



2015 LONG-RANGE PROPERTY MANAGEMENT PLAN

Prepared for the:
**Successor Agency to the
City of Hughson Redevelopment Agency
7018 Pine Street, CA 95326
www.hughson.org**

October 2015

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HUGHSON CITY COUNCIL/ SUCCESSOR AGENCY BOARD

Matt Beekman, *Mayor*

Jeremy Young, *Mayor Pro Tem*

George Carr, *Council Member*

Jill Silva, *Council Member*

Harold Hill, *Council Member*

CITY STAFF

Raul L. Mendez, *City Manager*

Shannon Esenwein, *Finance Director*

Lisa Whiteside, *Finance Manager*



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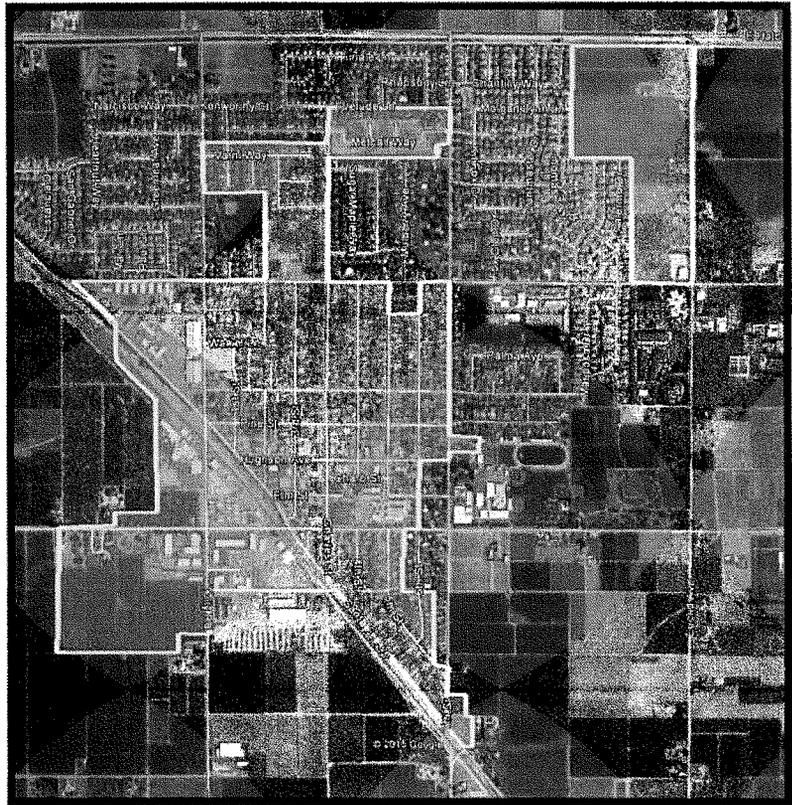


I. Introduction

The City of Hughson (the "City") encompasses approximately 1.42 square miles, and its population was estimated by the State Department of Finance as of January 1, 2015 at 7,222. The City is located in Stanislaus County in the Central Valley, approximately 99 miles east of the City of San Francisco. The City was incorporated in 1972 as a general law city. It has a council-manager form of government with the Council Members elected at large for four-year terms and the Mayor elected for a two-year term.

The City of Hughson Redevelopment Agency (the "former Agency") was established on January 14, 2002 by the City Council of the City with the adoption of Ordinance No. 01-11, pursuant to the Community Redevelopment Law (Part 1, Division 24, commencing with Section 33000 of the Health and Safety Code of the State).

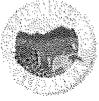
The Redevelopment Plan for the City of Hughson Redevelopment Project Area was approved by Ordinance No. 02-08 adopted by the City Council of the City on July 8, 2002. The Redevelopment Plan was amended by Ordinance No. 07-01 adopted by the City Council on May 14, 2007 to add additional territory (the "Added Territory") to the City of Hughson Redevelopment Project (the "Original Project Area" and together with the Added Territory, the "Project Area"). The Project Area consists of approximately 397 acres, with the Original Project Area consisting of 313 acres and the Added Territory consisting of 84 acres. The Project Area consists of commercial, industrial and residential properties.



