

RESOLUTION NO. OB-06-2013

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE RANCHO CORDOVA SUCCESSOR AGENCY
TO THE FORMER COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF RANCHO CORDOVA
APPROVING A LONG-RANGE PROPERTY MANAGEMENT PLAN**

WHEREAS, the California Legislature adopted, the Governor signed, Assembly Bill 1x 26 (Stats. 2011, chap.5) added a new Part 1.85 to Division 24 of the California Health and Safety Code (Health and Safety Code Section 34170 *et seq.*), which was subsequently modified by the California Supreme Court in *California Redevelopment Association v. Matosantos* (2011) 53 Cal.4th 231 and by Assembly Bill 1484 (Stats. 2012, chap. 26, effective June 27, 2012) (the "Dissolution Act"), and in accordance therewith, all redevelopment agencies in the State of California, including the Community Redevelopment Agency of the City of Rancho Cordova (the "Redevelopment Agency"), were dissolved effective February 1, 2012.

WHEREAS, as added by ABx1 26, California Health and Safety Code Sections 34171(j) and 34173 originally provided that a city or county that formed a redevelopment agency (the "Sponsoring Jurisdiction") would serve as the successor agency to the dissolved redevelopment agency unless the Sponsoring Jurisdiction affirmatively elected not to fill that role; and

WHEREAS, as added by ABx1 26, California Health and Safety Code Section 34173(b) provides that the authority, rights, powers, duties and obligations previously vested with the former redevelopment agencies are vested in the successor agencies; and

WHEREAS, pursuant to Resolution No. 1-2012, adopted by the City Council on January 10, 2012, the City of Rancho Cordova ("City") agreed to serve as the Successor Agency to the Community Redevelopment Agency of the City of Rancho Cordova (the "Successor Agency") commencing upon the dissolution of the Agency on February 1, 2012; and

WHEREAS, following the successful completion of all statutory prerequisites, the Successor Agency received a Finding of Completion from the California Department of Finance ("DOF") by letter dated April 26, 2013; and

WHEREAS, AB 1484 requires the Successor Agency to prepare a Long-Range Property Management Plan that addresses the disposition and use of the real properties of the former redevelopment agency, which shall be submitted to the Oversight Board and DOF for approval no later than six months following the issuance of a Finding of Completion; and

WHEREAS, the Long-Range Property Management Plan shall include an inventory of all properties owned by the former Redevelopment Agency and the planned disposition of the properties; and

WHEREAS, on October 7, 2013, the Rancho Cordova Successor Agency approved the Long-Range Property Management Plan, attached hereto as Exhibit A, which was prepared by

staff, consistent with the provisions of the Dissolution Act, Health and Safety Code Section 34191.5 and the guidelines made available by the DOF.

NOW THEREFORE, BE IT HEREBY RESOLVED by the Oversight Board to the Successor Agency that it hereby approves the action taken by the Successor Agency on October 7, 2013 approving the Long-Range Property Management Plan (**Exhibit A**), as required by HSC Section 34191.5, and directs the Successor Agency to submit the approved Long-Range Property Management Plan to the Department of Finance for review and approval.

PASSED AND ADOPTED by the Oversight Board of the Successor Agency to the former Community Redevelopment Agency of the City of Rancho Cordova on the 14th day of October, 2013 by the following vote:

AYES: Bettencourt, Campo, Gaebler, Johnson, Martinelli.

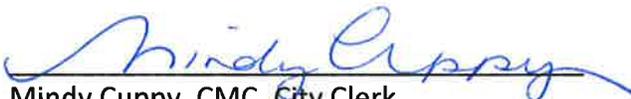
NOES: None.

ABSENT: Givans, Sander.

ABSTAIN: None.


Ted A. Gaebler, Oversight Board Vice Chair

ATTEST:


Mindy Cuppy, CMC, City Clerk

LONG-RANGE PROPERTY MANAGEMENT PLAN



Rancho Cordova Successor Agency

October 7, 2013

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INTRODUCTION

State Legislation ABx1 26 (the "Dissolution Act") and Assembly Bill No. 1484 ("AB 1484") requires all Successor Agencies to former Redevelopment Agencies that owned non-housing property at the time of redevelopment dissolution on February 1, 2012, to prepare a Long Range Property Management Plan (the "LRPMP" or the "Plan"). The LRPMP sets forth the process by which the Successor Agency to the former Redevelopment Agency of the City of Rancho Cordova (the "Successor Agency") may utilize or dispose of the real property assets of the former Rancho Cordova Redevelopment Agency (the "Assets") which pursuant to AB 1484 are held in the Community Redevelopment Property Trust Fund. The goal of this plan is to efficiently dispose of or utilize the Assets in a manner that will maximize value to the community and the taxing agencies.

