

SUMMARY REPORT PURSUANT TO HEALTH AND SAFETY CODE SECTION 33433 OF  
THE PROPOSED PURCHASE AND SALE AGREEMENT BETWEEN  
CONTRA COSTA COUNTY AND GERARDO ALONSO SERRANO AND OFELIA  
ALONSO SERRANO

1. BACKGROUND AND PURPOSE

On March 26, 2019, the Contra Costa County Board of Supervisors will conduct a public hearing to consider approval of a Purchase and Sale Agreement (the "Purchase Agreement") between Contra Costa County (the "County"), acting in its capacity as the housing successor to the dissolved Contra Costa County Redevelopment Agency, and Gerardo Alonso Serrano and Ofelia Alonso Serrano, a married couple (collectively, the "Purchaser"). The Purchase Agreement provides for the County to sell to the Purchaser specified real property located at 1540 6th Street, in North Richmond, in unincorporated Contra Costa County, as further described in Exhibit A, incorporated herein by reference (the "Property").

This Summary has been prepared and made available to the public in accordance with the requirements of Health and Safety Code Section 33433, which requires provision of the following information:

a. The cost of the Purchase Agreement to the County, including any site preparation costs, relocation costs, the costs of any improvements to be provided by the County, plus the expected costs of any loans or bonds to finance the Purchase Agreement. Please refer to Section 6 of this Summary for information on County costs of the Purchase Agreement.

b. The estimated value of the Property to be sold to the Purchaser pursuant to the terms of the Purchase Agreement, determined under the highest and best uses permitted under applicable land use standards. Please refer to Section 7 of this Summary for information concerning the highest and best use value of the Property.

c. The estimated value of the fee interest in the Property to be conveyed, determined at the use and with the conditions, covenants, and development costs required for the development of the Property under the Purchase Agreement (sometimes referred to as the "reuse value" of the Property). Please refer to Section 8 of this Summary for information regarding the reuse value of the Property.

d. The total purchase price (the "Purchase Price") to be paid for the Property by the Purchaser under the terms of the Purchase Agreement, and, if the Purchase Price is less than the highest and best use value of the Property, an explanation of the reasons for such difference. Please refer to Section 9 of this Summary for information regarding the Purchase Price and the comparison to the highest and best use value of the Property.

e. An explanation of why the sale and redevelopment of the Property pursuant to the Purchase Agreement will assist in the elimination of blight, with reference to all supporting facts

and materials for this explanation. Please refer to Section 5 of this Summary for information regarding the manner in which the sale of the Property will eliminate blight, as well as a description of other public benefits that will be achieved through execution and implementation of the Purchase Agreement.

f. Information supporting a finding that the sale of the Property pursuant to the Purchase Agreement is consistent with the County's five year implementation plan (the "Implementation Plan"). Please refer to Section 10 of this Summary for information in support of the Implementation Plan consistency finding.

In addition to the statutorily required information, this Summary also provides as background information a description of the transaction to be undertaken pursuant to the Purchase Agreement (Section 2), and an outline of the County and the Purchaser's responsibilities under the Purchase Agreement (Sections 3 and 4, respectively).

## 2. DESCRIPTION OF TRANSACTION

The Property is a remnant parcel acquired by the former redevelopment agency. The County, as housing successor, is charged with continuing to implement the affordable housing objectives of the former redevelopment agency. County staff analyzed the potential uses of the Property and determined that the Property is not suitable for development of affordable housing because of its irregular shape and size. The Purchaser owns the land and improvements located adjacent to the Property but is not required, under the Purchase Agreement, to improve the Property. The sales proceeds generated from the disposition of the Property will be used by the County to fund affordable housing objectives of the former redevelopment agency, in compliance with Health and Safety Code Section 34176.1.

## 3. AGENCY RESPONSIBILITIES

The County's primary responsibility under the Purchase Agreement is to, upon satisfaction by the Purchaser of the conditions set forth in the Purchase Agreement, sell the Property to the Purchaser for Sixty-One Thousand Dollars (\$61,000).

The sales proceeds will be deposited into the County's Low and Moderate Income Housing Asset Fund, created under Health and Safety Code Section 34176. The County will then have the responsibility to use the net proceeds to improve, increase, or preserve the supply of affordable housing in the community.

## 4. DEVELOPER RESPONSIBILITIES

The Purchaser's primary sole responsibility under the Purchase Agreement is to purchase the Property from the County for Sixty-One Thousand Dollars (\$61,000). The Purchaser will have no other obligations related to the improvement, development, or use of the Property.

5. ELIMINATION OF BLIGHT AND OTHER PUBLIC BENEFITS

The North Richmond Redevelopment Project Area (the "Project Area") was established pursuant to the North Richmond Redevelopment Plan (the "Redevelopment Plan"). The transfer of the Property which is located within the Project Area, will assist in the elimination of blight in the Project Area by eliminating a lot of irregular form and shape. In addition, the funds generated from the sale of the Property will be used by the County to improve, increase, or preserve the supply of affordable housing in the community, thereby eliminating blighting conditions.

6. ESTIMATED COUNTY COSTS

The estimated costs to the County of the Purchase Agreement are generally as follows:

|   |           |
|---|-----------|
| County Site acquisition costs             | \$0.00    |
| Clearance, Relocation, Improvements costs | \$0.00    |
| Total County Cost                         | \$0.00    |
| Plus Purchase Price from Purchaser        | \$61,000  |
| Net County Cost                           | +\$61,000 |

The acquisition costs for the Property were paid by the former redevelopment agency prior to its dissolution from tax increment revenue deposited in the agency's Low and Moderate Income Housing Fund. The County received the Property from the former redevelopment agency through the dissolution process and the implementation of Health and Safety Code Section 34176, which called for the transfer of housing assets to the housing successor.

The County has not borrowed any money and has not incurred any clearance, relocation, improvement or other costs, and consequently there is no interest required to be paid by the County. Net of costs incurred, the County will receive a benefit of \$61,000 through the disposition of the Property.

7. ESTIMATED VALUE OF PROPERTY AT HIGHEST AND BEST USE

The estimated value of the Property, determined at the highest use permitted under applicable land use controls, is approximately \$61,000. This figure was determined by the County's Real Estate Division, and assumed at highest and best use of single family residence.

8. ESTIMATED REUSE VALUE

The reuse value of the Property may be calculated as the balance of debt and equity funds obtainable for a development that remains after paying for all other costs of development. The

Purchase Agreement does not require development of the Property or the construction of any improvements. No rental income is anticipated to be generated for the Property. The County has determined that the reuse value is equal to the fair market value.

9. PURCHASE PRICE AND REASON FOR DIFFERENCE FROM HIGHEST AND BEST USE VALUE

The County will sell the Property to the Purchaser for Sixty-One Thousand Dollars (\$61,000.00) which represents the estimated current fair market value of the Property at its highest and best use. There is no difference between the Purchase Price under the Purchase Agreement and the Property's highest use value.

10. CONSISTENCY WITH IMPLEMENTATION PLAN

In January 2010, the former County adopted its final Five Year Implementation Plan, as required by Health and Safety Code Section 33490. One of the dissolved County's objectives in the Implementation Plan is to alleviate blight, including the elimination of parcels of irregular form or shape and expenditure of funds to improve, increase, or preserve the supply of affordable housing in the community.

EXHIBIT A

PROPERTY LEGAL DESCRIPTION

The land referred to is situated in the County of Contra Costa, State of California, and is described as follows:

N RICH LD & FERRY CO #2 LOTS 31 & 32 BLK 59

APN: 409-132-015-2