



OVERSIGHT BOARD MEETING AGENDA

Monday, December 1, 2014
4:00 P.M.

Location

Douglas Fir Room
2120 Milvia Street, 1st Floor
Berkeley, CA

All agenda items are for Discussion and Possible Action.

Public Comment Policy: *Members of the public may speak on any items on the Agenda and items not on the Agenda during the initial Public Comment period. Members of the public may also comment on any item listed on the agenda as the item is taken up. Members of the public may not speak more than once on any given item. The Chair may limit public comments to 3 minutes or less.*

1. Roll Call
2. Public Comment
3. Agenda Approval
4. Approval of Minutes of September 26, 2014, 2014 Meeting [Attachment 1]
5. Review and Approve the Long-Range Property Management Plan [Attachment 2]

Oversight Board Meeting
Agenda – December 1, 2014

6. Consider Changing the Term of Office for Oversight Board Chair and Board Vice Chair and Elect Officers for the New Term, effective January 1, 2015 – December 31, 2016 [Attachment 3]
7. Announcements
 - The next regularly scheduled meeting is January 26, 2015.
8. Future Agenda Items
9. Adjourn

ATTACHMENTS:

1. Draft Minutes of September 26, 2014, Oversight Board Meeting
2. Staff Report, Long-Range Property Management Plan
 - Attachment 1: Resolution
 - Exhibit A: Long-Term Property Management Plan
3. Staff Report, Change Term of Office of Oversight Board Chair and Vice-Chair
 - Attachment 1: Resolution
 - Exhibit A: Revised By-Laws



Time: 4:02 p.m.

**Douglas Fir Room
Permit Service Center
2120 Milvia Street – Berkeley, CA
Secretary – Lourdes Chang, (510) 981-5419**

Draft Minutes of the September 26, 2014 Oversight Board Meeting

1. Attendance: Present: Arreguin, Decredico, Hardaway, Riddle and Rinne (Rinne arrived at 4:13 p.m.) Absent: Brooks (Alternate for Keith Carson); and Harper. Staff: Angstadt, Chang and Xie. Counsel: Juliet Cox (Goldfarb & Lipman, Attorney for Successor Agency) and Paula Crow (Sedgwick LLP, Attorney for Oversight Board)
Members of the Public: 1
2. Public Comment – None.
3. Agenda Approval

Motion to approve the agenda was passed unanimously. (M/S/C: Riddle/Decredico)
4. Approval of Minutes of February 24, 2014 Meeting

Motion to approve the minutes was passed unanimously. (M/S/C: Decredico/Riddle)
5. Consider Terminating Existing Legal Services Contract with Stein & Lubin and Approve New Contract with Sedgwick LLP

Motion to pass staff recommendation to terminate legal services contract with Stein & Lubin and execute new contract with Sedgwick LLP was passed unanimously. (M/S/C: Riddle/Hardaway. Ayes: Arreguin, Decredico, Hardaway and Riddle. Noes: None. Abstentions: None. *Rinne absent for vote)
6. Review and Approval of Settlement Agreement, presented by Goldfarb & Lipman (Successor Agency Counsel)

Staff confirmed the item for consideration is to approve the 1997 \$1 million bond as an enforceable obligation and to make finding that bond proceeds were used for legitimate

redevelopment purposes. Juliet Cox of Goldfarb and Lipman, counsel for the Berkeley Successor Agency, reviewed the terms of the settlement agreement and the need for Oversight Board action to approve the bond as an enforceable obligation.

A motion to approve approval of the bond as an enforceable obligation and to make a finding that the bond proceeds were used for legitimate redevelopment purposes was passed unanimously. (M/S/C: Decredico/Hardaway. Ayes: Arreguin, Decredico, Hardaway, Riddle and Rinne. Noes: None. Abstentions: None.)

7. Review and Approval of Recognized Obligation Payment Schedule (ROPS 14-15B) and Semi-Annual Administrative Budget: January 1 – June 30, 2015, presented by Successor Agency Staff

Staff reviewed the ROPS and answered questions from the Board. A motion was passed to approve ROPS as recommended by staff. Nancy Riddle voted no because the ROPS listed items that were not under contract prior to the dissolution of the former redevelopment agency. The items in question are those pertaining to the bond-funded public works projects.

