

**OVERSIGHT BOARD
RESOLUTION NO. 05-2015**

**A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY
TO THE REDEVELOPMENT AGENCY OF THE CITY OF PACIFICA APPROVING A
SECOND AMENDED LONG-RANGE PROPERTY MANAGEMENT PLAN**

WHEREAS, the Redevelopment Dissolution Law (AB1x 26, enacted on or about June 29, 2011, as amended by AB 1484, enacted on or about June 27, 2013) provided for creation of the Successor Agency to the Redevelopment Agency of the City of Pacifica ("Successor Agency") and required the Successor Agency to expeditiously wind-down the affairs of the former Redevelopment Agency as directed by the Pacifica Oversight Board.

WHEREAS, following the successful completion of all statutory prerequisites, the Successor Agency received a Finding of Completion from the State of California Department of Finance by letter dated April 26, 2013.

WHEREAS, Health and Safety Code Section 34191.5(b) states that the Successor Agency shall prepare a Long-Range Property Management Plan ("LRPMP") that addresses the disposition and use of the real properties of the former Redevelopment Agency, which shall be submitted to the Oversight Board and the Department of Finance for approval no later than six months following the issuance to the Successor Agency of the Finding of Completion.

WHEREAS, Health and Safety Code Section 34191.5, subdivision (c)(1) sets forth the required contents of the LRPMP, and subdivision (c)(2) sets forth the permissible uses of the subject real properties.

WHEREAS, the permissible uses include retention of the property for governmental use pursuant to Health and Safety Code Section 34181(a), which in turn states that the Oversight Board may direct the Successor Agency to transfer ownership of assets that were constructed and used for a governmental purpose to the City.

WHEREAS, in March 1986, the Pacifica City Council adopted a Specific Plan for the Rockaway Beach area within the City, which established a goal of encouraging centralized parking lots on City-owned property in order to support future development of visitor-serving commercial and other land uses and to facilitate public beach access.

WHEREAS, the Rockaway Beach Specific Plan anticipated the use of redevelopment powers and tax increment financing to implement the land use policies and goals set forth in the Specific Plan.

WHEREAS, in July 1986, the City Council adopted the Redevelopment Plan for the Rockaway Beach Project Area, which incorporated the land use policies and goals of the Specific Plan, including the provision of off-street parking facilities.

WHEREAS, the Redevelopment Plan authorized the former Redevelopment Agency to borrow funds to carry out the Plan, to be repaid from tax increment generated within the Project Area.

WHEREAS, from 1985 through 1994, due to insufficient tax increment revenues available to the Redevelopment Agency, the City of Pacifica loaned a total of \$3,237,150 to the Redevelopment Agency to finance implementation of the Redevelopment Plan, including the construction and improvement of off-street parking lots.

WHEREAS, in June 2000 and December 2009, the Redevelopment Agency adopted Implementation Plans for the Rockaway Beach Redevelopment Project which reported that the Agency's redevelopment activities had resulted in the successful completion of a new off-street parking lot and improvements to existing parking areas.

WHEREAS, at the time of its dissolution, the Redevelopment Agency owned six parcels of real property containing approximately 35,100 square feet which had been developed for surface parking lots utilizing City funds loaned to the Redevelopment Agency; and

WHEREAS, the Agency-owned parking lots have at all times been made available, free of charge, for use by all members of the public.

WHEREAS, the Oversight Board finds and determines that the parking lots have been constructed and used for governmental purposes, consistent with the Rockaway Beach Specific Plan, Redevelopment Plan and Implementation Plans.

WHEREAS, on June 19, 2013 the Oversight Board approved Resolution No 2013-5, approving a LRPMP for the disposition and use of the real properties of the former Redevelopment Agency which was thereafter submitted to the Department of Finance for review.

WHEREAS, by letter dated October 10, 2013, the Department of Finance informed the Successor Agency that the LRPMP was not approved because the LRPMP, in DOF's view, proposed two alternatives for the permissible use of the six former RDA properties: (1) transfer to the City for governmental use, and (2) transfer to the City to be used for a project identified in an approved redevelopment plan. The letter further stated that DOF is not authorized to select the permissible use of the affected properties and the LRPMP should address only one permissible use. Finally, the letter stated that the Successor Agency should revise the LRPMP to address these issues, have the Oversight Board approve the revised LRPMP, and resubmit it to DOF for approval.

