



CITY OF HAYWARD

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Cover Memo

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DATE: January 27, 2016

TO: Successor Agency Oversight Board

FROM: Assistant City Manager

SUBJECT

Approval of First Amendment to Revised Multi-Asset Long Range Property Management Plan

RECOMMENDATION

That the Oversight Board adopts the attached resolution (Attachment I) approving a First Amendment to the Revised Multi-Asset Long Range Property Management Plan.

BACKGROUND

The California State Legislature enacted Assembly Bill x1 26 (the "Dissolution Act") to dissolve redevelopment agencies formed under the Community Redevelopment Law in June of 2011. 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 were dissolved effective February 1, 2012, and various actions are now required by successor agencies to unwind the affairs of all former redevelopment agencies.

On June 27, 2012, as part of the state budget package, the California legislature passed AB 1484. The main objective of AB 1484 was to amend the Dissolution Act based on experience in implementing the Act at the state and local level during the past year. AB 1484 imposes significant new obligations on the successor agencies and oversight boards of dissolving redevelopment agencies, which staff has continued to implement.

One of the requirements under AB 1484 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 former Hayward Redevelopment Agency (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 "Revised Multi-Asset LRPMP") which was submitted to and approved by the Successor Agency's Oversight Board.

The Revised Multi-Asset LRPMP was then submitted to and approved by the DOF by letter dated September 4, 2015.

Under Health and Safety Code Sections 34177(e), 34191.3 and 34181(a), governmental purpose properties constructed and used for roads, school buildings, parks and open space, police and fire stations, libraries, and local agency administrative buildings and other governmental purposes may be transferred to the public jurisdiction generally responsible for the ownership, operation and maintenance of public facilities in the City. At the time the Revised Multi-Asset LRPMP was prepared and approved, the DOF insisted that parking facilities were not governmental use properties.

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).

Pursuant to Health and Safety Code Section 34191.3(b), if the DOF approved a successor agency's long-range property management plan prior to January 1, 2016, the successor agency may amend its long-range property management plan once, solely to allow for retention of real properties that constitute "parking facilities and lots dedicated solely to public parking" for governmental use pursuant to Section 34181. An amendment to the Revised Multi-Asset LRPMP, to effectuate the retention of public parking facilities 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) must be submitted to the DOF prior to July 1, 2016.

DISCUSSION

As fully set forth in the Amendment to the Multi-Asset LRPMP, the Properties described below are Parking Facilities as such term is defined in Health and Safety Code Section 34181(a)(2) (the "Parking Facilities"):

No.	APN	Address	Recommended Use
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

All of 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, is to change the designation of the Parking Facilities from properties to be retained for future development (as currently listed in the Revised Multi-Asset LRPMP) 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).

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. With respect to the Parking Facilities, the Successor Agency proposes to transfer these assets 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 proposed 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 public facilities dedicated for the uses in the Revised Multi-Asset LRPMP.

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 of the Successor Agency, but rather 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. As set forth in the Revised Multi-Asset LRPMP, if in the future, any of the properties retained for public use (including the Parking Facilities) are to be sold by the City for private development for projects in the former agency's redevelopment plan, the properties will require the payment of net proceeds as described in **Part I. B. Parameters for Transfers Pursuant to Multi-Asset LRPMP**, discussed on pages 5-6 of the Revised Multi-Asset LRPMP.

NEXT STEPS

Upon approval of the Resolution, the Successor Agency will transfer the properties, by quit claim 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 by: John Stefanski, Management Analyst

Recommended by: Kelly McAdoo, Assistant City Manager

Approved by:



Fran David, City Manager

Attachments:

Attachment I	Resolution
Attachment II	First Amendment to Revised Multi-Asset Long Range Property Management Plan
Attachment III	Department Approval of Revised Multi-Asset Long Range Property Management Plan