



Legislation Details (With Text)

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**Title:** Staff Report for Resolutions Approving the Successor Agency’s Conveyance of Certain Former Redevelopment Agency Assets to the City of San Leandro and the City’s Approval of the Conveyance of These Assets Pursuant to Health and Safety Code Section 34191.5

**Indexes:**

**Code sections:**

**Attachments:** 1. Long-Range Property Management Plan Checklist-San Leandro

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Staff Report for Resolutions Approving the Successor Agency’s Conveyance of Certain Former Redevelopment Agency Assets to the City of San Leandro and the City’s Approval of the Conveyance of These Assets Pursuant to Health and Safety Code Section 34191.5

**SUMMARY AND RECOMMENDATIONS**

Staff recommends that the City Council serving in its capacity as the Board of Directors of the Successor Agency to the Redevelopment Agency of the City of San Leandro (Successor Agency) approve the Resolution that approves the conveyance of certain former Redevelopment Agency assets to the City of San Leandro and recommends that the City Council approve the Resolution that approves the conveyance of these assets from the former Redevelopment Agency to the City. The properties are proposed to be transferred to the City at no cost.

**BACKGROUND**

The Redevelopment Agency of the City of San Leandro (RDA) was dissolved on February 1, 2012, pursuant to ABx126 (as amended by AB 1484 and SB 107). These statutes govern the dissolution of the former Redevelopment Agency, which includes the disposition of its former real property assets. At the time of its dissolution, the former redevelopment agency owned twenty-two parcels of real property. Pursuant to the redevelopment dissolution statutes, ownership of the properties transferred on February 1, 2012 to the Successor Agency.

The Successor Agency is now responsible for disposition of the properties in accordance with the procedures and requirements of Redevelopment Dissolution Statutes. A key component of AB 1484 is the requirement that all successor agencies prepare a Long Range Property Management Plan (LRPMP), which establishes a plan for transferring or selling the real property assets that were owned by the former Redevelopment Agency (see attached).

The Long Range Property Management Plan was approved by the Successor Agency on November 2, 2015 and by the California Department of Finance (DOF) on December 30, 2015. Following this approval, the Successor Agency's properties can now be sold or transferred by the Successor Agency consistent with the approved LRPMP.

**Analysis**

Since its inception in 1952, the California Redevelopment Law allowed cities and counties to form Redevelopment Agencies with special powers to eradicate blight conditions in urban areas. These special powers included the ability to assemble and sell property for both private and public development. To effectuate the Agency's goals, property was often acquired, through purchase or via transfer from the City, in an effort to eliminate social and economic blight and facilitate the property's re-use in a manner beneficial to the community.

At the time of its dissolution, the Redevelopment Agency owned 22 parcels. Per the Long Range Property Management Plan, the following 14 Successor Agency owned parcels are to be transferred to the City of San Leandro. The remaining 8 parcels owned by the Successor Agency parcels will be sold for development later in 2016.

**Table 1 - Former Redevelopment Agency Parcels**

	Address	Description	APN
<u>Transferred to the City for Governmental Use</u>			
1	Washington Ave. & W. Juan	Public Plaza walkway/outdo	077-0545-026-02
2	135 W. Joaquin Ave.	Walkway adjacent to Plaza	077-0545-015-00
3	Washington Ave. & Joaquin	Parking, Downtown Plaza	077-0545-009-00
4	Washington Ave. & Joaquin	Parking, Downtown Plaza	077-0545-010-00
5	1490 Washington Ave.	Parking, Downtown Plaza	077-0545-024-01
6	1446 Washington Ave.	Parking, Downtown Plaza	077-0545-025-00
7	1433 East 14th Street	Parking, Downtown Plaza	077-0545-018-00
8	W. Juana Ave. & Hays Stre	Remnant parcel at corner	075-0226-006-00
9	Aladdin Avenue	Burrell Field - Marina Reade	079A-0295-002-17
10	1193 Warden Avenue	Park, "Davis West" sign site	077A-0655-001-00
11	Carpentier Street	Creek-walk behind Creeksic	075-0036-058-00
12	14901 East 14th Street	Vacant, held for triangle par	077D-1499-001-00
13	2512 Davis Street	Vacant, held for Eden Road	077A-0649-008-25
<u>State Controller Allowed Housing Asset Transfers</u>			
14	13664 East 14th Street	Casa Verde affordable hous	077E-1525-003-09