This document is the Successor Agency's Long-Range Property Management Plan. Once the Plan is approved by the Rancho Cordova Oversight Board (the "Oversight Board"), it will be transmitted to the California Department of Finance (the "DOF") for final approval. Prior to reviewing the LRPMP, the DOF must issue a Finding of Completion (a "FOC") to the Successor Agency. A FOC is issued by the DOF after the Successor Agency can demonstrate that both the housing and non-housing Due Diligence Reviews have been completed and all identified unencumbered funds of the former Redevelopment Agency have been returned to the Successor Agency and/or the County Auditor-Controller for redistribution to the affected taxing entities. The Successor Agency received their FOC from the DOF on April 26, 2013 and is included in Exhibit A to this Plan.

EXECUTIVE SUMMARY

The former Redevelopment Agency of the City of Rancho Cordova (the "Redevelopment Agency") is the owner of record on the title for one (1) property in the City of Rancho Cordova (the "City"). This property is located on Folsom Boulevard, next to Sacramento Metro Fire Station 61, and is designated in the LRPMP as property available for sale.

The table below provides a summary of all LRPMP property categories, as required by AB 1484:

Rancho Cordova Successor Agency <i>Summary of Property Disposition Categories</i>	
Permissible Use Under AB 1484	# of Properties
Government Use Properties	0
Sale of Property	1
Fulfill an Enforceable Obligation	0
Retain for Future Development	0
TOTAL	1

The Redevelopment Agency originally purchased the multi-family property, known as the Grandee Apartments, to abate various social nuisance issues caused by the substandard condition and dilapidated state of the property.

A summary map has been included to assist a reader in understanding where this property is located:



Source: City of Rancho Cordova Parcel Viewer

LEGAL REQUIREMENT

Pursuant to Health and Safety Code section 34191.5, within six months after receiving an FOC from the DOF, each successor agency is required to submit for approval to the oversight board and DOF, a LRPMP that addresses the disposition and use of the real properties of the former redevelopment agency. In the Successor Agency's case, an Oversight Board approved LRPMP is due to the DOF by or before October 26, 2013.

The LRPMP shall do all the following:

1. Include an inventory of all properties in the Community Redevelopment Property Trust Fund (Trust), which was established to serve as the repository of the former redevelopment agency's real properties. The inventory shall consist of all of the following information:
 - The date of acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.
 - The purpose for which the property was acquired.
 - Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.
 - An estimate of the current value of the parcel including, if available, any appraisal information.
 - An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.
 - The history of environmental contamination, including designation as a brownfield site, and related environmental studies, and history of any remediation efforts.
 - A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency
 - A brief history of previous development proposal and activity, including the rental or lease of property.
2. Address the use or disposition of all the properties in the Trust. Permissible uses include:
 - Retention of the property for governmental use pursuant to subdivision (a) of Section 34181
 - Retention of property for future development
 - Sale of the property, or
 - Use of the property to fulfill an enforceable obligation.

3. The LRPMP shall separately identify and list properties in the Trust dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation. With respect to the use or disposition of all other properties, all the following shall apply:

- If the plan directs the use or liquidation of the property for a project identified in an approved redevelopment plan, the property shall transfer to the city, county, or city and county.
- If the plan directs the liquidation of the property or the use of revenues generated from the property, such as lease or parking revenues, for any purpose other than to fulfill an enforceable obligation or other than that specified in the bullet directly above, the proceeds from the sale shall be distributed as property tax to the taxing entities.
- Property shall not be transferred to a successor agency, city, county, or city and county, unless the LRPMP has been approved by the oversight board and DOF.

PLAN IMPLEMENTATION

The LRPMP shall be implemented as described below or as otherwise amended prior to approval by the Oversight Board or the Department of Finance.

1. Approval of the LRPMP

- Present this plan to the Successor Agency for review and approval.
- Present this plan to the Oversight Board for review and approval.
- Submit the LRPMP, as may be amended by the Successor Agency or Oversight Board, to the Department of Finance for approval.