WHEREAS, on October 2, 2014 the Oversight Board approved Resolution No 04-2014, approving an amended LRPMP for the disposition and use of the real properties of the former Redevelopment Agency which was thereafter submitted to the Department of Finance for review. The Amended LRPMP proposed that the parking lot properties be transferred to the City of Pacifica and used for a project identified in an approved redevelopment plan, community plan or five-year implementation plan pursuant to Health and Safety Code Section 34191.5(c)(2)(A). Pursuant to informal guidance from DOF, the Amended LRPMP provided that prior to any transfer of the parking lot properties to the City, the City would enter into a compensation

agreement with the local taxing entities, specifying that the net proceeds of any subsequent sale of these properties would be distributed to the taxing entities in proportion to their respective shares of property taxes.

WHEREAS, effective on September 22, 2015, the California Legislature enacted SB 107, a budget trailer bill amending various provisions of the Redevelopment Dissolution Law. Insofar as is here pertinent, SB 107 amended Health and Safety Code Section 34181(a) to expressly authorize an oversight board to direct a successor agency to transfer ownership of real property assets that were constructed and used for the governmental purpose of parking facilities and lots dedicated solely to public parking to a city, provided that such parking lots and facilities do not generate revenues in excess of reasonable maintenance costs of the properties.

WHEREAS, the Oversight Board hereby finds and determines that the parking lots are dedicated solely to public parking; that the parking lots do not generate any revenue whatsoever; and that the City has incurred, and continues to incur, reasonable and necessary costs for maintaining the parking lots.

WHEREAS, pursuant to Health and Safety Code Section 34181(f), notice was provided to the public at least 10 days prior to the public meeting at which this Resolution was adopted.

NOW, THEREFORE, THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF PACIFICA DOES HEREBY RESOLVE AS FOLLOWS:

1. The Second Amended Long-Range Property Management Plan, in the form attached to this Resolution and incorporated herein by reference, is hereby approved.

2. The staff of the Successor Agency is hereby authorized to make such minor, technical and clarifying revisions to the Second Amended Long-Range Property Management Plan as are deemed necessary to carry out the purposes and intent of this Resolution.

2. The staff of the Successor Agency is hereby directed to submit the Second Amended Long-Range Property Management plan to the Department of Finance for potential review pursuant to Health and Safety Code Sections 34179(h), 34181(f) and 34191.5(b) and to take such other and further actions as are deemed necessary to facilitate Department of Finance review and approval and to carry out the purposes and intent of this Resolution.

PASSED AND ADOPTED at a duly noticed regular meeting of the Oversight Board for the Successor Agency to the Redevelopment Agency of the City of Pacifica, California held on November 30, 2015, by the following vote of the members thereof:

AYES: Board Members: Callagy, Hines, Chow, Nihart, DeJarnett

NOES: Board Members: None

ABSENT: Board Members: Bennett, Peterson

ABSTAIN: Board Members: None



Mary Ann Nihart, Chair

ATTEST:



Clerk of the Board-Lorenze Hines Jr.

CITY OF PACIFICA SECOND AMENDED LONG-RANGE PROPERTY MANAGEMENT PLAN

(As approved by the Oversight Board on November 30, 2015)

Introduction and Overview

This document constitutes the Second Amended Long-Range Property Management Plan (LRPMP) of the Successor Agency (Successor Agency) to the Redevelopment Agency of the City of Pacifica (Former RDA), prepared in accordance with California Health and Safety Code Section 34191.5.

The Former RDA was dissolved on February 1, 2012, pursuant to the Redevelopment Dissolution Law (ABx1 26, as amended by AB 1484). At the time of its dissolution, the Former RDA owned six parcels of real property (the Properties), which are the subject of this LRPMP. Pursuant to the Redevelopment Dissolution Law, ownership of the Properties transferred to the Successor Agency by operation of law upon dissolution of the Former RDA. The Properties have been developed and are being used for two inter-connected surface parking lots to meet the parking needs for nearby commercial development and for public beach access. Funding for the acquisition and development of the Properties was advanced by the City to the Former RDA pursuant to loan agreements which have not been repaid. The parking lots do not generate any revenue. They have at all times been made available, free of charge, for use by all members of the public. The City of Pacifica maintains the Properties at its own expense.

