
REDEVELOPMENT AGENCY

GOVERNMENTAL CENTER
TOM BURNS
AGENCY ADMINISTRATOR



COUNTY OF SANTA CRUZ

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303

September 24, 1998

Agenda: October 9, 1998

Board of Directors
County of Santa Cruz Redevelopment Agency
701 Ocean Street
Santa Cruz, CA 95060

First Time Home Buyer Option to Purchase

Dear Members of the Board:

Under the terms of the Covenants, Restrictions Agreement and Option to Purchase that is part of our First Time Home Buyer loan program, upon the sale of a home with one of these loans the Agency has the option to purchase the home, or assign the purchase to an eligible household. The purchase price is the lesser of fair market value or an Adjusted Base Price, which is based on the value of the home at the time it was initially purchased plus the percentage increase in median income.

We have recently received a notice of intent to sell for a 3-bedroom condominium located at 1200 Capitola Rd, #26. The estimated fair market value is \$170,000-175,000; the Adjusted Base Price is \$149,364. We have notified the seller that we intend to exercise the option to purchase.

We are proposing to assign the sale to an eligible buyer and establish resale restrictions similar to Measure J restrictions, in order to keep this as an affordable unit. The resale restrictions will have eligibility income limits and a resale price appropriate to the purchase price (e.g., 90% of median of income). Because of the very short time line allowed for completing the purchase, it may be necessary for the Agency to purchase the property and resell it to an eligible buyer. It may also be necessary, because this is an option purchase at considerably below market price, to include incidental costs - such as the buyer's real estate agent's commission or escrow costs normally paid by the seller - in the purchase price.

We are therefore requesting authorization either to assign the purchase or to purchase the property and then resell it to an eligible buyer, at a price that will provide the seller with the Adjusted Base Price and will also cover any incidental costs.

It is therefore RECOMMENDED that your Board, as the Board of Directors for the Redevelopment Agency:

Board of Directors
September 24, 1998
Page 2

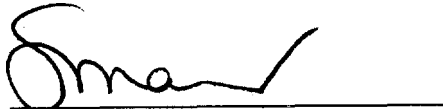
1. Authorize the Agency Administrator to assign the option to purchase to an eligible buyer as described above; and
2. Authorize the Agency Administrator to take all necessary actions to complete the purchase of the residential unit as described above if necessary, and to resell the unit to an eligible buyer, with appropriate resale restrictions.

Very truly yours,



Tom Burns
Redevelopment Agency Administrator
TB:PH

RECOMMENDED:



Susan A. Mauriello
Redevelopment Agency Director

cc. RDA

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