2. Sale of Properties

- Successor Agency shall identify and communicate with parties that may have an interest in purchasing the property.
- Successor Agency shall order current appraisal for property.
- If deemed necessary by the Successor Agency, a real estate broker may be hired to list the property for sale.
- Successor Agency shall meet and negotiate the sale of the property.
 - In Closed Session until the price and terms of the sale are negotiated.
 - In Open Session, with a public hearing notice once the negotiations over the price and terms of the sale have been completed.
- Oversight Board shall meet to review and consider approval of the sale.
- Once the sale is concluded, the Successor Agency shall review the current cash flow to determine if the proceeds should be retained to meet enforceable obligations or transferred to the Sacramento County Auditor Controllers office for distribution to taxing agencies.

PROPERTY DESCRIPTION SUMMARY

The former Redevelopment Agency owned one (1) non housing property. This property is located on Folsom Boulevard, as summarized below and described in greater detail in the Property Inventory section that follows.

The approximately .80 acre site, located at 10545 Folsom Boulevard, is bounded by the Fountain Crest Apartments to the north, Sacramento Metropolitan Fire District ("Sac Metro Fire") Station 61 to the east, Folsom Boulevard to the south, and Gina's Taqueria to the west. The Redevelopment Agency originally purchased the multi-family property, known as the Grandee Apartments, to abate various social nuisance issues caused by the substandard condition and dilapidated state of the property. The property consisted of 22 multi-family units with two buildings containing a total of 13,216 square feet of living area which was demolished as part of the property acquisition.

There was no specific project identified for the property as the time of acquisition, but it was the Redevelopment Agency's intent to work with the community to identify an appropriate project for the site and potentially create a community amenity.

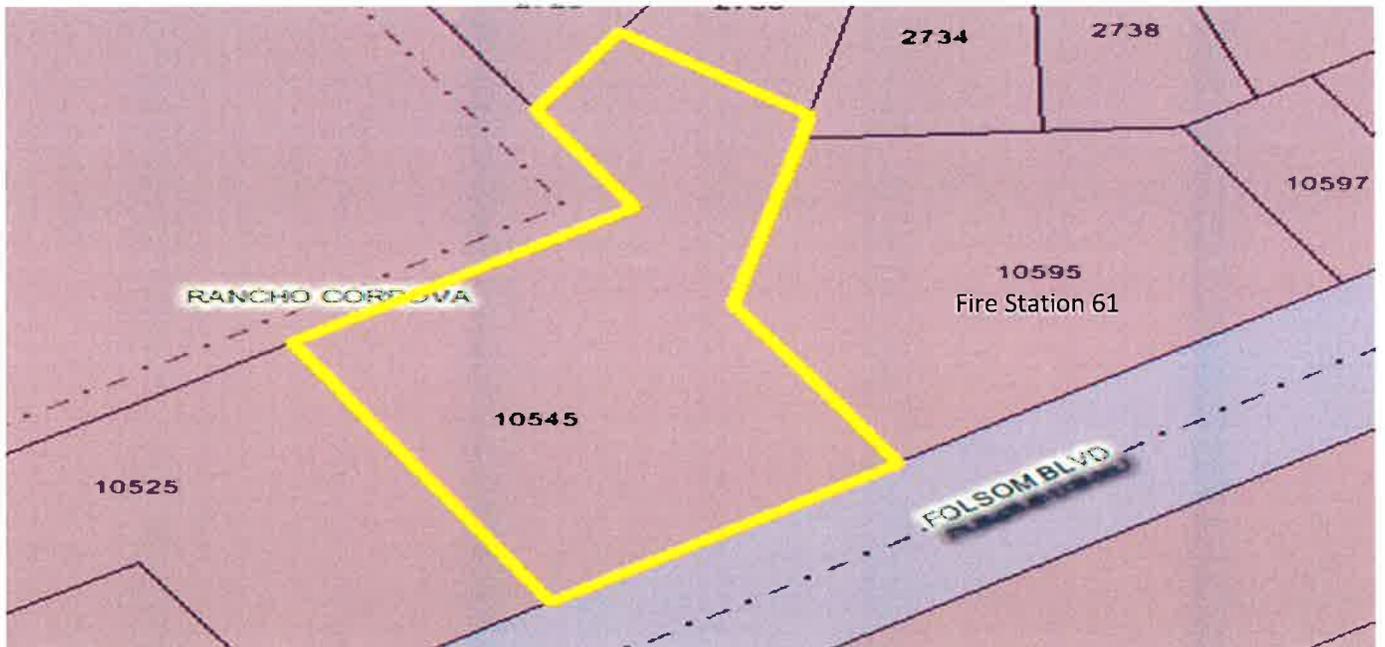
Given the layout of the property, one of the projects later identified was the use of the property to aid Sac Metro Fire in the expansion of the adjacent Station 61 (the "Expansion Project"). Sac Metro Fire was in the process of assembling private property to both the north and the east of Station 61 but the Redevelopment Agency had agreed to negotiate with Sac Metro Fire for the acquisition of the Redevelopment Agency owned land for the Expansion Project if it was unsuccessful in acquiring all of the necessary private properties for the project.

