



CITY OF
HAYWARD
HEART OF THE BAY

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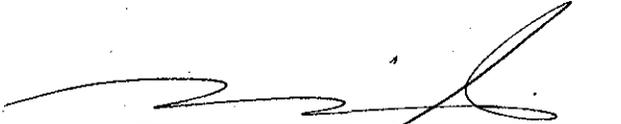
DATE: March 2, 2011
TO: City Council/Redevelopment Agency Board
FROM: Assistant City Manager/Interim Redevelopment Agency Director
SUBJECT: Clarifications, Additions, and Resolutions - Agenda Item #1

Staff is presenting this memorandum that contains additional information and clarifications related to Agenda Item #1 – Actions Related to the Redevelopment Agency Budget.

- 1) Agency Operating Budget adjustments and Inter-fund transfers: There are a few minor modifications to the Operating Budget adjustments presented in the original staff report. These changes are outlined below:
 - a. Cinema Place Environmental Work: Upon further review of the proposal from the consultant, the amount needed for the remainder of the remediation work is \$108,000 (as opposed to the \$98,000 cited in the original staff report).
 - b. Tax Allocation Bond Fund (Fund 454): This fund is used to cover project and staff expenses related to bond-funded capital projects. There are remaining outstanding staff charges in this fund, creating a negative balance of approximately \$100,000. Staff recommends allocating tax increment fund balance to cover these expenses. This would reduce the amount of fund balance available to make the payment towards the General Fund loan cited in the staff report. This payment amount would be reduced from \$720,000 to \$620,000.
 - c. Resolution: Attached is the resolution authorizing the operating budget adjustments outlined in the staff report (Attachment III of the staff report). This resolution reflects the original recommendations from the staff report as well as the corrections identified above.
- 2) Revised Attachments V and VA to the staff report: Attached are revised versions of Attachments V and VA – Resolutions for the transfer of the properties. The property listings included with the resolutions have been updated and clarified. All other language remains the same.
- 3) Attachment VI to the staff report: Attached is Attachment VI – Resolution allowing payment of loan obligations to the Sewer, Water and General Funds, which was not distributed with the original staff report. This resolution reflects the reduced General Fund loan payment discussed above.
- 4) Attachment VII to the staff report: Attached is Attachment VII – Resolution allowing execution of a loan agreement between the Sewer, Water and General Funds, which was not distributed with the original staff report.

Prepared by: Kelly McAdoo Morariu, Assistant City Manager, Interim Redevelopment Agency
Director

Approved by:



Fran David, City Manager

Attachments:

- Attachment III: Resolution Authorizing RDA Operating Budget Transfers
- Revised Attachment V: Agency Board Resolution Approving the Transfer of Certain Properties to the City of Hayward and Making Certain Findings Relating Thereto
- Revised Attachment VA: Council Resolution Directing the City Manager to Accept the Property Transfers
- Attachment VI: Agency Board Resolution Authorizing the Executive Director to Transfer Funds Allowing Payment of Loan Obligations to the Sewer, Water and General Funds
- Attachment VII: Council Resolution Authorizing the City Manager to Negotiate and Execute a Loan Agreement Between the City and the Sewer and Water Funds

REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD

RESOLUTION NO. RA-11-_____

Introduced by Agency Member _____

RESOLUTION AMENDING RESOLUTION 10-11, AS AMENDED, THE BUDGET RESOLUTION FOR THE REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD OPERATING BUDGET FOR FISCAL YEAR 2011, RELATING TO AN APPROPRIATION OF FUNDS

BE IT RESOLVED by the Agency Board of the Redevelopment Agency of the City of Hayward that Resolution No. RA-10-11, the Budget Resolution for the Redevelopment Agency of the City of Hayward for Fiscal Year 2011, is hereby amended by approving the changes indicated below.

