

HAYWARD SUCCESSOR AGENCY OVERSIGHT BOARD

RESOLUTION 2013-09

RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY FOR THE REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD APPROVING A SINGLE PURPOSE LONG-RANGE PROPERTY MANAGEMENT PLAN PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.5 FOR THE RESIDUAL BURBANK PROPERTY

WHEREAS, the California state legislature enacted Assembly Bill x1 26 (the “Dissolution Act”) to dissolve redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*); and

WHEREAS, on January 10, 2012 and pursuant to Health and Safety Code Section 34173, the City Council of the City of Hayward (the “City Council”) declared that the City of Hayward, a charter city (the “City”), would act as successor agency (the “Successor Agency”) for the dissolved Redevelopment Agency of the City of Hayward (the “Dissolved RDA”). Effective February 1, 2012, the Former Agency was dissolved pursuant to Health and Safety Code Section 34172; and

WHEREAS, pursuant to Health and Safety Code Section 34173(g), the Successor Agency is now declared to be a separate legal entity from the City; and

WHEREAS, the Dissolution Act provides for the appointment of an oversight board (the “Oversight Board”) with specific duties to approve certain Successor Agency actions pursuant to Health and Safety Code Section 34180 and to direct the Successor Agency in certain other actions pursuant to Health and Safety Code Section 34181; and

WHEREAS, the Successor Agency expects to receive a Finding of Completion from the State Department of Finance pursuant to Health and Safety Code Section 34179.7; and

WHEREAS, pursuant to Health and Safety Code Section 34191.5(b), upon receipt of the Finding of Completion, the Successor Agency will be entitled to submit a Long-Range Property Management Plan (the “LRPMP”) in connection with the property assets of the Successor Agency to the Oversight Board and the DOF no later than six months following the issuance by the DOF of the Finding of Completion; and

WHEREAS, the Successor Agency desires to expedite the disposition of the property generally described as the “Residual Burbank Site,” as more particularly described in Exhibit A to this Resolution, and has prepared a single asset LRPMP for the Residual Burbank Site (the “Single Asset LRPMP”) and intends to prepare a detailed LRPMP for all other properties previously owned by the Dissolved RDA; and

WHEREAS, on August 23, 2012, the Oversight Board approved, pursuant Health and Safety Code Section 34181(a), and directed the Successor Agency to dispose of the Residual

Burbank Site to Urban Dynamic LLC pursuant to a purchase and sale agreement incorporating the terms for the disposition of the Residual Burbank Site; and

WHEREAS, in accordance with Health and Safety Code Section 34191.5, the Successor Agency has prepared and is submitting the Single Asset LRPMP to the Oversight Board; and

WHEREAS, a copy of the Successor Agency's Single Asset LRPMP is on file with the City Clerk's Office for the City of Hayward; and

WHEREAS, as fully set forth in the Single Asset LRPMP, the Single Asset LRPMP provides for the disposition of the Residual Burbank Site through liquidation pursuant to the previously negotiated purchase and sale agreement; and

WHEREAS, approval of the Single Asset LRPMP and the liquidation of the Residual Burbank Site pursuant to the Single Asset LRPMP is exempt from the requirements of the California Environmental Quality Act and the applicable state and local implementing guidelines ("CEQA") pursuant to State CEQA Guidelines Section 15061(b)(3); and

WHEREAS, the accompanying staff report (the "Staff Report") provides supporting information upon which the actions set forth in this Resolution are based.

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board hereby finds, resolves, and determines that the foregoing recitals are true and correct, and, together with information provided by the Successor Agency staff and the public, form the basis for the approvals, findings, resolutions, and determinations set forth below.

BE IT FURTHER RESOLVED that, for the reasons set forth above, the Oversight Board finds and determines that approval of the LRPMP is exempt from the requirements of CEQA, and the Successor Agency Executive Director is authorized to file the appropriate notice of exemption with respect to the approval of the Single Asset LRPMP in accordance with CEQA.

BE IT FURTHER RESOLVED that pursuant to Health and Safety Code Section 34191.5(b), the Oversight Board hereby approves the Single Asset LRPMP in the form on file with the office of the Hayward City Clerk.

BE IT FURTHER RESOLVED that the Successor Agency Executive Director is hereby authorized and directed to submit the LRPMP to the DOF for approval in accordance with Health and Safety Code Section 34191.5(b).

BE IT FURTHER RESOLVED that, upon approval of the LRPMP by the DOF, the Oversight Board hereby authorizes and directs the Successor Agency Executive Director to dispose of the Burbank Residual Site and use any disposition proceeds in accordance with the LRPMP and to take any administrative action and execute any documents as may be necessary to implement the disposition of the Burbank Residual Site and any disposition proceeds in accordance with the terms approved in the LRPMP and this Resolution.

BE IT FURTHER RESOLVED that the Successor Agency is hereby directed to notify the California Department of Finance of the actions set forth in this Resolution in accordance with Health and Safety Code Section 34179(h).

