



DATE: December 8, 2020

TO: Mayor and City Council

FROM: Deputy City Manager

SUBJECT: 1032 Central Blvd Property Disposition: Adopt a Resolution Making Findings to Designate the 0.24-Acre City Owned Parcel Located at 1032 Central Boulevard as Surplus Property and Begin the Surplus Property Process Consistent with the Surplus Property Land Act

RECOMMENDATION

That Council adopts a resolution (Attachment II) designating the 0.24-acre City owned parcel located at 1032 Central Boulevard as surplus property and authorize the City Manager to begin the surplus property process consistent with the Surplus Property Land Act.

SUMMARY

In 2013, the City abated the property located at 1032 Central Boulevard due to unsafe conditions and it has remained vacant since. Additionally, the property is adjacent to the City owned former 238 properties referred to as Parcel Group 5. As a result, when the County of Alameda released the list of properties that were subject to sale due to delinquent back taxes of five or more years, the City Council adopted a resolution in February 2019 to file a Chapter 8 request for the purchase of the property located at 1032 Central Boulevard for a total cost of \$37,027 plus fees. The sale of the tax defaulted 1032 Central Boulevard property to the City of Hayward from the Alameda County Tax Collector's Office recently occurred on July 30, 2020 for a total cost of \$38,082.

The purpose of this item is to seek a determination from the City Council that the parcel located at 1032 Central Boulevard (APN 445-270-7-1) is surplus property and to authorize the City Manager to move forward with the surplus property process consistent with the Surplus Property Land Act. Upon approval of the attached resolution, staff will develop and distribute a Notice of Availability to certain required public agencies and housing sponsors certified by the California Housing Finance Agency (CalHFA) that have provided notice to the California Department of Housing and Community Development (HCD) of their interest in acquiring surplus land. Interested parties have 60 days to respond. If responses are received, the City must negotiate in good faith for a minimum of 90 days. The Surplus Land Act does not prevent the local agency from obtaining fair market value for the sale/lease of surplus properties. If there are no responses or if negotiations fail to result in a sale or lease, the City can proceed with the marketing and sale or lease to a third-party.

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. Additionally, the property is adjacent to the City owned former 238 properties referred to as Parcel Group 5.

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. On February 19, 2019, the City Council adopted a resolution to file a Chapter 8 request for the purchase of the property located at 1032 Central Boulevard for a total cost of \$37,027 plus fees. In December 2019, City Council authorized the City Manager to object to the 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 from Alameda County Tax Collector's Office. The Notice of Sale of Tax Defaulted Property for 1032 Central Boulevard to the City of Hayward from the Alameda County Tax Collector's Office occurred on July 30, 2020 for a total cost of \$38,082.

DISCUSSION

As part of the 2019 Housing Legislations, the State of California tightened control over cities' ability to dispose of land. Beginning in January 2020, all cities must comply with the amended Surplus Land Act (AB 1486). The Surplus Land Act now requires cities to offer any non-exempt surplus land to a housing sponsor certified by CalHFA that have provided notice to HCD for the development of affordable housing prior to disposing of the property for sale or lease to any third-party. New penalties have also been included in the law, which include up to 50% of the sale price, if the new procedures are not followed by the City.

Staff has determined that the subject property is no longer needed for any other future City use. This parcel can now be offered as available subject to the provisions of the Surplus Lands Act. Upon approval of the attached resolution, staff will develop and distribute a Notice of Availability to certain required public agencies and housing sponsors certified by CalHFA that have provided notice to HCD of their interest in acquiring surplus land. Interested parties have 60 days to respond. If responses are received, the City must negotiate in good faith for a minimum of 90 days. The Surplus Lands Act does not prevent the local agency from obtaining fair market value for the sale/lease of surplus properties. If there are no responses or if negotiations fail to result in a sale or lease, the City can proceed with the marketing and sale or lease to a third-party. If the sale or lease to a third-party results in the construction of less than 10 housing units, there are no further requirements on the development of the property.

FISCAL IMPACT

The sale or lease of the parcel will result in potential revenue for the City. A price for the property will be determined by staff based primarily on current market rates and as part of any subsequent land sale negotiation process. The City's acquisition of the tax delinquent property located at 1032 Central Boulevard from the County cost the City \$38,082.

STRATEGIC ROADMAP

This agenda item is a routine operational item and does not relate to any of the six priorities outlined in the Council's Strategic Roadmap.

PUBLIC CONTACT

No public notice is required with this action.

NEXT STEPS

Upon a determination by the City Council that the parcel is surplus, the City Manager and staff will prepare the Notice of Availability, which will be issued to required parties consistent with the Surplus Land Act.

Prepared by: Monica Davis, Community Services Manager

Recommended by: Jennifer Ott, Deputy City Manager

Approved by:



Kelly McAdoo, City Manager