I. CHANGE TO REDEVELOPMENT AGENCY OPERATING FUND (Fund 451):

<u>Fund</u>	<u>Program</u>	<u>Expenditure</u>	<u>Amendment</u>
451	5080	Cinema Place Developer Assistance	(65,000)
451	4416	Supplies and Services	(43,000)
451	5123	Cinema Place Environmental	108,000
451		Fund Balance – Reimburse TABS Fund	(100,000)
		Net Change to Fund	(100,000)

II. CHANGE TO REDEVELOPMENT AGENCY LOW & MODERATE HOUSING FUND (Fund 452):

<u>Fund</u>	<u>Program</u>	<u>Expenditure</u>	<u>Amendment</u>
452		Fund Balance	(22,500)
452	4450	Supplies and Services	22,500
452		Fund Balance	(1,477,344)
		Net Change to Fund	(1,477,344)

III. CHANGE TO REDEVELOPMENT AGENCY FIRST TIME HOMEBUYER REVOLVING LOANS FUND (Fund 453):

<u>Fund</u>	<u>Program</u>	<u>Expenditure</u>	<u>Amendment</u>
453	4454	First Time Homebuyer Program	150,000
		Net Change to Fund	-0-
		(Budget authority increase only)	

IV. CHANGE TO REDEVELOPMENT AGENCY TAX ALLOCATION BONDS FUND (Fund 454):

<u>Fund</u>	<u>Program</u>	<u>Expenditure</u>	<u>Amendment</u>
454		Reimburse Project Staff Expenses	100,000
Net Change to Fund			100,000

The Interim Director of Finance is hereby authorized and directed to distribute the above revised expenditure estimates to the various accounts of the Redevelopment Agency in accordance with generally accepted accounting principles and consistent with the purposes and objectives as outlined in the approved budget.

HAYWARD, CALIFORNIA

ADOPTED BY THE FOLLOWING VOTE:

AYES: AGENCY MEMBERS:
 CHAIR:

NOES: AGENCY MEMBERS:

ABSTAIN: AGENCY MEMBERS:

ABSENT: AGENCY MEMBERS:

ATTEST:

Secretary of the Redevelopment Agency of the City
of Hayward

APPROVED AS TO FORM:

General Counsel

RESOLUTION NO. _____

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD APPROVING THE TRANSFER OF CERTAIN AGENCY OWNED REAL PROPERTIES TO THE CITY OF HAYWARD AND MAKING CERTAIN FINDINGS RELATING THERETO

WHEREAS, the City Council of the City of Hayward ("City") approved and adopted the Redevelopment Plan ("Redevelopment Plan") for the Downtown Hayward Redevelopment Project (the "Project Area"); and

WHEREAS, the Redevelopment Agency of the City of Hayward ("Agency") is engaged in activities to execute and implement the Redevelopment Plan pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code Section 33000, *et seq.*) ("CRL"); and

WHEREAS, for the improvement of the Project Area and the immediate neighborhoods in which the Project Area is located, the Agency has recognized the need for certain public improvements, which improvements are located within the boundaries of the Project Area, and has further recognized the need to provide affordable housing and affordable housing sites within the Project Area; and

WHEREAS, in accordance with the CRL, the Agency has used its tax increment funds received pursuant to CRL Section 33670, and its housing set-aside funds received pursuant to CRL Section 33334.3, to pay for all or part of the cost of the value of land for certain properties located within the Project Area (collectively, the "Agency Properties"), as listed on the attached Exhibit A; and

WHEREAS, in response to the Governor's proposed State budget package and proposals for FY 2011-2012, which include recommending the elimination of redevelopment agencies "to realign the delivery of state services to counties and local governments" and eliminate a projected State deficit of \$25.4 billion, the City Manager and Agency Executive Director have proposed the transfer of the Agency Properties to the City to avoid losing control of these properties, and provide flexibility to preserve local public assets; and

WHEREAS, the Governor's budget proposal threatens the ability of the Agency to control the use of the Agency Properties, and control of the use of the Agency Properties is important to successful redevelopment of the Project Area; and

WHEREAS, transfer of the Agency Properties to the City is necessary in order to continue to carry out the Redevelopment Plan; and