Sac Metro Fire was still in the process of assembling properties when AB 1484 was enacted, and because the Redevelopment Agency property was not the preferred site location for the expansion of Station 61, the Redevelopment Agency and Sac Metro Fire had never entered into a purchase/sale agreement. After dissolution, it become apparent Sac Metro Fire would be unable to acquire the last parcel needed for the Expansion Project and would need to acquire the Successor Agency's.

While the Successor Agency would have preferred to transfer the property to Sac Metro Fire for governmental purpose, since a fire station is an identified facility outlined in AB 1484, the lack of a contractual agreement makes the transfer an unallowable use. Since this parcel has now become a key property for the Expansion Project, after the Plan is approved by the DOF, the Successor Agency will enter into negotiations to sell the property to Sac Metro Fire, at the current market rate as identified by an independent appraisal. If a sale to Sac Metro Fire does not occur within a year of the Plans approval, the property will be placed on the open market for sale to the general public.

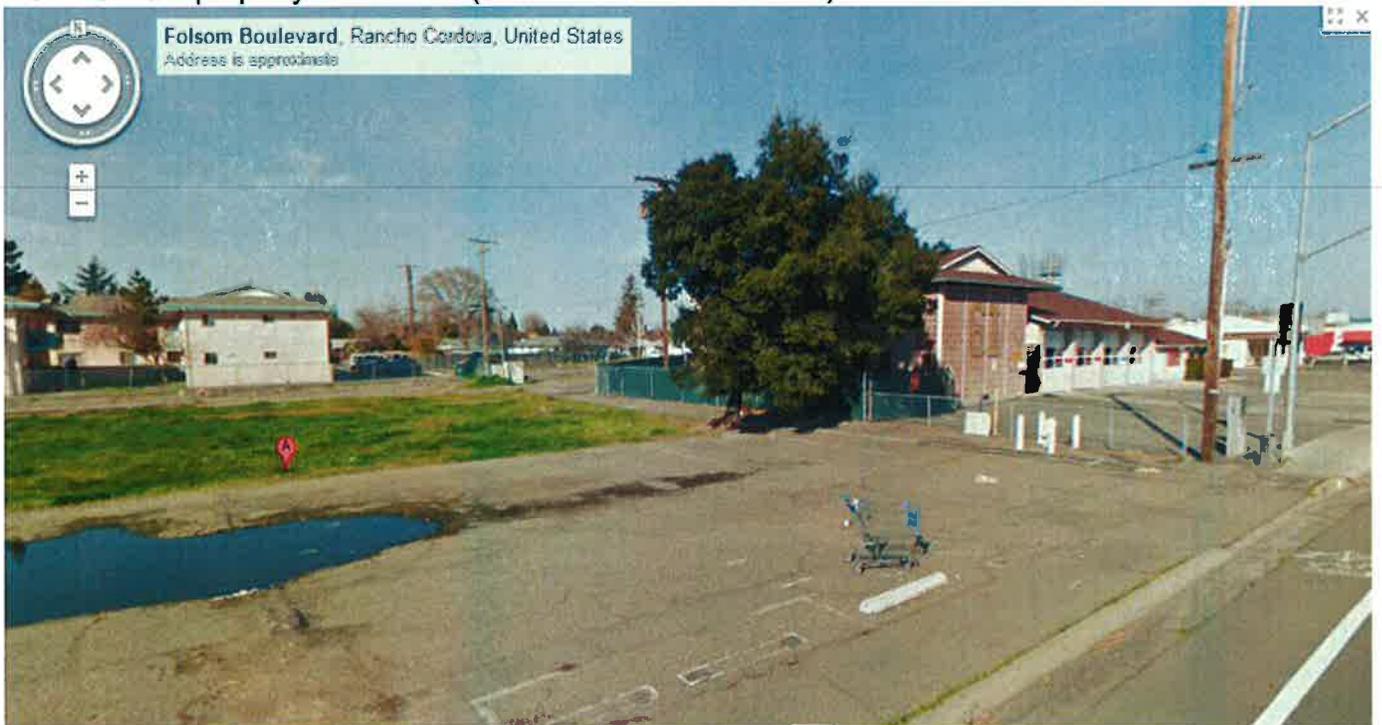
As described in the prior section, proceeds from the sale of the property will be used by the Successor Agency to meet its enforceable obligations, as approved by the DOF, with all excess proceeds being transferred to the Sacramento County Auditor Controllers office for distribution to taxing agencies.

