



## **REPORT TO CITY COUNCIL**

**To:** Honorable Mayor and Members of the City Council

**From:** Grant Yates, City Manager

**Date:** July 25, 2017

**Subject:** Transfer of APN 377-292-027 as a General Fund Real Property Asset to An Affordable Housing Asset of Fund 106 In Exchange for 26,000.00

### **Recommendation**

Adopt A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA, APPROVING THE TRANSFER OF APN 377-292-027 AS A GENERAL FUND REAL PROPERTY ASSET TO AN AFFORDABLE HOUSING ASSET OF FUND 106 IN EXCHANGE FOR \$26,000

### **Background**

The City of Lake Elsinore owns certain real property identified as APN 377-292-027 (the "Property"). The Property is an approximately 7,405 square foot residentially zoned vacant parcel located in a residential neighborhood near to the City's downtown area on the southwest corner of East Pottery Street and Granite Street. (See attached Vicinity Map.)

The Property is an asset of the City's General Fund. The Property was recently appraised at a fair market value of \$26,000.

### **Discussion**

Habitat for Humanity has expressed an interest in developing infill affordable housing units on individual vacant parcels in the City's downtown area. The Property presents an excellent opportunity for such an infill for-sale home and is consistent with the City's efforts to provide a mix of housing opportunities to all economic segments of the community.

An important initial step to working with Habitat for Humanity in furtherance of our mutual affordable housing goals is the transfer of the Property from the City's General Fund to the City's Affordable Housing In-Lieu Fund 106.

The Affordable Housing In-Lieu Fee Program is a component of the City's inclusionary housing goals and the State of California's legal requirement that the City meet its share of regional affordable housing needs. The City collects an Affordable Housing In-Lieu Fee equal to \$2.00 per square on residential developments within the boundaries of the City's redevelopment

project areas. The City holds the Affordable Housing In-Lieu Fees it collects in the Affordable Housing In Lieu Fund 106 for use with respect to the development of affordable housing units.

Acquisition of the Property by Fund 106 in connection with a proposed affordable housing use conforms to the purposes of the Affordable Housing In-Lieu Fee Program.

In order to move forward with Habitat for Humanity's infill affordable housing proposal, the City Council is requested to approve the transfer of the Property to Fund 106. Fund 106 will compensate the City's general fund in the amount of \$26,000, representing the fair market value of the Property. Following such transfer, use of the Property will be strictly limited to affordable housing purposes.

### **Fiscal Impact**

Approval of the Resolution will ultimately lead to the development of the Property for affordable housing purposes and will provide for payment of \$26,000 by Fund 106 to the City's General Fund.

### **Exhibits**

A - Resolution Approving Transfer

B - Vicinity Map