WHEREAS, CRL Section 33430 authorizes a redevelopment agency to sell, lease, exchange, subdivide, transfer, assign, encumber and dispose of any real property or any interest in real property; and

WHEREAS, the City Council has considered all terms and conditions of the proposed transfer, and has determined that the proposed action is in the best interests of the City and in accord with the public purposes and provisions of applicable State and local laws; and

WHEREAS, the Agency is the lead agency pursuant to the California Environmental Quality Act (codified as Public Resources Code Sections 21000 *et seq*) ("CEQA") and the State CEQA Guidelines; and

WHEREAS, Agency staff has determined that the Agency's authorization of the transfer of the Agency Properties is exempt from CEQA, pursuant to the CEQA Guidelines set forth in California Code of Regulations, Title 14, Section 15378(b)(5), which provides that such authorizations are not considered a project subject to CEQA review because the transfer of the Agency Properties is an organizational activity that will not result in direct or indirect physical changes in the environment;

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the City of Hayward as follows:

Section 1. Recitals. The Recitals set forth above are true and correct and incorporated herein.

Section 2. Findings. The Agency hereby finds and determines, based on the Recitals set forth above and the information made available in the staff report accompanying this Resolution, the oral presentation of Agency staff, and all other written and oral evidence presented to the Agency, that the Agency's transfer of the Agency Properties is of benefit to the Project Area because the transfer of the Agency Properties to the City: (1) is in the best interest of the City and the health, safety, morals and welfare of its residents, businesses, tenants, and property owners, (2) will assist in the elimination of one or more blighting conditions in the Project Area and assist the City and Agency in providing and preserving needed affordable housing opportunities in the Project Area, stimulate economic development and minimize depreciated or stagnant property values and high business vacancies, while improving aesthetics and visibility in the Project Area, and (3) will provide needed affordable housing and affordable housing sites.

Section 3. Transfer Authorization. The Agency authorizes and directs the Executive Director of the Agency, with the concurrence of the Agency Counsel, to execute and deliver on behalf of the Agency, one or more grant deeds for the conveyance of the Agency Properties listed on Exhibit A attached hereto to the City and to take any action and execute any other documents as may be necessary to implement this Resolution.

Exhibit "A"

LIST OF AGENCY PROPERTIES

<u>APN</u>	<u>Description</u>
428-0071-049	City Hall Municipal Parking Structure (southeast corner of "B" Street and Watkins Street)
428-0061-039-01	1027 A Street
444-0033-018-01	24311 Mission Blvd.
444-0033-019	24321 Mission Blvd.
444-0033-020	24331 Mission Blvd.
444-0033-023	24491 Mission Blvd.
428-0066-085; 428-0066-086	Cinema Place
431-0110-007	Residual Burbank School Site
431-0040-010; 431-0040-011; 431-0040-012-02	"B" and Grand (Affordable Housing Parcel)
431-0016-088-03	"A" and Walnut (Affordable Housing Parcel) -- 123 A Street
415-0240-002; 415-0240-003-02	1154-1166 Russell Way
427-0001-031-01	22852 Foothill Blvd.
428-0071-018; 428-0071-019	22675-22695 Mission Blvd.
428-0076-023-13; 428-0076-027-09	Watkins Street (City Hall Land)

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HAYWARD APPROVING THE TRANSFER TO THE CITY OF CERTAIN REAL PROPERTIES OWNED BY THE REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD AND MAKING CERTAIN FINDINGS RELATING THERETO

WHEREAS, the City Council of the City of Hayward (“City”) approved and adopted the Redevelopment Plan (“Redevelopment Plan”) for the Downtown Hayward Redevelopment Project (the “Project Area”); and

WHEREAS, the Redevelopment Agency of the City of Hayward (“Agency”) is engaged in activities to execute and implement the Redevelopment Plan pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code Section 33000, *et seq.*) (“CRL”); and

WHEREAS, for the improvement of the Project Area and the immediate neighborhoods in which the Project Area is located, the Agency has recognized the need for certain public improvements, which improvements are located within the boundaries of the Project Area, and has further recognized the need to provide affordable housing and affordable housing sites within the Project Area; and