Photographs of the property are shown on the following page(s) and highlight the unusual boundaries of the property.



Source: City of Rancho Cordova Parcel Viewer

View from the property to the East (Sac Metro Fire Station 61)



Source: Google Maps

View from the property to the North (Fountain Crest Apartments)



Source: Google Maps

View from the property to the West (Gina's Taqueria)



Source: Google Maps

PROPERTY INVENTORY

Property 1

Parcel Number	057-0223-019-0000
Address	10545 Folsom Blvd
Lot Size	35,000 Sq/Ft
Property Type (DOF Category)	Property Available for Sale
Zoning	RMU - Residential Mixed Use
Date of Acquisition	1/31/2008
Value of Property at time of acquisition	\$ 1,340,000
Estimated current property value	\$ 842,000
Value Basis	Estimate based on prior year appraisal(s) of similar properties
Date of Estimated Value	June 30, 2012
Original Purpose of acquisition	Abate various social nuisance issues caused by the substandard condition and dilapidated state of the property
Estimated income/revenue	\$0
Contractual obligations for income/revenue	N/A
Environmental contamination	Unknown
Potential for TOD	Minimal
Advancement of planning objectives of Successor Agency	Minimal to Successor Agency
History of previous development proposals and activity	Potential use for expansion of Sac Metro Fire Station 61
Use or disposition of property	Sale of Property

PROPERTIES TRANSFERRED TO CITY FOR GOVERNMENTAL USE PURPOSES

Pursuant to HSC Section 34181 (a) the Oversight Board may “direct the Successor Agency to transfer ownership of properties that were constructed and used for a governmental purpose, such as roads, school buildings, parks, police and fire stations, libraries, and local agency administration buildings, to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of such an asset.”

At this time there are no properties that qualify to be transferred for governmental use purposes.

Properties	Description
N/A	N/A

PROPERTIES RETAINED FOR FUTURE DEVELOPMENT

At this time there are no properties proposed to be retained for future development.

Properties	Description
N/A	N/A

PROPERTIES TO BE SOLD

There is one property that is proposed to be sold at market value with the proceeds being used to (i) meet the enforceable obligations of the Successor Agency or (ii) distributed as property tax affected taxing entities by way of the Sacramento County Auditor-Controller.

Properties	Description
Property 1	10545 Folsom Boulevard

Exhibit A

California Department of Finance Finding of Completion



EDMUND G. BROWN JR. • GOVERNOR

915 L STREET • SACRAMENTO, CA • 95814-2706 • WWW.DOF.CA.GOV

April 26, 2013

Ms. Michelle Mingay, Sr. Financial Analyst
City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670

Dear Ms. Mingay:

Subject: Request for a Finding of Completion

The California Department of Finance (Finance) received the City of Rancho Cordova's request for a Finding of Completion.

Finance has completed its review of your request, 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 concurs 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 Andrea Scharffer, Staff Finance Budget Analyst, or Chris Hill, Principal Program Budget Analyst, at (916) 445-1546.

Sincerely,

STEVE SZALAY
Local Government Consultant

cc: Ms. Mindy Cuppy, City Clerk, City of Rancho Cordova
Mr. David M. Sander, Chair, Successor Agency Oversight Board, City of Rancho Cordova
Mr. Ted Gaebler, City Manager, City of Rancho Cordova
Mr. Carlos Valencia, Senior Accounting Manager, Sacramento County
California State Controller's Office

Exhibit B

California Department of Finance Long-Range Property Management Plan Checklist



LONG-RANGE PROPERTY MANAGEMENT PLAN CHECKLIST

Instructions: Please use this checklist as a guide to ensure you have completed all the required components of your Long-Range Property Management Plan. Upon completion of your Long-Range Property Management Plan, email a PDF version of this document and your plan to:

Redevelopment_Administration@dof.ca.gov

The subject line should state "[Agency Name] Long-Range Property Management Plan". The Department of Finance (Finance) will contact the requesting agency for any additional information that may be necessary during our review of your Long-Range Property Management Plan. Questions related to the Long-Range Property Management Plan process should be directed to (916) 445-1546 or by email to Redevelopment_Administration@dof.ca.gov.