A motion to approve the ROPS as recommended by staff was approved. (M/S/C: Decredico/Hardaway. Ayes: Arreguin, Decredico, Hardaway and Rinne. Noes: Riddle. Abstentions: None.)

8. Elections of Officers for Oversight Board (Elect Chair and Vice-Chair)
The board postponed election of officers until the next meeting. Staff will prepare resolution changing the term to hold office from a one-year to a two-year term.

9. Announcements

- The next regularly scheduled meeting of October 27, 2014, will be rescheduled to December 1, 2014. The Oversight Board will consider the Long-Range Property Management Plan at this meeting.

10. Future Agenda Items

- Approval of Long-term Property Management Plan (will be rescheduled after Successor Agency consideration in October 2014)

11. Adjourn.

The meeting was adjourned at 4:19 p.m. (M/S/C: Riddle/Rinne. Unanimous)

Approved on _____, 2014

_____, Lourdes Chang, Secretary



STAFF REPORT
DECEMBER 1, 2014

To: Berkeley Redevelopment Successor Agency Oversight Board
From: Eric Angstadt, Director, Planning and Development
Subject: Long Range Property Management Plan

RECOMMENDATION

Adopt a Resolution approving the Long Range Property Management Plan prepared by the Successor Agency Pursuant to Health and Safety Code Section 34191.5.

FISCAL IMPACTS OF RECOMMENDATION

Future sale of prior Agency owned properties for private use will cause the properties to be assessed for property tax purposes. Resulting property taxes will be distributed to all taxing entities including the City. However, none of the sale proceeds will go to the taxing entities. The Community Development Block Grant (CDBG) Close-Out Agreement by and between the Redevelopment Agency of the City of Berkeley and the City of Berkeley relating to the Berkeley Neighborhood Development Program, Calif. A-6, which was executed September 12, 1978, implementing Contract No. Calif. A-6 (LG) dated March 13, 1970 with the U.S. Department of Housing and Urban Development, stipulates that the proceeds from the sale of all properties purchased with Federal financial assistance as part of the Neighborhood Development Project, which includes these properties, must be treated as program income to the CDBG program under the provisions of 24 CFR 570.506. Therefore, sale proceeds must be returned to the City's CDBG Program and treated as program income to support CDBG-eligible activity.

CURRENT SITUATION AND ITS EFFECTS

The Finding of Completion (FOC) was issued to the Successor Agency to the former Redevelopment Agency of the City of Berkeley on July 31, 2014. Under AB1484, after receiving the Finding of Completion (FOC) from the Department of Finance (Finance), the Successor Agency must prepare a Long Range Property Management Plan (LRPMP) that addresses the disposition and use of the former Agency properties. The Plan must be submitted to the Oversight Board and the (DOF) for approval no later than six months following the issuance to the Successor Agency of the Finding of Completion (FOC).

On November 18, 2014, the Agency adopted **Resolution No. 11** authorizing the Executive Officer to approve the Long Range Property Management Plan. In addition,

the attached resolution authorizes the Executive Officer of the Successor Agency, in consultation with the Successor Agency's legal counsel, to modify the LRPMP as the Executive Officer or the Successor Agency's legal counsel deems necessary or advisable.

BACKGROUND

In accordance with the requirements of Health and Safety Code Section 34191.5, staff prepared a Long-Range Property Management Plan (LRPMP). Preparation of the LRPMP is one of the final requirements for the Successor Agency to complete in order to wind down the former Redevelopment Agency (RDA). The former RDA was dissolved on February 1, 2012, pursuant to ABx1 26 (as amended by AB 1484). These Redevelopment Dissolution statutes govern the dissolution of the former RDA which includes the disposition of its former real property. The Dissolution Bills require the establishment of a Community Redevelopment Property Trust Fund, ("Property Trust Fund") administered by the Successor Agency, to serve as the repository of the Successor Agency's real properties upon approval of the Property Management Plan by the DOF.

The Property Management Plan must include an inventory of all properties in the Property Trust Fund. The inventory shall consist of all of the following information for each parcel: background information; an estimate of current value; information about revenue being generated from the property; environmental site information; previous development proposals; community benefit; transit oriented development potential; advancement of Successor Agency objectives; and the recommended action. Property cannot be transferred to the Successor Agency or City unless the Property Management Plan has been approved by the Oversight Board and the DOF.