On January 9, 2012, the City Council elected to serve as the Successor Agency to the former Agency (the "Successor Agency"). On July 1, 2015, the Successor Agency received its Finding of Completion (the "FOC") from the California Department of Finance (the "DOF") pursuant to HSC §34179.7.

Dissolution of Redevelopment Agencies

Trailer bills ABx1 26 and ABx1 27 were signed by the Governor of California on June 28, 2011, making certain changes to the HSC, including adding Part 1.8 (commencing with §34161) ("Part 1.8") and Part 1.85 (commencing with §34170) ("Part 1.85") to Division 24 of the HSC. The California Redevelopment Association and League of California Cities filed a lawsuit in the Supreme Court of California (*California Redevelopment Association, et al. v. Matosantos, et al.* (Case No. S194861)) alleging that ABx1 26 and ABx1 27 were unconstitutional. On December 29, 2011, the Supreme Court issued its opinion in the *Matosantos* case largely upholding ABx1 26, invalidating ABx1 27, and holding that ABx1 26 may be severed from ABx1 27 and enforced independently. The Supreme Court generally revised the effective dates and deadlines for performance of obligations under HSC Part 1.85 arising before May 1, 2012 to take effect four months later while leaving the effective dates or deadline for performance of obligations under HSC Part 1.8 unchanged. Consistent with the



applicable provisions of the HSC, the City Council elected to serve in the capacity of the Successor Agency to the Redevelopment Agency of the City of Brawley (the "Successor Agency").

Further, on June 27, 2012, the Governor signed budget trailer bill AB 1484 into law, resulting in further procedural and substantive changes to the duties of and procedures to be followed by successor agencies, oversight boards, county auditor-controllers and the California Department of Finance (the "DOF"). This includes, but is not limited to, the manner in which the Successor Agency disposes of real property assets. Specifically, AB 1484 added HSC §34191.5 that requires the Successor Agency to prepare a Long Range Property Management Plan (the "LRPMP") as a prerequisite to the disposition of real property assets.

Long Range Property Management Plan

Per the applicable provisions of the HSC, no later than six (6) months after a successor agency receives its Finding of Completion from the DOF (per HSC §34179.7), the Successor Agency must submit its LRPMP to the Oversight Board and the DOF for approval. The LRPMP must include an inventory (with specified information) about each property, and address the use or disposition of each property. Permitted uses for the property pursuant to AB 1484 include:

1. Retention of the property for governmental use;
2. Retention of the property for future development;
3. Sale of the property; and
4. Use of the property to fulfill an enforceable obligation.

Upon DOF's approval of the LRPMP, the properties are to be placed in a Community Redevelopment Property Trust Fund administered by the Successor Agency in accordance with the approved LRPMP. If the LRPMP plan calls for use or liquidation (sale to obtain revenues) of a property for a project identified in an approved redevelopment plan, that property is to be transferred to the sponsoring community for that purpose. If the LRPMP calls for the liquidation of the property or use of revenues from the property for purposes other than a project identified in a redevelopment plan or other than to fulfill an enforceable obligation, the proceeds from the sale are to be distributed as property taxes to the taxing entities.

This LRPMP was prepared in compliance with those pertinent sections of the HSC that govern the LRPMP's prerequisites, content, and approval process.

The Successor Agency received its Finding of Completion from the DOF on July 1, 2015 (Exhibit "A"). The LRPMP was approved by Resolution of the Successor Agency on N/A, 2015 (Exhibit "B") and by Resolution of the Oversight Board on DECEMBER 9, 2015 (Exhibit "C")



II. Summary of Successor Agency Properties

Successor Agency: City of Hughson
 County: Stanislaus

Site Data						Property Value/Sale Info						Other Property Information											
		HSC 34191.5 (c)(1)(C)		HSC 34191.5 (c)(2)		HSC 34191.5 (c)(1)(A)				SALE OF PROPERTY <i>(If applicable)</i>		HSC 34191.5 (c)(1)(B)	HSC 34191.5 (c)(1)(C)		HSC 34191.5 (c)(1)(D)	HSC 34191.5 (c)(1)(E)		HSC 34191.5 (c)(1)(F)	HSC 34191.5 (c)(1)(G)		HSC 34191.5 (c)(1)(H)		
Site No.	Prop Type	Address	APN	Permissible Use	If Sale of Prop... Proceeds to be used for?	Permissible Use Detail	Acquisition Date	Value at Time of Acquisition	Estimated Current Value	Date of Est'd Current Value	Estimated Current Value Basis	Proposed Sale Value	Proposed Sale Date	Purpose for which property was acquired	Lot Size (acres)	Zoning	Estimate of Current Parcel Value	Annual Estimate Income/Rev	Contractual use income/rev	Historic environmental contamination?	Potential as a TOD?	Advancements of SA planning objectives?	History of previous develop proposals and activity?
The Successor Agency does not hold title to any real property.																							