WHEREAS, in accordance with the CRL, the Agency has used its tax increment funds received pursuant to CRL Section 33670, and its housing set-aside funds received pursuant to CRL Section 33334.3, to pay for all or part of the cost of the value of land for certain properties located within the Project Area (collectively, the “Agency Properties”), as listed on the attached Exhibit A; and

WHEREAS, in response to the Governor’s proposed State budget package and proposals for FY 2011-2012, which include recommending the elimination of redevelopment agencies “to realign the delivery of state services to counties and local governments” and eliminate a projected State deficit of \$25.4 billion, the City Manager and Agency Executive Director have proposed the transfer of the Agency Properties to the City to avoid losing control of these properties, and provide flexibility to preserve local public assets; and

WHEREAS, the Governor’s budget proposal threatens the ability of the Agency to control the use of the Agency Properties, and control of the use of the Agency Properties is important to successful redevelopment of the Project Area; and

WHEREAS, transfer of the Agency Properties to the City is necessary in order to

continue to carry out the Redevelopment Plan; and

WHEREAS, CRL Section 33430 authorizes a redevelopment agency to sell, lease, exchange, subdivide, transfer, assign, encumber and dispose of any real property or any interest in real property; and

WHEREAS, the City Council has considered all terms and conditions of the proposed transfer, and has determined that the proposed action is in the best interests of the City and in accord with the public purposes and provisions of applicable State and local laws; and

WHEREAS, the Agency is the lead agency pursuant to the California Environmental Quality Act (codified as Public Resources Code Sections 21000 *et seq*) ("CEQA") and the State CEQA Guidelines; and

WHEREAS, Agency and City staff has determined that the Agency's authorization of the transfer of the Agency Properties is exempt from CEQA, pursuant to the CEQA Guidelines set forth in California Code of Regulations, Title 14, Section 15378(b)(5), which provides that such authorizations are not considered a project subject to CEQA review because the transfer of the Agency Properties is an organizational activity that will not result in direct or indirect physical changes in the environment;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward as follows:

Section 1. Recitals. The Recitals set forth above are true and correct and incorporated herein.

Section 2. Findings. The City Council hereby finds and determines, based on the Recitals set forth above and the information made available in the staff report accompanying this Resolution, the oral presentation of Agency and City staff, and all other written and oral evidence presented to the City Council, that the Agency's transfer of the Agency Properties is of benefit to the Project Area because the transfer of the Agency Properties to the City: (1) is in the best interest of the City and the health, safety, morals and welfare of its residents, businesses, tenants, and property owners, (2) will assist in the elimination of one or more blighting conditions in the Project Area and assist the City and Agency in providing and preserving needed affordable housing opportunities in the Project Area, stimulate economic development and minimize depreciated or stagnant property values and high business vacancies, while improving aesthetics and visibility in the Project Area, and (3) will provide needed affordable housing and affordable housing sites.

Section 3. Transfer Authorization. The City Council approves, authorizes and directs the City Manager, with the concurrence of the City Attorney, to accept on behalf of the City, one or more grant deeds for the conveyance of the Agency Properties listed in Exhibit A

attached hereto to the City and to take any action and execute any other documents as may be necessary to implement this Resolution.

Section 4. CEQA. The City Council directs and authorizes that a Notice of Exemption shall be filed with the Clerk of the County of Alameda, California, within five (5) working days following the date of adoption of this Resolution.

Section 5. Effective Date. This Resolution shall take effect immediately upon its adoption.

