

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT General Services Agency	(2) MEETING DATE 8/20/2013	(3) CONTACT/PHONE Janette D. Pell, General Services Agency Director 805-781-5200	
(4) SUBJECT Request to approve a Release of Covenants, Conditions, and Restrictions on four residential lots located in Tract 3018 near the intersection of West Branch Street and Old Ranch Road in Arroyo Grande, each approximately 10,000 square feet in size and owned by the City of Arroyo Grande. District 4.			
(5) RECOMMENDED ACTION It is recommended that your Board approve the Release of Covenants, Conditions and Restrictions and authorize the Chair to sign the document and the Clerk of the Board to record it.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input type="checkbox"/> Board Business (Time Est. ___)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts (Release) <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5th's Vote Required <input type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: <u>6/23/2009</u>	
(17) ADMINISTRATIVE OFFICE REVIEW			
(18) SUPERVISOR DISTRICT(S) District 4 -			

County of San Luis Obispo



TO: Board of Supervisors

FROM: General Services Agency
Janette D. Pell, General Services Agency Director
805-781-5200

DATE: 8/20/2013

SUBJECT: Request to approve a Release of Covenants, Conditions, and Restrictions on four residential lots located in Tract 3018 near the intersection of West Branch Street and Old Ranch Road in Arroyo Grande, each approximately 10,000 square feet in size and owned by the City of Arroyo Grande. District 4.

RECOMMENDATION

It is recommended that your Board approve the Release of Covenants, Conditions, and Restrictions and authorize the Chair to sign the document and the Clerk of the Board to record it.

DISCUSSION

In 1991, the City of Arroyo Grande acquired a 4.8-acre parcel of vacant land zoned Public Facilities at the intersection of West Branch Street and Old Ranch Road in Arroyo Grande (APN 007-011-044), shown in Attachment #1. The transfer was the result of a land exchange involving the City, the County, and Royal Oaks Estates (residential development). The County required that the City's property be deed restricted to ensure a public purpose. The deed restriction, which was amended twice, currently states, "Said property shall be used for Municipal Facilities, or with the prior approval of the County Board of Supervisors may be leased to a private nonprofit organization for the use in fulfillment of a charitable purpose, including youth recreation." Several developments have been proposed for the property, but it remains unimproved.

On June 23, 2009, the Board approved an agreement titled Memorandum of Understanding By and Between the City of Arroyo Grande Regarding Acquisition of Property for the New Arroyo Grande Public Safety Facility and Removal of Deed Restrictions on Recreation Site ("MOU"). The purpose of the agreement was to define conditions under which the County would transfer ownership of vacant land owned by the County at the intersection of West Branch Street and Rodeo Drive to the City of Arroyo Grande, which was accomplished in May 2010. One of the conditions of the MOU required the County to release deed restrictions on four residential lots that the City proposed to create on the City's property. The four lots, identified as Lots #1-4 in Attachment #2, are approximately 10,000 square feet in size and are located on the easterly portion of the City's property. The lots were created by recordation of Tract Map 3018 on April 19, 2013 and were rezoned from Public Facilities to Single Family Residential.

The MOU agreed that the County would release the deed restriction on the four lots so that they could be sold for residential development. The MOU also stated that the funds from the sale would be used to assist the City to pay for costs of developing a recreation center on the remainder of the property. The City's current intention for the funds from the sale has changed, and the proceeds are now earmarked to help fund the remodeling of the City's current police station on Halcyon Road, as designated by the Arroyo Grande City Council on April 23, 2013. The City has provided the attached Release of Covenants, Conditions, and Restrictions (see Attachment #3) to release the deed restriction, and three of the lots are currently listed for sale for prices ranging from \$233,100 to \$247,500. The sale of these lots cannot be concluded until the County releases the deed restrictions.

Upon recordation of the Release, there will be only one condition identified in the MOU that remains to be completed. This last condition is the contribution of \$50,000 from the Arroyo Grande Redevelopment Agency for an affordable housing project on a County-owned two acre multi-family property located near the intersection of Rodeo Drive and Grace Lane, which is required only in the event that the property is ultimately developed for affordable housing. Due to the dissolution of Redevelopment Agencies throughout the state, it is not known at this time if the \$50,000 in funding will remain available.

It is recommended that your Board approve the attached Release of Covenants, Conditions, and Restrictions and authorize the Chair to sign the document and the Clerk of the Board to record it.

OTHER AGENCY INVOLVEMENT/IMPACT

The City Council of Arroyo Grande signed the MOU in 2009, which requires the County to release the deed restrictions for these four City-owned lots. The City of Arroyo Grande Planning Commission approved a rezoning of the four lots and Tentative Tract Map 3018 on September 22, 2009, and the final Tract Map 3018 creating the four single family lots was recorded on April 19, 2013.

FINANCIAL CONSIDERATIONS

There is no financial impact to the County of San Luis Obispo in releasing the deed restriction on the City's four lots. The potential revenue to the City upon the sale of the first three of the lots is estimated by City staff to be approximately \$580,000.

RESULTS

Release of the deed restriction on the City's four lots will allow the lots to be sold for residential development and the proceeds to be used toward the costs of remodeling the City of Arroyo Grande's police station. This action supports the Communitywide goal of a Safe Community by allowing the City to sell these lots to assist in funding the Arroyo Grande police station remodel project.

ATTACHMENTS

1. Location Map
2. Tract Map Creating 4 Lots
3. Release of Covenants, Conditions and Restrictions