The Successor Agency obtained a Finding of Completion from the State Department of Finance (DOF) by letter dated April 26, 2013. The Successor Agency is now responsible for disposition of the Properties in accordance with the procedures and requirements of the Redevelopment Dissolution Law, particularly Health and Safety Code Sections 34191.1 through 34191.5. An LRPMP was presented to the Oversight Board for consideration on June 19, 2013, approved by Resolution No. 2013-5, and submitted to DOF for review. By letter dated October 10, 2013, DOF informed the Successor Agency that the LRPMP was not approved because the LRPMP, in the view of DOF, proposed two alternatives for the permissible use of the six former RDA properties: (1) transfer to the City for governmental use, and (2) transfer to the City to be used for a project identified in an approved redevelopment plan. The letter further stated that DOF is not authorized to select the permissible use of the affected properties and the LRPMP should address only one permissible use. Finally, the letter stated that the Successor Agency should revise the LRPMP to address these issues, have the Oversight Board approve the revised LRPMP, and resubmit it to DOF for approval.

In accordance with this guidance from DOF, an Amended LRPMP was presented to the Oversight Board for consideration on October 2, 2014, approved by the Oversight Board Resolution No. 2014-4 and submitted to DOF for review. The Amended LRPMP proposed that

CITY OF PACIFICA SECOND AMENDED LONG-RANGE PROPERTY MANAGEMENT PLAN

(As approved by the Oversight Board on November 30, 2015)

the Properties be transferred to the City of Pacifica and used for a project identified in an approved redevelopment plan, community plan or five-year implementation plan pursuant to Health and Safety Code Section 34191.5(c)(2)(A). Pursuant to informal guidance from DOF, the Amended LRPMP provided that prior to any transfer of the parking lot properties to the City, the City would enter into a compensation agreement with the local taxing entities, specifying that the net proceeds of any subsequent sale of these properties would be distributed to the taxing entities in proportion to their respective shares of property taxes.

Effective on September 22, 2015, the California Legislature enacted SB 107, a budget trailer bill amending various provisions of the Redevelopment Dissolution Law. Among other things, SB 107 amended Health and Safety Code Section 34181(a) to expressly authorize an oversight board to direct a successor agency to transfer ownership of real property assets that were constructed and used for the governmental purpose of parking facilities and lots dedicated solely to public parking to a city, provided that such parking lots and facilities do not generate revenues in excess of reasonable maintenance costs of the properties. The Properties qualify for a governmental purpose transfer from the Successor Agency to the City because they are dedicated solely to public parking; they do not generate any revenue whatsoever; and the City has incurred, and continues to incur, reasonable and necessary costs for maintaining the parking lots located on the Properties. Pursuant to this new legislation, this Second Amended LRPMP was presented to the Oversight Board for consideration on November 30, 2015, approved by the Oversight Board by Resolution No. 05-2015, and submitted to DOF for review.

In accordance with Health and Safety Code Section 34191.5(c), Section I of this LRPMP contains an inventory of the Properties with the statutorily required information. Section II sets forth a proposed plan for disposition and use of the Properties. The LRPMP is accompanied by Appendix A, containing information about the Properties, and the DOF LRPMP submittal checklist.

Background on the Rockaway Beach Redevelopment Project Area

In March 1986, the Pacifica City Council adopted a Specific Plan pursuant to the California Planning and Zoning Law for the Rockaway Beach area within the City. The Specific Plan was intended to implement the Pacifica General Plan and Local Coastal Plan and to establish land use policies and goals for incorporation into a Redevelopment Plan. These planning documents anticipated development of visitor-serving commercial uses (i.e., hotels, restaurants and shops to serve visitors), mixed commercial/residential uses, and enhanced public recreation and beach access. At that time, several parcels within the Rockaway Beach planning area were

CITY OF PACIFICA SECOND AMENDED LONG-RANGE PROPERTY MANAGEMENT PLAN

(As approved by the Oversight Board on November 30, 2015)

owned by the City. A key goal of the Specific Plan was to encourage consolidation of small, separate parking lots into centralized parking facilities to serve commercial uses. The Specific Plan contemplated that the centralized parking would have to be provided before future commercial development would be permitted and that the amount of permitted development would not exceed the available parking supply. It anticipated construction of a three-level parking structure and stated that surface parking could be provided on the City-owned parcels prior to construction of the parking structure. The Specific Plan identified tax increment financing under redevelopment law as a method of funding parking and other public infrastructure improvements.