Exhibit A – DOF Finding Of Completion



July 1, 2015

Ms. Lisa Whiteside, Accounting Manager
City of Hughson
7018 Pine Street
Hughson, CA 95326

Dear Ms. Whiteside:

Subject: Request for a Finding of Completion

The California Department of Finance (Finance) has completed the Finding of Completion for the City of Hughson Successor Agency.

Finance has completed its review of your documentation, which may have included reviewing supporting documentation submitted to substantiate payment or obtaining confirmation from the county auditor-controller. Pursuant to Health and Safety Code (HSC) section 34179.7, we are pleased to inform you that Finance has verified that the Agency has made full payment of the amounts determined under HSC section 34179.6, subdivisions (d) or (e) and HSC section 34183.5.

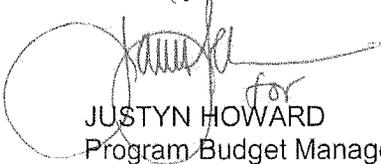
This letter serves as notification that a Finding of Completion has been granted. The Agency may now do the following:

- Place loan agreements between the former redevelopment agency and sponsoring entity on the ROPS, as an enforceable obligation, provided the oversight board makes a finding that the loan was for legitimate redevelopment purposes per HSC section 34191.4 (b) (1). Loan repayments will be governed by criteria in HSC section 34191.4 (a) (2).
- Utilize proceeds derived from bonds issued prior to January 1, 2011 in a manner consistent with the original bond covenants per HSC section 34191.4 (c).

Additionally, the Agency is required to submit a Long-Range Property Management Plan to Finance for review and approval, per HSC section 34191.5 (b), within six months from the date of this letter.

Please direct inquiries to Derk Symons, Staff Finance Budget Analyst, or Chris Hill, Principal Program Budget Analyst, at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Program Budget Manager

cc: Mr. Raul Mendez, City Manager, City of Hughson
Ms. Lauren Klein, Auditor-Controller's Office, Stanislaus County



Exhibit B – Resolution of the Successor Agency Board



Exhibit C – Resolution of the Oversight Board

**OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE
CITY OF HUGHSON REDEVELOPMENT AGENCY
RESOLUTION NO. 2015 - 04**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO
THE CITY OF HUGHSON REDEVELOPMENT AGENCY APPROVING THE LONG-
RANGE PROPERTY MANAGEMENT PLAN PURSUANT TO CALIFORNIA HEALTH
AND SAFETY CODE SECTION 34191.5**

WHEREAS, pursuant to Health and Safety Code (the "HSC") § 34172 (a) (1), the City of Hughson Redevelopment Agency was dissolved February 1, 2012; and

WHEREAS, on January 9, 2012, the City Council of the City of Hughson elected to serve as the Successor Agency to the City of Hughson Redevelopment Agency (the "Successor Agency") pursuant to part 1.85 of the California Health and Safety Code; and

WHEREAS, the Oversight Board to the Successor Agency to the former City of Hughson Redevelopment Agency ("Oversight Board") has been established pursuant to Health and Safety Code ("HSC") § 34179 to assist in the wind-down of the dissolved redevelopment agency; and

WHEREAS, on July 1, 2015, the Successor Agency received its Finding of Completion (the "FOC") from the California Department of Finance (the "DOF") pursuant to HSC § 34179.7; and

WHEREAS, within six (6) months of the date of the FOC, HSC § 34191.5 (b) requires the Successor Agency to prepare a Long-Range Property Management Plan ("LRPMP") to address the disposition and use of the real property assets held by the Successor Agency; and

WHEREAS, notwithstanding that the Successor Agency does not own any real property, the DOF uniformly requests that successor agencies prepare an LRPMP and indicate that the effected successor agency does not own any real property; and