BE IT FURTHER RESOLVED that this Resolution shall take effect at the time and in the manner prescribed in Health and Safety Code Section 34179(h).

BE IT FURTHER RESOLVED that nothing in this Resolution shall abrogate, waive, impair or in any other manner affect the right or ability of the Successor Agency to adopt a long range property management plan with respect to any other property of the Dissolved RDA, including, without limitation, any public use properties.

BE IT FURTHER RESOLVED that this Resolution shall take effect at the time and in the manner prescribed in Health and Safety Code Section 34179(h).

HAYWARD, CALIFORNIA, October 18, 2013

ADOPTED BY THE FOLLOWING VOTE:

AYES: BOARD MEMBERS: Sweeney
Henson
Bristow
Hodges
Salinas

NOES: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

ABSENT: BOARD MEMBERS: Valle

ATTEST:


Chair of the Oversight Board to
the Hayward Successor Agency

EXHIBIT A

LEGAL DESCRIPTION

Real property in the City of Hayward, County of Alameda, State of California, described as follows:

ALL of PARCEL 1, as said parcel is shown on Parcel Map 9659, filed July 7, 2008 in Map Book 308, Pages 29-34, inclusive, Alameda County Records.

CONTAINING 3.8480 acres, more or less as shown on said Parcel Map 9659.

July 9, 2008

Norman Payne

**NORMAN PAYNE
L.S. No. 4388
License Expires 09/30/09**



APN: 431-0110-007-00

DATE: October 18, 2013

TO: Chair and Members of Successor Agency Oversight Board

FROM: Assistant City Manager

SUBJECT: Approval of a Single Asset Long Range Property Management Plan for the Residual Burbank School Site Located at 353 B Street

RECOMMENDATION

That the Oversight Board approves a resolution adopting a Single Asset Long Range Property Management Plan for the Burbank Residual School Site consistent with prior actions approving this transaction.

BACKGROUND

The California State Legislature enacted Assembly Bill x1 26 (the "Dissolution Act") to dissolve redevelopment agencies formed under the Community Redevelopment Law in June of 2011. The California Supreme Court in its decision in *California Redevelopment Association v. Matosantos*, issued December 29, 2011, declared the Dissolution Act to be constitutional. Under the Dissolution Act, all California redevelopment agencies were dissolved effective February 1, 2012, and various actions are now required by successor agencies to unwind the affairs of all former redevelopment agencies.

On June 27, 2012, as part of the state budget package, the California legislature passed AB 1484. The main objective of AB 1484 was to amend the Dissolution Act based on experience in implementing the Dissolution Act at the state and local level during early 2012. AB 1484 imposes significant new obligations on the successor agencies and oversight boards of dissolving redevelopment agencies, which staff has been implementing over the past year.

One of the requirements required by AB 1484 is for the Successor Agency to submit a Long Range Property Management Plan (LRPMP) for approval to the Oversight Board and the Department of Finance (DOF). The Long Range Property Management Plan provides an inventory of all real properties of the former Hayward Redevelopment Agency (RDA), except housing assets, which were transferred to the Hayward Housing Authority. The Plan also details a long-range strategic plan that will govern the disposition of all properties.

The Agency must submit the LRPMP within six months after receiving a Finding of Completion from DOF as required under Health and Safety Code Section 34179.7. The DOF will issue a finding of completion to the Agency once each Due Diligence Review (DDR) has been completed and approved by DOF and all unencumbered balances identified in the DDR to be

available for distribution to other taxing entities have been paid by the Agency to the County Auditor-Controller. The Hayward Successor Agency has completed both DDRs (the Agency was exempt from making a payment under Health and Safety Code Section 34183.5, making payments under that Section is also a precondition for the issuance of a finding of completion). The DDR for the dissolved RDA's low and moderate income housing fund has been approved by DOF and the unencumbered fund balance identified in the housing fund DDR to be available for distribution to other taxing entities has been remitted to the County Auditor-Controller. The Agency has completed the meet and confer process on the all other funds and assets DDR and anticipates remitting payment of the remaining unencumbered fund balance identified in the other funds and asset DDR for distribution to other taxing entities immediately following this meeting. Upon remitting this payment, staff anticipates receiving a Finding of Completion relatively quickly.

In anticipation of receipt of a finding of completion, staff is recommending that the Oversight Board approve a Single Asset LRPMP to expedite the DOF's review and approval of the liquidation of the Residual Burbank Site for the reasons provided below. Staff intends to prepare and submit for the Oversight Board's approval a comprehensive Long Range Property Management Plan to address the disposition of additional properties previously owned by the former RDA. Other Successor Agencies have prepared and received approval for single asset LRPMPs in instances where certain real estate transactions needed to be expedited and separated from the approval of a LRPMP that covers all former Redevelopment Agency properties.

