



March 21, 2014

Ms. Tori Hannah, Finance Director
City of Capitola
420 Capitola Avenue
Capitola, CA 95010

Dear Ms. Hannah:

Subject: Long-Range Property Management Plan

Pursuant to Health and Safety Code (HSC) section 34191.5 (b), the City of Capitola Successor Agency (Agency) submitted a Long-Range Property Management Plan (LRPMP) to the California Department of Finance (Finance) on November 21, 2013. The Agency subsequently submitted a revised LRPMP to Finance on February 28, 2014. Finance has completed its review of the LRPMP, which may have included obtaining clarification for various items.

The Agency received a Finding of Completion on May 24, 2013. Further, based on our review and application of the law, we are approving the Agency's use or disposition of the two properties listed on the LRPMP. Our approval of the LRPMP also took into account the corresponding Resolution No. 2014-01, which specified:

These two properties are estimated to have no value and are integrally associated with the City of Capitola (City) street and sidewalk infrastructure that are currently being maintained by the City.

However, the following were noted during our review, but do not require a revised plan to be submitted since the permissible uses of these properties are for governmental purposes:

Property Nos. 1 and 2 – Roadway/Walkway located at Axford Road and 38th Avenue

- The Agency reported only a dash “–” for the value amounts for certain requirements specified on HSC section 34191.5 (c) such as for the estimate of current parcel value and others. As clarified by the Agency, the dash “–” meant to be a \$0 value.
- The Agency reported “N/A” for certain requirements specified on HSC section 34191.5 (c) such as the history of environmental contamination, potential for transit oriented development, and others. As clarified by the Agency, the “N/A” should state “No”.

Ms. Tori Hannah
March 21, 2014
Page 2

In accordance with HSC section 34191.4, upon receiving a Finding of Completion from Finance and approval of a LRPMP, all real property and interests in real property shall be transferred to the Community Redevelopment Property Trust Fund of the Agency, unless that property is subject to the requirements of an existing enforceable obligation. Pursuant to HSC section 34191.3 the approved LRPMP shall govern, and supersede all other provisions relating to, the disposition and use of all the real property assets of the former redevelopment agency.

Agency actions taken pursuant to a Finance approved LRPMP are subject to oversight board (OB) approval per HSC section 34181 (f). Any subsequent OB actions addressing the Agency's implementation of the approved LRPMP should be submitted to Finance for approval.

Please direct inquiries to Wendy Griffe, Supervisor, or Medy Lamorena, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Assistant Program Budget Manager

cc: Ms. Lonnie Wagner, Accountant II, City of Capitola
Ms. Mary Jo Walker, Auditor-Controller, Santa Cruz County
Ms. Elizabeth Gonzalez, Bureau Chief, Local Government Audit Bureau, California State
Controller's Office
California State Controller's Office