WHEREAS, subject to approval by the Oversight Board, the LRPMP will be submitted to the DOF; and

WHEREAS, once the LRPMP has been approved by the DOF, the Successor Agency will have satisfied HSC § 34191.5; and

WHEREAS, consistent with the applicable provisions of the HSC, it is recommended that the Oversight Board approve the attached LRPMP; and

WHEREAS, all of the prerequisites with respect to the approval of this Resolution have been met.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board for the Successor Agency to the City of Hughson Redevelopment Agency, as follows:

- Section 1.** The foregoing recitals are true and correct and are a substantive part of this Resolution.
- Section 2.** The Long-Range Property Management Plan attached to this Resolution as Exhibit "A" is hereby approved.
- Section 3.** Successor Agency staff is hereby authorized and directed to transmit the Long-Range Property Management Plan to the California Department of Finance and to take such actions and execute such documents as are necessary to effectuate the intent of this Resolution.
- Section 4.** This Resolution shall take effect upon the date of its adoption.

PASSED AND ADOPTED by the Oversight of the Successor Agency to the City of Hughson Redevelopment Agency at a meeting thereof held on December 9, 2015, by the following vote:

AYES: Board Members CHIESA, STRAIN, OSEGUERA, MENDEZ, and BEEKMAN.

NOES: None

ABSTENTIONS: None

ABSENT: Board Members WOLTERSTORFF and ROJAS



MATT BEEKMAN, Vice Chairperson

ATTEST:



DOMINIQUE SPINALE ROMO, Secretary

FUND ACCT	DEPT	Actual	Annual Budget	Balance	FUND Descriptio	ACCT Description
13 0090		\$ 331,625.00	\$ -	\$ (331,625.00)	DEBT SERVICE	CASH BALANCE
13 0134		\$ 843,859.00	\$ -	\$ (843,859.00)	DEBT SERVICE	IMPROVEMENTS OTHER THAN BLDGS
13 0135		\$ (158,932.00)	\$ -	\$ 158,932.00	DEBT SERVICE	ACCUMULATED DEPRECIATION
13 0250		\$ -	\$ -	\$ -	DEBT SERVICE	ACCOUNTS PAYABLE
13 0260		\$ (2,680,000.00)	\$ -	\$ 2,680,000.00	DEBT SERVICE	GEN. OBLIGATION BONDS PAYABLE
13 0270		\$ (33,526.00)	\$ -	\$ 33,526.00	DEBT SERVICE	ACCRUED INTEREST PAYABLE
13 0310		\$ 1,922,056.00	\$ -	\$ (1,922,056.00)	DEBT SERVICE	FUND EQUITY
13 4002		\$ (430,883.00)	\$ (255,443.00)	\$ 175,440.00	DEBT SERVICE	TAX INCREMENT
13 4601		\$ (169.00)	\$ -	\$ 169.00	DEBT SERVICE	INTEREST EARNED
13 6202	610	\$ 12,060.00	\$ 19,000.00	\$ 6,940.00	DEBT SERVICE	CONTRACT SRVCS
13 6202	630	\$ -	\$ -	\$ -	DEBT SERVICE	CONTRACT SRVCS
13 6300	610	\$ 27,490.00	\$ -	\$ (27,490.00)	DEBT SERVICE	DEPRECIATION
13 6350	610	\$ 134,739.00	\$ 134,763.00	\$ 24.00	DEBT SERVICE	INTEREST EXPENS
13 6801	610	\$ -	\$ 70,000.00	\$ 70,000.00	DEBT SERVICE	RETIRE PRINCIPL
13 8505		\$ -	\$ -	\$ -	DEBT SERVICE	TRANSFERS-OUT
13 8505	610	\$ 31,680.00	\$ 31,680.00	\$ -	DEBT SERVICE	TRANSFERS-OUT
REPORT TOTAL ---->			0	0	0	

Successor Agency to the
City of Hughson Redevelopment Agency

<u>Fixed Asset</u>	<u>Address</u>	<u>Date of Construction</u>	<u>Net Book 2014</u>
<u>General Government</u>			
Annex- Module building purchased by the RDA fund.	7018 Pine Street	2007	\$ 225,666
Hughson Avenue Streetscape Project (curb/gutter/sidewalks)		2010	\$ 445,534
Statue on Hughson Ave		2007	\$ 41,217