These properties fit into two categories:

### Properties Transferred for Governmental Use:

Since its creation in 1960, the RDA either acquired or created several parcels that were held for governmental purposes. The properties tend to be public plazas, parking lots, and pieces of right-of-way that serve the public interest but do not have potential for private development. Although the Successor Agency now has an obligation to dispose of all of its real property assets, the dissolution laws contain a provision for transfer or sale of properties to the City if they are used for a legitimate governmental use. Thirteen properties in this category will be transferred to the City at no cost.

As described more fully in the LRPMP, the governmental use properties can be grouped as follows:

1. Plaza Pedestrian Walkways (properties #1-2)
2. Plaza Public Parking Lots (properties #3-7)
3. Corner Parcel at West Juana Ave. & Hays St. (property #8)
4. Burrell Field Sign - Public Park (property #9)
5. 1193 Warren Ave. - Public Park & "Davis West" sign site (property #10)
6. San Leandro Creek Walk - (property #11)
7. 14901 East 14<sup>th</sup> St. - Triangle Property (property #12)
8. 2512 Davis St. - Eden Road extension (property #13)

### State Controller Allowed Housing Asset Transfers:

When the City elected to serve as Successor Agency to the Redevelopment Agency in 2012, it also took on the function of Housing Successor. Consistent with State law, the Agency submitted a Housing Asset Transfer Report on July 31, 2012 detailing all assets that would be transferred to the Housing Successor as part of this transition. That report was approved by the DOF on August 31, 2012 and included one real estate asset.

The property at 13664 East 14<sup>th</sup> was purchased by the former Redevelopment Agency and converted into the Casa Verde affordable housing development. The project now provides 67 units that will remain affordable housing for the long term. The property will be transferred to the City, in its capacity as the Housing Successor, at no cost.

### **Next Steps**

With the LRPMP approved, Staff is working expeditiously to implement the plan by disposing of assets. Per Senate Bill 107, HSC section 34191.5(f), with the LRPMP is approved the Successor Agency will not need to seek additional State approvals for its implementation.

The proposed Resolutions authorize the Executive Director of the Successor Agency and the City Manager to take all actions necessary to implement the conveyance of these properties. These will be relatively straightforward transactions including the execution of quitclaim deeds, certificates of acceptance, and all other necessary instruments, as applicable.

### **Previous Actions**

- On November 2, 2015, the Successor Agency approved the Long Range Property Management Plan, establishing a plan for transferring or selling the real property assets that were

owned by the Redevelopment Agency.

### **Legal Analysis**

The resolutions, quitclaim deeds and certificates of acceptance have been reviewed and approved as to form by the City Attorney's Office.

### **Fiscal Impacts**

The fourteen properties that will be transferred to the City of San Leandro or the City in its capacity as Housing Successor will be at no cost. These properties generally have no value as they are for governmental use and do not have private development potential. Although the City will assume responsibility for the maintenance of these properties, in most cases it is already providing maintenance services and the transaction will therefore not result in increased costs.

One property, the Burrell Field site of the Auto Mall reader board sign, is leased to a private entity through 2037. Although the lease does not currently generate any revenue, a provision in the lease requires the initiation of annual payments in 2017. The amount of the payments will be determined by a future appraisal. After the transfer of the properties, all lease revenue will go to the City General Fund.

### **ATTACHMENT**

- Long Range Property Management Plan

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