



DATE: February 19, 2019

TO: City Council

FROM: Deputy City Manager

SUBJECT: Adopt a Resolution to File a Chapter 8 Request for the Purchase of the Property Located at 1032 Central Boulevard (APN 445-270-7-1) for a Total Cost of \$37,027.00 Plus Closing and Recording Costs

RECOMMENDATION

That the City Council adopts the attached resolution (Attachment II) authorizing the City Manager to object to public sale and enter into an agreement to purchase fee interest in tax-delinquent real property located at 1032 Central Boulevard (APN 445-270-7-1) from the Alameda County Tax Collector's Office.

SUMMARY

The purpose of this item is to seek 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 Caltrans. See Attachment III for a Site Map.

BACKGROUND

In 2013, the City of Hayward performed an abatement of 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 and the property located at 1032 Central Boulevard was part of that list. This property is located adjacent to Parcel Group 5 of the former 238 Caltrans parcels, also known as the Bunker Hill neighborhood.

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 site that will be part of the Caltrans Parcel Group 5 development. Depending on future geotechnical studies on the site, the parcel can be used either for a new single-family residential unit or part of the open space for the future development.

In January 2019, the City 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 will take 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 the City's objection to the sale of the property located at 1032 Central Boulevard. This property will now be removed from the list of properties that will be up for public auction.

In order to move forward with the purchase of the property, the City 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. If the current property owner does not remedy their back taxes by close of business on March 15, 2019, the City 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. If the current property owner does not remedy back property taxes prior to March 15, 2019, 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.

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 Caltrans Parcel Group 5 residential development, which makes 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 done 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 of this property will be funded from the FY 2019 Capital Improvement Program, Fund 405--Project 06911 (Property Acquisition) budget. The purchase price will be \$37,027. Additional dollars for closing costs, legal fees, and recording fees will also be allocated from those funds. Expected costs for the purchase and acquisition will total approximately \$47,000.

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 the Council authorizes the purchase, the City Manager will negotiate a final form of an agreement, in a form approved by the City Attorney, with Alameda County for the purchase of the property at 1032 Central Boulevard. Following execution and close of escrow, a copy of the purchase agreement will be brought back to the Council as an information item for Council's reference.

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.

Kelly McAdoo, City Manager