The Successor Agency has determined that approval of the LRPMP is exempt from the California Environmental Quality Act pursuant to Section 15061(B) (3) which exempts projects under the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. The Successor Agency has determined with certainty that there is no possibility that the adoption of the LRPMP will have a significant effect on the environment.

Upon approval of the LRPMP by the DOF, the properties will be held in a Community Redevelopment Property Trust Fund, for disposal as planned in the LRPMP.

ENVIRONMENTAL SUSTAINABILITY

There are no identifiable environmental effects or opportunities associated with the subject of this report.

RATIONALE FOR RECOMMENDATION

Adoption of a Long Range Property Management Plan will allow the City, acting as Successor Agency, to comply with state law that governs the disposition of the former

redevelopment agency property; and, the City will be one step closer to winding down the former Redevelopment Agency.

ALTERNATIVE ACTIONS CONSIDERED

None. Pursuant to Health and Safety Code Section 34191.5, the Successor Agency must submit a Long Range Management Plan no later than six months following the issuance by DOF of a finding of completion. Pursuant to State law, Berkeley is obligated to submit this LRPMP by February 1, 2015.

CONTACT PERSON

Eric Angstadt, Director, Planning and Development, 981-7401

Attachments:

- 1: Resolution Approving Long Range Property Management Plan
 - Exhibit 1 – Long Range Property Management Plan

RESOLUTION NO.

Long Range Property Management Plan

WHEREAS, Health and Safety Code Section 34191.5(b) requires the Successor Agency to prepare a long-range property management plan (“Property Management Plan”) that addresses the disposition and use of the real properties of the former redevelopment agency; and

WHEREAS, Health and Safety Code Section 34191.5(b) also requires the Successor Agency to submit the Property Management Plan to the Successor Agency’s 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 pursuant to Health and Safety Code Section 34179.7; and

WHEREAS, the Finding of Completion (FOC) was issued to the Successor Agency to the former Redevelopment Agency of the City of Berkeley on July 31, 2014; and

WHEREAS, the Successor Agency has prepared a long-range Property Management Plan that contains all the information required under Health and Safety Code Section 34191.5; and

WHEREAS, on November 18, 2014, the Agency adopted Resolution **No. 11, authorizing** the Executive Officer to approve the LRPMP; and

WHEREAS, the attached resolution authorizes the Executive Officer of the Successor Agency, in consultation with the Successor Agency’s legal counsel, to modify the LRPMP as the Executive Officer or the Successor Agency’s legal counsel deems necessary or advisable; and

WHEREAS, the Successor Agency has determined that the approval of the LRPMP is exempt from the California Environmental Quality Act pursuant to Section 15061(B) (3) which exempts projects under the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment and the Successor Agency has determined with certainty that there is no possibility that the adoption of the LRPMP will have a significant effect on the environment; and

WHEREAS, upon approval of the LRPMP by the DOF, the properties will transfer from the Successor Agency to the City and held in a Community Redevelopment Property Trust Fund, for disposal.

NOW THEREFORE, BE IT RESOLVED by the Berkeley Redevelopment Successor Agency Oversight Board, that it hereby approves Exhibit A, the attached Long Range Property Management Plan (LRPMP).

BE IT FURTHER RESOLVED that, upon approval of the LRPMP by the DOF, the Berkeley Redevelopment Successor Agency Oversight Board authorizes and directs the Successor Agency, to dispose and use the Properties and any disposition proceeds in accordance with the LRPMP and to take any action and execute any documents as may be necessary to implement the disposition and use of the Properties and any disposition proceeds in accordance with the terms approved in the PMP and this Resolution.

Exhibits

- A. Long Range Property Management Plan (LRPMP)



Long-Range Property Management Plan

City of Berkeley as Successor Agency
to the former
Berkeley Redevelopment Agency

SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF BERKELEY

LONG RANGE PROPERTY MANAGEMENT PLAN

INTRODUCTION

The Successor Agency to the former Redevelopment Agency of the City of Berkeley is required by AB1x26 and AB 1484 (Dissolution Bill) to prepare a Long Range Property Management Plan. Pursuant to Health and Safety Code section 34191.5, within six months after receiving a Finding of Completion from the Department of Finance (Finance), the Successor Agency is required to submit for approval to the Oversight Board and Finance a Long-Range Property Management Plan (LRPMP) that addresses the disposition and use of the real properties of the former redevelopment agency. The Successor Agency FOC was issued by the DOF on July 31, 2014.

