



## **Staff Report**

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RESOLUTION APPROVING THE PURCHASE OF A CONDOMINIUM AT 400 DAVEY GLEN ROAD #4606 (APN 106-270-060)

Honorable Chair and Board Members:

### **Summary**

Adoption of the attached resolution will approve the purchase of a condominium unit at 400 Davey Glen Road #4606.

### **Background**

In an ongoing effort to increase the supply of affordable housing for current and future residents of Belmont as directed by the Regional Housing Needs Determination (RHND), the City has been actively pursuing acquisition of housing units and vacant land in the Redevelopment Area. The intended outcome of these acquisition efforts is either to sell the units at below market rate with a resale restriction to ensure long-term affordability, or to retain ownership of the properties as affordable rental units.

### **Discussion**

The Agency is currently under contract with the seller to purchase this one-bedroom, one bath, 725 square-foot, real estate owned (REO) condominium unit at Davey Glen. The purchase agreement is contingent upon the Agency obtaining an appraisal and inspection of the property within a specified timeframe and for the Board to grant final approval of the purchase. The appraisal report estimates the current market value of the property at \$300,000, which is higher than the purchase price of \$295,000.

The City's inspection of the property found that approximately \$1,000 to \$2,000 in minor repairs and corrections will be needed, such as electrical work, installing a fire-rated front door jamb, and other miscellaneous items. Since none of these items are serious in nature, the Agency could offer the unit in as-is condition, if the unit were to be sold. Upon final Board approval of the purchase, escrow is scheduled to close on January 30, 2009.

### **General Plan/Vision Statement**

The objective of the purchase of this condominium is consistent with the City's Vision Statement in priding itself on a "Thriving Economy" and "Easy Mobility," particularly since the unit will be made available at a below market rate and is conveniently located in downtown Belmont near local businesses, schools, and employment opportunities, with easy access to public transportation and regional transportation networks. The objective of the purchase is also consistent with the following goals of the City's Housing Element:

*Goal 1: Housing Production and Affordability:* “Provide housing to meet the present and future needs of residents and public employees in Belmont, and to provide a fair share of the market area housing needs, within identified governmental, market, and natural constraints.”

*Goal 3: Housing Choice:* “Preserve a diversity of type, price, and tenure in the City’s housing stock.”

*Goal 8: Fair Housing:* “Ensure decent, safe living environments for the City’s residents regardless of age, sex, family composition, race, ethnicity, religion, physical or mental disability, or income.”

**Fiscal Impact**

The purchase of this condominium unit can be accommodated within the approved \$3,475,000 Low and Moderate Income (LMI) Housing budget for FY 08-09. The purchase price shall not exceed \$295,000. There are sufficient funds in LMI Housing account 822-4633-9533-9020 to authorize the purchase agreement. No augmentation of the LMI Housing budget is required.

**Public Contact**

Posting of City Council agenda.

**Recommendation**

Staff recommends that the Board approve the attached resolution approving the purchase contract for acquisition of the condominium unit at 400 Davey Glen Road #4606.

**Alternatives**

1. Direct staff to return for further discussion and direction.
2. Take no action.

**Attachments**

- A. Resolution approving the purchase of the condominium unit.

Respectfully submitted,

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Laurie Shiels  
Housing Specialist

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Carlos de Melo  
Community Development Director

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Jack R. Crist  
Executive Director

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**REDEVELOPMENT AGENCY RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF BELMONT  
APPROVING THE PURCHASE OF A CONDOMINIUM UNIT AT 400 DAVEY GLEN  
ROAD #4606 (APN 106-270-060)**

**WHEREAS**, 400 Davey Glen Road #4606 is a one-bedroom condominium unit located in a six-story, 229-unit building complex constructed in 1974 as part of the Bel Arbor Plan of Lot 1 RSM 96/80-99; and,

**WHEREAS**, the property is located within the Los Costanos Redevelopment Area; and,

**WHEREAS**, the Agency's acquisition of 400 Davey Glen Road #4606 supports the goals of the City's Housing Element, which encourage housing affordability, housing choice, and fair housing; and,

**WHEREAS**, an appraisal report of 400 Davey Glen Road #4606, dated December 20, 2008 estimated the current market value of the property at \$300,000; and,

**WHEREAS**, the Agency has budgeted funds for purchase of 400 Davey Glen Road #4606 for the current fiscal year; and,

**WHEREAS**, the purchase price of 400 Davey Glen Road #4606 shall not exceed \$295,000; and,

**WHEREAS**, the purchase of 400 Davey Glen Road #4606 is not considered a project under the provisions of the California Environmental Quality Act; and,

**WHEREAS**, The Agency desires to assist current and future residents of Belmont in securing housing opportunities that meet their economic and social needs; and,

**WHEREAS**, the Agency desires to encourage a balance between jobs and housing by supporting suitable housing opportunities for the local workforce; and,

**WHEREAS**, the Agency intends to purchase 400 Davey Glen Road #4606 for the purpose of either selling the unit at below market rate with a resale restriction to ensure long-term affordability, or to retain ownership of the property as an affordable rental unit; and,

**NOW, THEREFORE, BE IT RESOLVED** that the Redevelopment Agency of the City of Belmont approves the purchase of 400 Davey Glen Road #4606.

\* \* \* \* \*

I hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the Redevelopment Agency of the City of Belmont at a special meeting thereof held on January 27, 2009, by the following vote:

AYES, DIRECTORS: \_\_\_\_\_

NOES, DIRECTORS: \_\_\_\_\_

ABSTAIN, DIRECTORS: \_\_\_\_\_

ABSENT, DIRECTORS: \_\_\_\_\_

\_\_\_\_\_  
Secretary, Redevelopment Agency

APPROVED:

\_\_\_\_\_  
Chair, Redevelopment Agency