Since 2010, the former Redevelopment Agency has been negotiating with Urban Dynamic for the sale of the Residual Burbank Site, located at 353 B Street, for future residential development. The City Council, on June 28, 2011, approved the sale of the Residual Burbank School site to Urban Dynamic pursuant to the terms outlined in the staff report presented to the City Council¹ and also approved the requisite land use entitlements that would allow the property to be developed with 57 single family homes. On March 20, 2012, the City Council approved the assignment of the Residual Burbank School site to KB Home, and also approved the purchase price of \$3,600,000. The parties intended that the assignment would occur upon the close of escrow by Urban Dynamic, which is scheduled to occur when environmental remediation of the site is complete and following review and approval of the transaction by the Department of Finance. The Oversight Board approved the Purchase and Sale Agreement along with the assignment to KB Home at the August 23, 2012 meeting.

This transaction has undergone comprehensive review and analysis and the developer is ready to begin construction on the project. Representatives of Urban Dynamic have notified the Successor Agency that further delays in the transfer of the property will result in the loss of essential private financing for the project.

DISCUSSION

¹ June 28, 2011 Staff Report (Items 13 and 14 beginning on page 213): <http://www.hayward-ca.gov/CITY-GOVERNMENT/CITY-COUNCILMEETINGS/2012/CCA11PDF/cca06281full.pdf>

Staff anticipates receiving a Finding of Completion shortly following the remittance by the Agency of the unencumbered fund balances identified in the other funds DDR as being available for distribution to other taxing entities. As such, staff is requesting that the Oversight Board consider approval of a single asset LRPMP for the Burbank Residual Site transaction. This transaction has undergone comprehensive review and analysis and the developer is ready to begin construction on the project. In order to avoid further delays in the completion of this transaction and the remittance of the property sale proceeds to the taxing entities (totaling \$3.6 million), staff recommends that the Oversight Board approve the single asset LRPMP for the Burbank Site and submit the single asset LRPMP to the DOF for approval. This would occur before the Oversight Board considers the disposition of the other properties previously owned by the RDA through subsequent actions.

Attachment II presents the details of the Burbank Residual site property in the requested DOF LRPMP format. The designated use of this property is for liquidation to a private developer consistent with the previously negotiated Purchase and Sale Agreement for the development of 57 single family homes. The negotiated purchase price is \$3.6 million, which will be distributed to the taxing entities through the County Auditor-Controller upon close of escrow. The LRPMP includes the following information:

- The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.
- The purpose for which the property was acquired.
- Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.
- An estimate of the current value of the parcel including, if available, any appraisal information.
- An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.
- The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.
- A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.
- A brief history of previous development proposals and activity, including the rental or lease of property.

Substantial supporting documentation for the transaction, including planning entitlement approvals, environmental clearances, and others, was made available in hard copy at the City Clerk's Office and on the Successor Agency's website (<http://www.hayward-ca.gov/CITY-GOVERNMENT/ALAMEDA-COUNTY-AGENCIES-&-OTHER-ORGANIZATIONS/hsaob.shtml>) prior to the meeting. This documentation will be submitted to the DOF along with the LRPMP for review and approval. Attachment III shows an aerial photo and parcel boundary for the property. This transaction and the development of this property has previously undergone the appropriate environmental review under the California Environmental Quality Act and the approval of the Long Range Property Management Plan is therefore not subject to further environmental review.

ECONOMIC AND FISCAL IMPACT

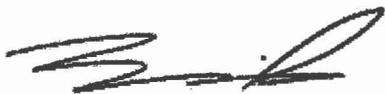
The ability to liquidate the property and complete the sale of the Residual Burbank School site pursuant to the terms of the Purchase and Sale Agreement will result in the distribution of \$3.6 million to the taxing entities, consistent with the intent of the Redevelopment dissolution legislation. Further delay of this transaction could jeopardize the developer's ability to secure project funding, which could impact the ability of the Successor Agency to sell the property and distribute the sale proceeds to the taxing entities.

NEXT STEPS

If the Oversight Board approves the LRPMP for the Burbank site, staff will submit the LRPMP along with the supporting documentation identified above to the DOF for review as soon as possible. There are no statutory timeframes or constraints on the DOF's review of the LRPMP. If DOF approves the single asset LRPMP, the Successor Agency will be able to finalize the sale of the property to Urban Dynamic.

Prepared and Recommended by: Kelly McAadoo, Assistant City Manager

Approved by:



Fran David, City Manager

Attachments:

- | | |
|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| Attachment I: | Resolution |
| Attachment II: | Burbank Residual Site Long Range Property Management Plan
(Exhibits to the Plan available online ² or in the City Clerk's office) |
| Attachment III: | Aerial Photos of Property |

² <http://www.hayward-ca.gov/CITY-GOVERNMENT/ALAMEDA-COUNTY-AGENCIES-&-OTHER-ORGANIZATIONS/hsaob.shtm>