



Legislation Text

File #: 15-018SA, **Version:** 1

Recommendation to reclassify the Permissible Use of the property at 239 Elm Avenue, Assessor Parcel Number 7281-017-907 (Subject Property), from Future Development to Sale of Property; and

Declare the Subject Property as surplus; authorize City Manager, or designee, to execute any and all documents necessary, including a Purchase and Sale Agreement with CV Communities, LLC, a Delaware limited liability company (Buyer), for the sale of the property in the amount of \$325,000; and accept Categorical Exemption CE 15-064. (District 2)

Chapter 9 of AB 1484 ("Post Compliance Provisions") provides that within six (6) months following issuance of a Finding of Completion to a successor agency, that successor agency shall submit, subject to approval of its oversight board, a Long Range Property Management Plan (LRPMP) to the State of California Department of Finance (DOF). Within the LRPMP, all property owned by the former Redevelopment Agency (former RDA) of the City of Long Beach at the time of dissolution shall be categorized into four categories for permissible use: Enforceable Obligation, Government Use, Sale of Property and Future Development. The LRPMP was approved on March 10, 2015. The property located at 239 Elm Avenue, Assessor Parcel Number 7281-017-907 (Subject Property) (Exhibit A) is currently listed in the LRPMP as Future Development. Staff is requesting to change the permissible use of the Subject Property from Future Development to Sale of Property, allowing for disposition of the Subject Property to be expedited.

The Subject Property consists of approximately 7,500 square feet and is currently being utilized as a surface parking lot. The City of Long Beach (City) and the former RDA were in pre-existing and near-final discussions with CV Communities, LLC for the purchase and development of the Subject Property and the adjoining City property at the time of the former RDA's dissolution. The City has entered into a Purchase and Sale Agreement for the adjacent City-owned parcels, and CV Communities has expressed an interest in proceeding with the purchase of the Subject Property from the Successor Agency for \$325,000, the fair market value of the property as determined by an independent appraisal.

The Subject Property will be developed along with the adjacent City-owned parcels, as a market rate, for sale residential project, consistent with the vision and intent of the Downtown Plan.

In compliance with Government Code Section 54220 (Chapter 621, Statutes of 1968), on June 1, 2015, staff notified the State of California (State) that the Successor Agency was declaring all Future Development and Sale of Property parcels as surplus. Further, in accordance with past practice, a memorandum was circulated to all City Departments to determine their interest in or objection to declaring any parcel surplus. To date, neither the

State nor any City Department has expressed an interest or objection in the Subject Property. A Categorical Exemption, CE 15-064 (Exhibit B), was completed related to the proposed transaction on June 4, 2015.

This matter was reviewed by Deputy City Attorney Richard Anthony on May 28, 2015, and by Budget Management Officer Victoria Bell on June 4, 2015.

Successor Agency action is requested on June 23, 2015, so the sale of 239 Elm Avenue may be considered by the Oversight Board on July 6, 2015, and promptly submitted to the DOF for review.

Sale proceeds of \$325,000, less escrow and closing fees, will be remitted to the Los Angeles County Auditor-Controller for distribution to the affected taxing agencies. After escrow and closing fees, the amount available for remittance is estimated to be \$287,250. The County will distribute the revenue to the affected taxing agencies based on their share of the \$1 tax rate. The City's share is approximately 21 percent, resulting in roughly \$60,000.

Approve recommendation.

AMY J. BODEK, AICP
DIRECTOR OF DEVELOPMENT SERVICES

APPROVED:

PATRICK H. WEST
CITY MANAGER