In July 1986, the City Council adopted a Redevelopment Plan for the Rockaway Beach Project Area. The Redevelopment Plan incorporated the land use policies and goals from the Specific Plan, carrying forward the emphasis on encouraging coastal visitor-service commercial uses, as well as public beach access and recreation. The Redevelopment Plan reiterated the goal of providing off-street parking facilities to serve these priority uses. It authorized the Former RDA to borrow funds to carry out the Redevelopment Plan, with principal and interest to be repaid from tax increment available to the Former RDA.

In June 2000 and December 2009, the Former RDA adopted Implementation Plans for the Rockaway Beach Redevelopment Project. The Implementation Plans reported that the activities carried out by the Former RDA had resulted in the completion of visitor-serving commercial uses, three hotels, a new off-street parking lot, and improvements to existing parking areas.

At the time the Former RDA was dissolved, it owned a total of six parcels which were developed for two inter-connected surface parking lots located on the same block. These parking lots were an essential prerequisite for the development of nearby commercial properties, and the loss of the parking lots would leave those properties with little or no off-street parking spaces to serve their customers and occupants. In addition, the parking lots are located a short distance from public beach and open space areas and are available for public users of these recreation areas. The parking lots are open to the public, operate free of charge and do not generate any revenue. The City provides funding for necessary maintenance and repairs.

The total area of these parking lots is approximately 35,100 square feet. Based on available information, the total purchase price for the parcels when acquired during the 1981 to 1990 time frame was approximately \$815,830.85. The Former RDA has carried the Properties on its financial statements at these original values, but there are no current appraisals for the

CITY OF PACIFICA SECOND AMENDED LONG-RANGE PROPERTY MANAGEMENT PLAN

(As approved by the Oversight Board on November 30, 2015)

Properties. The Successor Agency believes that the market value of the parking lots is severely constrained by the absence of other parking to support existing development and by applicable City planning policies, rules and regulations which envision continued use of the parking lots for public parking.

Section I – Inventory of the Properties

A. Date of the acquisition of the Properties and the value of the Properties at that time.

See Appendix A for a chart listing the six Properties, including their acquisition dates and values at the time of purchase by the Former RDA, accompanied by an excerpt from the records of the County Recorder graphically depicting the location of the Properties within the Rockaway Beach Redevelopment Project Area.

B. The purpose for which the Properties were acquired.

The Properties were acquired to provide off-street parking facilities needed to support visitor-serving commercial and other development, as well as public beach access. See preceding Background discussion for more detail.

C. Parcel data, including address, lot size, and current zoning in the Former RDA Redevelopment Plan or specific, community or general plan.

See Appendix A for a chart listing the Assessor's Parcel Number for each of the Properties, as well as their lot sizes. See preceding Background discussion for more information on applicable land use plans adopted by the City and the Former RDA. Consistent with the uses envisioned in the Specific Plan, the Properties are currently zoned for parking.

D. An estimate of the current value of the Properties including, if available, any appraisal information.

The Successor Agency does not have any current appraisals of the Properties. As previously stated, it believes their market value to be severely constrained.

E. An estimate of any lease, rental, or other revenues generated by the Properties, and a description of the contractual requirements for disposition of those funds.

The parking lots located on the Properties operate free of charge to the public, do not generate any revenues whatsoever, and are subject to any contractual requirements pertaining to

CITY OF PACIFICA SECOND AMENDED LONG-RANGE PROPERTY MANAGEMENT PLAN

(As approved by the Oversight Board on November 30, 2015)

disposition of funds. The parking lots do cause the City to incur costs for necessary maintenance and repairs.

F. The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.

The Successor Agency is unaware of any previous environmental contamination on the Properties or any environmental remediation studies or efforts.

G. A description of the Properties' potential for transit-oriented development and the advancement of the planning objectives of the Successor Agency.

The Properties have no known potential for transit-oriented development. The planning objectives of the Successor Agency are as set forth in the Rockaway Beach Redevelopment Plan and Implementation Plans discussed above.

H. A brief history of previous development proposals and activity, including the rental or lease of the Properties.

As discussed previously, the Properties were acquired by the Former RDA for the purpose of developing consolidated public parking facilities to serve nearby development and provide public beach access. The Former RDA did not rent or lease the Properties.

Section II – Proposed Plan for Disposition and Use of the Properties

Pursuant to the authority provided in Health and Safety Code Section 34181(a), the Successor Agency proposes that the Properties be transferred to the City of Pacifica and continue to be used for parking facilities and lots dedicated solely to public parking.