Section 6. Certification. The City Clerk shall certify to the passage and adoption of this Resolution and the same shall thereupon take effect and be in force immediately upon its adoption.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2010

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward

Exhibit "A"

LIST OF AGENCY PROPERTIES

<u>APN</u>	<u>Description</u>
428-0071-049	City Hall Municipal Parking Structure (southeast corner of "B" Street and Watkins Street)
428-0061-039-01	1027 A Street
444-0033-018-01	24311 Mission Blvd.
444-0033-019	24321 Mission Blvd.
444-0033-020	24331 Mission Blvd.
444-0033-023	24491 Mission Blvd.
428-0066-085; 428-0066-086	Cinema Place
431-0110-007	Residual Burbank School Site
431-0040-010; 431-0040-011; 431-0040-012-02	"B" and Grand (Affordable Housing Parcel)
431-0016-088-03	"A" and Walnut (Affordable Housing Parcel) – 123 A Street
415-0240-002; 415-0240-003-02	1154-1166 Russell Way
427-0001-031-01	22852 Foothill Blvd.
428-0071-018; 428-0071-019	22675-22695 Mission Blvd.
428-0076-023-13; 428-0076-027-09	Watkins Street (City Hall Land)

REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD

RESOLUTION NO. RA _____

Introduced by Agency Member _____

RESOLUTION AMENDING RESOLUTION RA-10-11, AS AMENDED, THE REDEVELOPMENT BUDGET RESOLUTION FOR FISCAL YEAR 2011, RELATING TO AN APPROPRIATION OF FUNDS FROM THE REDEVELOPMENT AGENCY'S FUND 451, FOR REPAYMENT OF LOANS FROM THE CITY'S GENERAL FUND, WATER FUNDS AND SEWER FUND

WHEREAS, on September 23, 1975, the City of Hayward and the Redevelopment Agency of the City of Hayward entered into a repayment agreement (the "Repayment Agreement"), pursuant to which the City advanced funds to the Agency for redevelopment purposes, and which Repayment Agreement has been amended and restated numerous times since its execution in 1975; and

WHEREAS, under the most recent amended and restated Repayment Agreement between the City and the Agency, the loan balance owed the City is \$9,144,570 as of June 30, 2010, in satisfaction of which the Agency has been paying annual installment payments in the amount of \$800,000 since 2008; and

WHEREAS, in or about 1990, the City's Water Funds (Funds 623 (40%) and 622 (60%)) loaned the Agency \$973,196, not including interest accrued thereon through June 30, 2010, in the amount of \$67,879, for redevelopment purposes, including the payment of the Agency's ERAF obligation, which loan is still due and owing to the City in the total amount of \$1,041,075, plus interest from June 30, 2010 to the present; and

WHEREAS, in or about 2003, the City's Sewer Fund (Fund 613) loaned the Agency \$822,500, not including interest accrued thereon through June 30, 2010, in the amount of \$9,377, for redevelopment purposes, including the payment of the Agency's ERAF obligation, which loan is still due and owing to the City in the total amount of \$831,877, plus interest from June 30, 2010 to the present; and

WHEREAS, there will be approximately \$2.5 million in the Redevelopment Agency Fund (Fund 451) at the end of the current fiscal year, which funds can be utilized for repayment of some of the Agency's preexisting, enforceable obligations to the City's General Fund, Water Funds and Sewer Fund.

BE IT RESOLVED, THEREFORE, by the Redevelopment Agency of the City of Hayward that the Agency hereby finds that it has sufficient funds in Fund 451 to repay the

HAYWARD CITY COUNCIL

RESOLUTION NO. _____

Introduced by Council Member _____

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN INTERNAL LOAN AGREEMENTS BETWEEN THE SEWER AND WATER FUNDS AND THE GENERAL FUND TO FUND ORGANIZATIONAL TRANSITIONS

BE IT RESOLVED by the City Council of the City of Hayward that the City Manager is hereby authorized and directed to enter into a loan agreement between the Water Funds (Funds 623 (40%) and 622 (60%)) and the General Fund (Fund 100) in an amount not to exceed \$1,041,075, and a loan agreement between the Sewer Fund (Fund 613) and the General Fund (Fund 100) in an amount not to exceed \$831,877, in order to fund organizational transitions necessitated as a result of the elimination of the City's Redevelopment Agency by the State. The loans shall bear interest at the interest rate earned on the City's investment portfolio, and shall be payable on demand without penalty for prepayment. The loan agreements shall be in a form approved by the City Attorney.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2011

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward