

RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE  
APPROVING THE FIRST AMENDMENT TO THE PURCHASE AND SALE  
AGREEMENT BETWEEN CITY VENTURES HOMEBUILDING, LLC AND THE CITY  
OF COMMERCE**

WHEREAS, Pursuant to ABX1 26 (as subsequently amended and codified in Health & Safety Code Section 34170 et seq., the “Dissolution Law”) enacted in June 2011, the Commerce Community Development Commission (the “Commission”), and all other redevelopment agencies (“RDA”) throughout the state, were dissolved as of February 1, 2012. As part of the “Dissolution Law”, housing set-aside dollars for the primary purpose of building housing were also dissolved, leaving cities with the challenging task of building housing with limited financial resources; and

WHEREAS, on April 6, 2010, the City Council adopted a Housing Opportunity Overlay (“HOO”) to accommodate the City 2014-2021 total RHNA allocation and AB 1233 carryover, the City has identified the Housing Opportunity overlay area to facilitate and encourage the development of residential uses; and

WHEREAS, the HOO serves as an opportunity to transform existing commercial/industrial sites into residential housing. Moreover, the City has been studying the Washington Boulevard corridor for economic development opportunities such as; housing, dining, mixed-use development, retail, and neighborhood services; and

WHEREAS, as the City works towards enhancing this vision, several City owned properties, within the HOO, have been identified for housing development. The sale of these properties allows for the City to begin creating the vision that can encompass quality of life amenities that the City of Commerce residents can enjoy. In addition, the construction of a proposed housing project would be consistent with the current zoning and the City’s General Plan. It would also satisfy a vital need for housing, not only in the community, but in the region; and

WHEREAS, in October 2018, the City of Commerce began engaging developers on the housing opportunities that exist within the HOO. In January 2019, the City of Commerce entered into an Exclusive Negotiation Agreement with City Ventures Homebuilding, LLC, to pursue a housing project on City owned property. The City has been in negotiations and has come to an agreement with City Ventures to sell three City owned parcels to City Ventures, at current market value and verified with an appraisal, for the lump sum of \$9,944,000; and

WHEREAS, the sale of real property consists of three properties. 5550 Harbor Street (North Annex Building) The site was formerly home to the Orange Whip Corporation. The property was acquired in 1988 for a public purpose – to provide community and city services to the residents. That function was transitioned to city hall in 2004 citing seismic issues. A storage component existed in the warehouse portion of the structure and has been vacant for quite some time. 5625 Jillson Street (Provisor Building) The property was acquired in 1992 for a public purpose – to provide community and city warehousing services to the residents. The facility currently houses City files, staff, and purchasing items among other things. The sale of the Provisor Building is contingent on the City’s ability to move its current use to a temporary facility and subsequently to a new facility that staff is currently working on. 5555 Jillson Street (Transportation Center) Formerly a Coast Detergent Facility. The property was acquired in 1991 to be the future site of a transportation and fleet servicing facility. It currently provides

necessary storage and repair facilities for the City's public transportation vehicles. The sale of the Transportation Center is contingent on the City's ability to move its current use to a temporary facility and subsequently to a new facility that staff is currently working on; and

WHEREAS, City staff has prepared two Agreements of Purchase and Sale and Joint Escrow Instructions ("Purchase Agreements") whereby the City sells approximately 5.68 acres of land to City Ventures Homebuilding, LLC; and

WHEREAS, an appropriate environmental review of the proposed housing development and analysis will be required pursuant to the requirements of the California Environmental Quality Act ("CEQA") to analyze the potential environmental impacts of a proposed project before it is considered by the City's Planning Commission and City Council; and

WHEREAS, the applicant is requesting a new closing date of June 15, 2020 to the Agreements of Purchase and Sale in order to finalize ongoing entitlements that were subject to review by the City's Planning Commission and corresponding appeal before City Council, with said entitlements recently approved by City Council on December 17, 2020.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMMERCE DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Approve the First Amendment to Agreements of Purchase and Sale and Joint Escrow Instructions for sale of 5.68 acres of land to City Ventures Homebuilding, LLC, hereby approved in substantially the form attached hereto, subject to any final, technical revisions by the City Attorney's office in accordance with applicable law.

Section 2. The City Manager is authorized to execute any and all documents necessary to implement the City's approval of the Agreements of Purchase and Sale and Joint Escrow Instructions.

**PASSED, APPROVED and ADOPTED this 1<sup>st</sup> day of December 2020.**

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Ivan Altamirano  
Mayor

ATTEST:

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Lena Shumway  
City Clerk