



**DATE:** December 3, 2019

**TO:** Mayor and City Council

**FROM:** Deputy City Manager

**SUBJECT:** Adopt a Resolution Authorizing the City Manager to Purchase the Tax-Delinquent Real Property located at 1032 Central Boulevard and Enter Into a Purchase and Sale Agreement with the County of Alameda

### **RECOMMENDATION**

That Council adopts a resolution (Attachment II) authorizing the City Manager to object to public sale and enter into an agreement with the County of Alameda to purchase fee interest in tax-delinquent real property located at 1032 Central Boulevard (APN 445-270-7-1) from Alameda County Tax Collector's Office consistent with the previous action taken by the City Council on February 19, 2019.

### **SUMMARY**

The purpose of this item is to re-affirm authorization for the City Manager to object to the public sale and enter into a purchase agreement to purchase the property located at 1032 Central Boulevard. The site is part of the tax-delinquent real property sale that Alameda County conducts on a yearly basis. The subject site is adjacent to the land that is part of the Route 238 Parcel Group 5 acquired from Cal Trans and will be incorporated into the disposition and development of this parcel once acquired by the City.

### **BACKGROUND**

In 2013, the City of Hayward performed an abatement on the property located at 1032 Central Boulevard. This abatement included the removal of the existing single-family residential building that had been subject to two previous fires. The structure had been deemed unsafe and was a nuisance to the surrounding neighborhood. The site has remained vacant since that time.

In January 2019, the County of Alameda released the list of properties that were subject to sale due to delinquent back taxes of five or more years. Staff evaluated the list of properties to determine if any of the nine properties had any value to the City of Hayward. The property located at 1032 Central Boulevard was part of that list. This property is located adjacent to Parcel Group 5 of the 238 land deals, also known as the Bunker Hill neighborhood.

The Council previously approved a resolution authorizing the City Manager to move forward with the purchase of the property on February 19, 2019. The Alameda County Tax Collector's Office has now delivered a Purchase and Sale Agreement for the sale of the property and is requesting an updated resolution reaffirming the City's desire to move forward with the purchase.

## **DISCUSSION**

The property at 1032 Central Boulevard is located where Spring Drive intersects with Central Boulevard. The site is 0.24 acres (10,454 sq. ft.) and is zoned Residential Natural Preserve, which allows for large lot single-family residential. The site is in the Alquist Priolo Fault Zone and may have fault traces on the property. The property is located adjacent to the future development that will be part of the Parcel Group 5 development and will be incorporated into the disposition and development process already underway. Depending on future geotechnical studies on the site, the parcel can be used either for a new single-family residential unit or as part of the open space for the future development.

In January 2019, the City of Hayward received notice from the County of Alameda Tax Collector that nine parcels located in or around the City of Hayward were approved by the Board of Supervisors to be sold as part of the Delinquent Tax Property Sale that took place March 15, 2019. As one of the taxing agencies in Alameda County, the City is given first right of refusal to purchase any of the listed properties. On February 3, 2019, the City submitted an objection to the sale of the property located at 1032 Central Boulevard. This property was then removed from the list of properties that were for public auction.

In order to move forward with the purchase of the property, the City of Hayward must submit an approved Resolution authorizing the purchase of the property and enter into an agreement to purchase the property with Alameda County. The purchase price of the property will be the minimum bid amount of \$37,027. The property owner did not remedy their back taxes by close of business on March 15, 2019, therefore the City of Hayward and Alameda County will proceed with the purchase and sale of the subject site.

Upon approval of the attached resolution, staff will negotiate and enter into a purchase agreement with Alameda County. The previous property owner did not remedy back property taxes prior to March 15, 2019, so the site will be scheduled for a hearing by the Board of Supervisors to approve the purchase and Sale Agreement between Alameda County and the City in the coming months.

## **ECONOMIC IMPACT**

The proposed purchase of the site at 1032 Central Boulevard could have a positive economic impact for the City of Hayward. If acquired, the site will be incorporated as part of the future Parcel Group 5 residential development, thus making the project area larger. The overall

economic impact will depend on whether the site can be used for a single-family residential unit or for open space. That determination would be made after further geotechnical studies are completed to determine fault-line traces. Overall, the acquisition would have a positive impact on the existing residential neighborhood in that it will remove a nuisance property and ensure new development on the site that is part of a cohesive plan.

## **FISCAL IMPACT**

The proposed acquisition would be funded through the use of land proceeds, in the General Fund, that the City received from the sale of the land that was part of Parcel Group 1. The purchase price will be \$37,027. Additional dollars for closing costs, legal fees, and recording fees will also be allocated from those funds. On February 19, 2019, the City Council allocated \$47,000 for the purchase of the site at 1032 Central Boulevard. Staff is requesting an additional \$10,000 for a total of \$57,000 to ensure all closing costs are covered for the purchase of the site.

## **STRATEGIC INITIATIVES**

This agenda item supports the Complete Communities Strategic Initiative. The purpose of the Complete Communities Initiative is to create and support structures, services, and amenities to provide inclusive and equitable access with the goal of becoming a thriving and promising place to live, work and play for all. This item supports the following goal and objectives:

- Goal 1: Improve quality of life for residents, business owners, and community members in all Hayward neighborhoods.
- Objective 1: Increase neighborhood safety and cohesion – The purchase of the property would remove a nuisance property and incorporate the site as part of the larger future development proposed on Parcel Group 5 to create a more cohesive neighborhood.
- Objective 2: Foster a sense of place and support neighborhood pride – The property located at 1032 Central Boulevard has a long history as a nuisance property and was subject to past City abatement to remove a dangerous structure on the site. The potential purchase of the property will allow for the inclusion of this site as part the future development on Parcel Group 5.

## **PUBLIC CONTACT**

No public notice is required with this action.

## **NEXT STEPS**

If approved, the City Manager will negotiate an agreement, in a form approved by the City Attorney, with Alameda County for the purchase of the property at 1032 Central Boulevard

and incorporate this parcel into the disposition and development process already underway for Parcel Group 5.

*Prepared by:* Catherine Ralston, Economic Development Specialist

*Recommended by:* Jennifer Ott, Deputy City Manager

Approved by:

A handwritten signature in black ink, appearing to read 'K. McAdoo', written in a cursive style.

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Kelly McAdoo, City Manager