



**DATE:** October 30, 2017

**TO:** Mayor and City Council

**FROM:** City Manager

**SUBJECT** Approval of Resolution Accepting the Transfer of Parking Facilities from the Hayward Successor Agency

### **RECOMMENDATION**

That the City Council adopts the attached resolution (Attachment II) approving and accepting the transfer of specified parking facilities pursuant to Health and Safety Code Sections 34177(e) and 34181(a)(1), for continued governmental use, operation, and maintenance from the Hayward Successor Agency.

### **BACKGROUND**

In June of 2011, the California State Legislature enacted Assembly Bill x1 26, as amended by AB 1484, enacted on June 27, 2012, and SB 107, enacted on September 22, 2015 (the "Dissolution Act") to dissolve redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*). 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, including the Redevelopment Agency of the City of Hayward (the "Dissolved Agency"), were dissolved effective February 1, 2012.

The Hayward Successor Agency, a separate legal entity (the "Successor Agency") was formed to and charged with paying the enforceable obligations, disposing of the properties and other assets, and unwinding the affairs of the Dissolved Agency.

An oversight board for the Successor Agency (the "Oversight Board") has been formed and is functioning in accordance with Health and Safety Code Section 34179, 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.

On November 8, 2013, the Successor Agency received a "Finding of Completion" from the California Department of Finance (the "Department") pursuant to Health and Safety Code Section 34179.7, confirming that the Successor Agency had made specified required payments under the Dissolution Statutes.

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

As required by Health and Safety Code Section 34191.5(b), the Successor Agency prepared a Multi-Asset Long-Range Property Management Plan dated May 19, 2015 (the "Multi-Asset LRPMP") which was submitted to and approved by the Successor Agency's Oversight Board. The Multi-Asset LRPMP was then submitted to and approved by the DOF by letter dated September 4, 2015.

On September 22, 2015, the State enacted SB 107, under which the legislature expanded the authorization of the Oversight Board to direct the transfer of parking facilities and lots dedicated solely to public parking that do not generate revenues in excess of reasonable maintenance costs of the properties, as governmental use properties under Health and Safety Code Section 34181(a)(1). Health and Safety Code Section 34191.3(b) authorized the Successor Agency with a LRPMP approved prior to January 1, 2016 to amend its LRPMP once, solely to allow for the retention of real properties that constitute parking facilities and lots dedicated solely to public parking for governmental use.

The following properties were acquired by the Dissolved Agency for governmental use and constitute parking facilities and lots dedicated solely for public parking as such term is defined in Health and Safety Code Section 34181(a)(2) (the "Parking Facilities"):

<b>NO.</b>	<b>APN</b>	<b>ADDRESS</b>	<b>RECOMMENDED USE</b>
1.	428-0061-039-01	1025 A Street	Governmental Use as parking facilities
2.	427-0001-031-01	22852 Foothill Blvd	Governmental Use as parking facilities
3.	415-0240-002	1154 Russell Way	Governmental Use as parking facilities
4.	415-0240-003-02	1166 Russell Way	Governmental Use as parking facilities

Under the Multi-Asset LRPMP, the properties were designated to transfer to the City for future development pursuant to Health and Safety Code Section 34191.3. After the adoption of SB 107 and as allowed under Health and Safety Code Section 34191.3(b), the Oversight Board adopted Resolution 2016-02 approving revisions to the Multi-Asset LRPMP to change the designation of the Parking Facilities to government use properties (the "Revised LRPMP"). By letter dated January 9, 2017, the Department of Finance advised the Successor Agency that the action to amend the Multi-Asset LRPMP was not approved because the notice of the amendment was not timely submitted to the Department of Finance prior to the July 1, 2016 deadline.

Under Health and Safety Code Sections 34177(e) and 34181(a)(1), the Oversight Board is authorized to approve and direct the disposition of governmental purpose properties constructed and used for roads, school buildings, parks and open space, police and fire stations, libraries, *parking facilities and lots dedicated solely to public parking*, and local agency administrative buildings and other governmental purposes to the public jurisdiction generally responsible for the ownership, operation and maintenance of public facilities in the City. The same action was authorized under Resolution 2016-02.

## **DISCUSSION**

The Parking Facilities described above were acquired by the Dissolved Agency for governmental use and constitute parking facilities and lots dedicated solely for public parking as such term is defined in Health and Safety Code Section 34181(a)(2). All the Parking Facilities are surface parking lots currently designated solely for free public parking. As free parking, the parking facilities do not generate any revenue at all and so do not generate revenues in excess of reasonable maintenance costs of the properties.

The sole purpose of the Amendment to the Multi-Asset LRPMP, was to change the designation of the Parking Facilities from properties to be retained for future development, to properties to be retained by the City for governmental use as parking facilities and lots dedicated solely to public parking in compliance with Health and Safety Code Section 34181(a)(2). Unfortunately, the amendment to the Revised Multi-Asset LRPMP was not recognized by the Department of Finance due to a technicality.

The City, as the public jurisdiction generally responsible for the ownership, operation and maintenance of public facilities in the City, is the appropriate public jurisdiction for the ultimate disposition of the governmental use properties and with respect to the Parking Facilities, the Successor Agency proposes to transfer to the City so that the City may continue to own, operate and maintain the Parking Facilities as parking facilities and lots dedicated solely to public parking under Health and Safety Code Section 34181(a)(2).

The disposition of the Parking Facilities to the City for continued use, operation and maintenance for parking facilities and lots dedicated solely to public parking is consistent with the City's General Plan, the Former Agency's approved redevelopment plan, and other applicable City codes and policies in that these local laws and plans call for continued public use and maintenance of the various Parking Facilities.

The Hayward Oversight Board, at its October 30, 2017 meeting, is scheduled to approve Resolution 2017-03, finding that the Parking Facilities identified in and subject in the resolution are parking facilities and lots dedicated solely to public parking and as of date of transfer will not generate revenue in excess of reasonable maintenance costs of the properties. Additionally, Resolution 2017-03 will direct the transfer of the Parking Facilities, pursuant to Health and Safety Code Sections 34191.3, 34177(e) and 34181(a)(1), to the City and in consideration for the City's continued use, operation, and maintenance of the Parking Facilities for the government purposes. This staff report and accompanying resolution completes the transfer of these Parking Facilities to the City.

## **ECONOMIC AND FISCAL IMPACT**

There is limited economic impact associated with the transfer of the Parking Facilities to the City. The Successor Agency's transfer of these assets does not create any new enforceable obligation or liability for the Successor Agency. The disposition carries forward the goals and objectives of the Successor Agency to divest itself of the properties and assets of the Dissolved Agency and to wind-down its affairs. However, following the transfer of the Parking Facilities, the City will be responsible for maintenance and operation activities which will have a nominal impact on the City's budget.

## **STRATEGIC INITIATIVES**

This agenda item is a routine item and does not relate to one of the Council's Strategic Initiatives.

## **NEXT STEPS**

Upon approval of the Resolution, the Successor Agency will transfer the properties, by grant deed, to the City for continued use as parking facilities and lots dedicated solely to public parking under Health and Safety Code Section 34181(a)(2).

*Prepared and Recommended by:* John Stefanski, Management Analyst II

Approved by:



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Kelly McAdoo, City Manager