opportunity will be given at said hearing for all interested persons to be heard. Questions regarding this case may be directed to Diana Shay, Redevelopment Coordinator with the Community and Economic Development Department at (760) 323-8260.

Si necesita ayuda con esta carta, por favor llame a la Ciudad de Palm Springs y puede hablar con Nadine Fieger telefono (760) 323-8245.

James Thompson, City Clerk

PUBLISHED: March 11 and March 18, 2009

PROMISSORY NOTE
2 Vacant Parcels

\$49,950.00

Palm Springs, California
March , 2009

FOR VALUE RECEIVED, the CITY OF PALM SPRINGS, a public body, corporate and politic ("Obligor") promises to pay to the REDEVELOPMENT AGENCY OF THE CITY OF PALM SPRINGS, a public body, corporate and politic ("Holder"), the principal sum of FORTY NINE THOUSAND NINE HUNDRED FIFTY (U.S. \$49,950.00) in legal currency of the United States, on the terms described in this Note. The entire unpaid principal shall be fully and immediately payable upon demand of Holder.

This note is made with reference to the sale of 1) 9,150 square foot parcel at south side of Ramon Road near Avenida Evelita (APN 680-041-004) and 2) 9,404 square foot parcel at northeast corner of Jiminez Circle and Rosa Parks Blvd. (APN 669-353-001). Interest shall not be assessed or accrued on the principal or any unpaid portion thereof.

This Note is entered into and shall be governed by the laws of the State of California, without reference to principles of conflicts or choice of law. Obligor consents to jurisdiction in any state or federal court situated in the County of Riverside, State of California, on any action based on or arising out of this Note.

Any person or entity who takes over the any duties and obligations under this Note, is also liable for the satisfaction of all such duties and obligations. Holder may enforce its rights under this Note against each such person or entity individually or against all such persons or entities together.

Each Obligor for itself and each of its respective representatives, successors and assigns, expressly waives presentment, demand, protest, notice of dishonor, notice of non-payment, notice of maturity, notice of protest, diligence in collection and any exemptions under applicable insolvency laws.

No delay or failure by Holder in the exercise of any rights or remedy provided for hereunder shall be deemed a waiver of any other right or remedy which Holder otherwise may have under or by reason hereof. No waiver of any payment or performance due under this Note shall operate as a waiver of any other payment or performance.

<p>"OBLIGOR"</p> <p>City of Palm Springs, a public body, corporate and politic.</p> <hr/> <p>By: Steve Pougnet Its: Mayor</p>	<p>"HOLDER"</p> <p>Community Redevelopment Agency of the City of Palm Springs, a public body, corporate and politic.</p> <hr/> <p>By: David Ready Its: Executive Director</p>
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**CITY OF PALM SPRINGS
PUBLIC HEARING NOTIFICATION**



CITY CLERK'S DEPARTMENT
James Thompson, City Clerk


Date: March 25, 2009

Subject: SALE/PURCHASE OF REAL PROPERTY

AFFIDAVIT OF PUBLICATION

I, Kathie Hart, Chief Deputy City Clerk, of the City of Palm Springs, California, do hereby certify that a copy of the attached public hearing notice was published in the Desert Sun on March 7, 2009, and March 14, 2009.

I declare under penalty of perjury that the foregoing is true and correct.




Kathie Hart, CMC
Chief Deputy City Clerk

AFFIDAVIT OF POSTING

I, Dolores Strickstein, Secretary, of the City of Palm Springs, California, do hereby certify that a copy of the attached Notice was posted at City Hall, 3200 E. Tahquitz Canyon Drive, on the exterior legal notice posting board and in the Office of the City Clerk on March 6, 2009.

I declare under penalty of perjury that the foregoing is true and correct.



Dolores Strickstein
Secretary

NOTICE OF JOINT PUBLIC HEARING
CITY OF PALM SPRINGS CITY COUNCIL
COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALM SPRINGS
SALE OF TWO AGENCY OWNED PARCELS TO CITY

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JAMES THOMPSON
Assistant Agency Secretary/City Clerk