Pursuant to Health and Safety Code 34191.5, within six months after receiving a Finding of Completion from Finance, the Successor Agency is required to submit for approval to the Oversight Board and Finance a Long-Range Property Management Plan that addresses the disposition and use of the real properties of the former redevelopment agency.

GENERAL INFORMATION:

Agency Name: **Rancho Cordova Successor Agency**

Date Finding of Completion Received: **April 26, 2013**

Date Oversight Board Approved LRPMP:

Long-Range Property Management Plan Requirements

For each property the plan includes the date of acquisition, value of property at time of acquisition, and an estimate of the current value.

Yes No

For each property the plan includes the purpose for which the property was acquired.

Yes No

For each property the plan includes the parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.

Yes No

For each property the plan includes an estimate of the current value of the parcel including, if available, any appraisal information.

Yes No

For each property the plan includes an estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.

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Exhibit B

California Department of Finance Long-Range Property Management Plan Checklist

Yes No

For each property the plan includes the history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.

Yes No

For each property the plan includes a description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.

Yes No

For each property the plan includes a brief history of previous development proposals and activity, including the rental or lease of the property.

Yes No

For each property the plan identifies the use or disposition of the property, which could include 1) the retention of the property for governmental use, 2) the retention of the property for future development, 3) the sale of the property, or 4) the use of the property to fulfill an enforceable obligation.

Yes No

The plan separately identifies and lists properties dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation.

Yes No

ADDITIONAL INFORMATION

- If applicable, please provide any additional pertinent information that we should be aware of during our review of your Long-Range Property Management Plan.

N/A

Agency Contact Information

Name:	Michelle Mingay	Name:	Micah Runner
Title:	Sr. Finance Analyst	Title:	Economic Dev. Manager
Phone:	(916) 851-8738	Phone:	(916) 851-8783
Email:	mmingay@cityoffranchocordova.org	Email:	mrunner@cityoffranchocordova.org
Date:	October 1, 2013	Date:	October 1, 2013

Department of Finance Local Government Unit Use Only

DETERMINATION ON LRPMP: APPROVED DENIED

APPROVED/DENIED BY: _____ DATE: _____

APPROVAL OR DENIAL LETTER PROVIDED: YES DATE AGENCY NOTIFIED: _____

Exhibit C

California Department of Finance Long-Range Property Management Plan Checklist

Successor Agency: Rancho Cordova
County: Sacramento

LONG RANGE PROPERTY MANAGEMENT PLAN: PROPERTY INVENTORY DATA

No.	Property Type	HSC 34191.5 (c)(2)		HSC 34191.5 (c)(1)(A)				SALE OF PROPERTY		
		Permissible Use	Permissible Use Detail	Acquisition Date	Value at Time of Purchase	Estimated Current Value	Value Basis	Date of Estimated Current Value	Proposed Sale Value	Proposed Sale Date
1	Vacant Lot/Land	Sale of Property	payment of enforceable obligations or distribution to taxing entities	1/31/2008	1,340,000	842,000	Book	6/30/2012	Appraised Value	TDB

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No.	Purpose for which property was acquired	HSC 34191.5 (c)(1)(B)		HSC 34191.5 (c)(1)(C)		HSC 34191.5 (c)(1)(D)	HSC 34191.5 (c)(1)(E)	
		Address	APN#	Lot Size	Current Zoning	Estimate of Current Parcel Value	Estimate of Income/Revenue	Contractual requirements for use of income/revenue
1	Abate various social nuisance issues caused by the substandard condition and dilapidated state of the property	10545 Folsom Blvd	057-0223-019	35,000 sqft	FB-RMU	\$42,000	None	N/A

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No.	HSC 34191.5 (c)(1)(F)	HSC 34191.5 (c)(1)(G)		HSC 34191.5 (c)(1)(H)
	History of environmental contamination, studies, and/or remediation, and designation as a brownfield site	Description of property's potential for transit oriented development	Advancement of planning objectives of the successor agency	History of previous development proposals and activity
1	N/A	Minimal	Minimal	Potential use of property for the expansion of Fire Station 61.

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