The Dissolution Bills established a Community Redevelopment Property Trust Fund, ("Property Trust Fund") administered by the Successor Agency, to serve as the repository of the former Agency's real properties upon approval of the Property Management Plan by the DOF. Properties will be transferred from the Property Trust Fund pursuant to this Property Management Plan.

The Property Management Plan addresses the disposition and use of the real properties of the former Agency and must consist of the following:

- Date of acquisition and its value at that time and an estimated current value
- Purpose for which property was acquired
- Parcel data for each property, including address, lot size and current zoning
- Estimate of current value of parcel including any appraisal information
- Estimate of any lease, rental, or other revenues generated by the property and description of the contractual requirement for disposition of those revenues
- History of environmental contamination or remediation efforts
- 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 proposals and activities, including the rental or lease of the property
- Identify the use or disposition strategy for the property

Permissible uses include the retention of the property for governmental use, the retention of the property for future development, the sale of the property, or the use of the property to fulfill an enforceable obligation.

- 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.

- 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 immediately above, the proceeds from the sale shall be distributed as property tax to the taxing entities.

Property cannot be transferred to the Successor Agency or City, unless the long-range property management plan has been approved by the Oversight Board and the Department of Finance.

SUMMARY OF PROPERTIES OWNED BY THE SUCCESSOR AGENCY

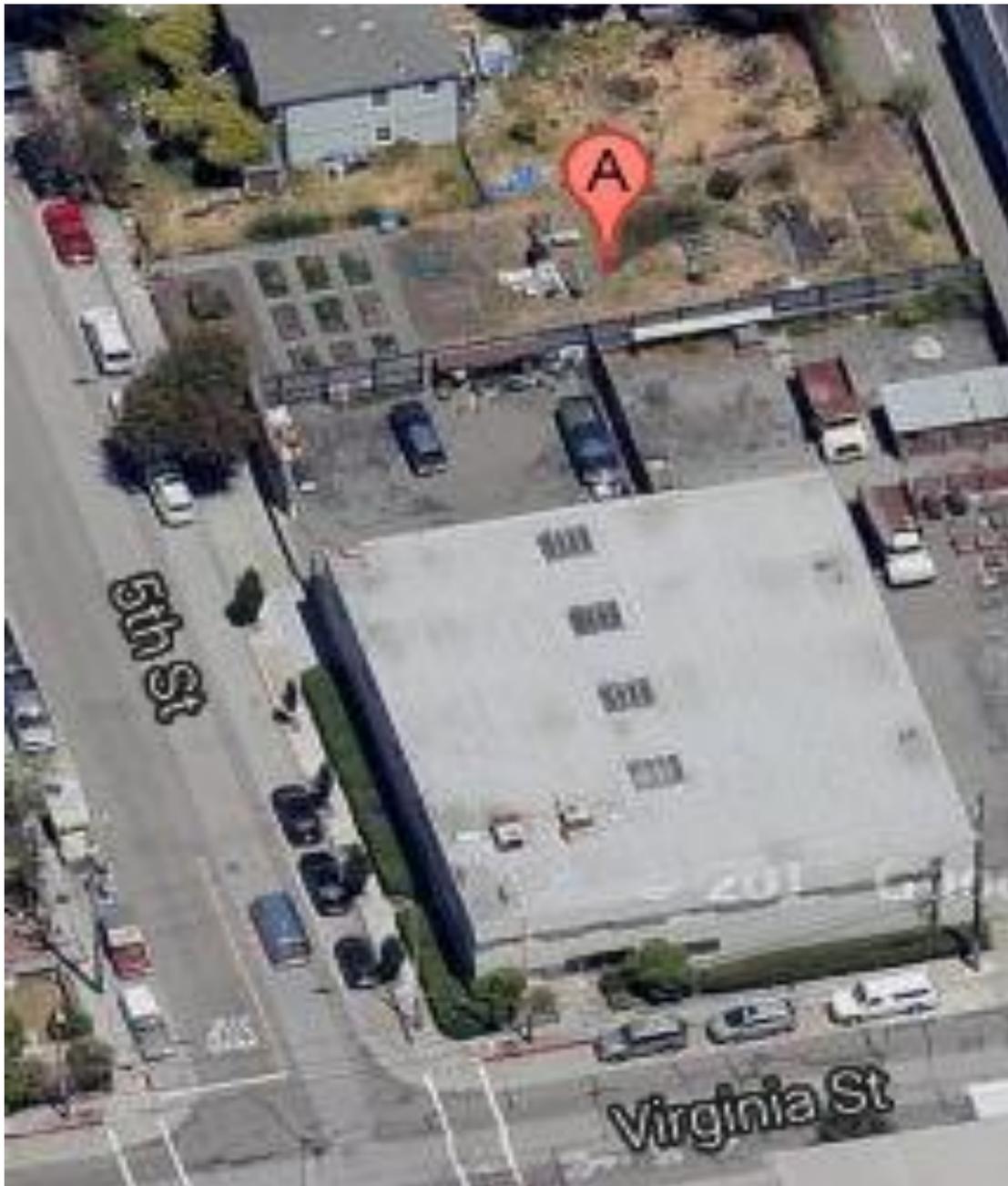
The Successor Agency owns and controls three (3) properties within the City of Berkeley. The properties include the following:

APN Number: 057-2117-011-00
Location: 1631 Fifth Street
Current Use: Vacant Undeveloped Site / Community Garden

APN Number: 057 2116-023-00
Location: 1654 Fifth Street
Current Use: Vacant Single Family Dwelling

APN Number: 057-2099-015 & 057-2099-014
Location: 1817 & 1819 Fourth Street
Current Use: Ground Lease

Property #1 – 1631 Fifth Street
(Community Garden)





1. Date of acquisition and its value at that time and an estimated current value

The former Redevelopment Agency acquired various parcels between 1969 and 1971. There are no records available regarding the value of the property at the time; however, the site was purchased for \$10,000. The Agency did not maintain cost records by parcel, as there is no relationship between costs incurred and the final disposition. The estimated current value is to be determined. No current appraisal exists.

2. Purpose for which property was acquired

The parcel was acquired as part of Redevelopment Agency acquisitions to create an Industrial Park, under a “Neighborhood Development Program” with Federal Financial Assistance under Title 1 of the Housing Act of 1949 to “eliminate and prevent spread of slums and urban blight” Contract No. Calif. A-6 – LG).

Residential uses continued intermittently until 1983 when the Agency demolished the structure to build new affordable housing. In preparation for

development, the Agency discovered high levels of lead contamination in some areas of the site and never developed the site.

3. Parcel data for each property, including address, lot size and current zoning

APN: 057- 2117-011-00
Size: 5,525 sq. ft.
Address: 1631 Fifth Street
Zoning: MU-R – Mixed Use Residential

4. Estimate of current value of parcel including any appraisal information
TBD. No current appraisals exists

5. Estimate of any lease, rental, or other revenues generated by the property and description of the contractual requirement for disposition of those revenues

The property is currently a vacant/unimproved lot. There are no lease or rental revenues generated by the property. Previously, the lot was used as a community garden. A lease was approved between the Redevelopment Agency and Northern California Land Trust (NCLT) in June 2009. The lease expired on October 15, 2011. The terms of the lease were for NCLT to pay \$1/year to manage the community garden.

Proceeds from the lease of the property were subject to a Closeout Agreement by and between the Redevelopment Agency of the City of Berkeley and the City of Berkeley relating to the Berkeley Neighborhood Development Program, Calif. A-6, which was executed September 12, 1978, implementing Contract No. Calif. A-6 (LG) dated March 13, 1970 with the U.S. Department of Housing and Urban Development. The proceeds were treated as program income and re-used for activities allowed under the CDBG program requirements.

6. History of environmental contamination or remediation efforts

The Agency discovered high levels of lead contamination in some areas of the site. In 1994 and 1995, an environmental analysis was prepared for the former Redevelopment Agency that revealed elevated levels of lead and zinc in shallow soil samples collected from the site.

In 1996, the Agency circulated an RFP to sell the property and restrict development (e.g., require development of three affordable housing units on the site). With insufficient response to the RFP, the Agency abandoned the plan to sell the property. Remediation was completed in 2004.

7. Description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency

The site does not present an opportunity for transit-oriented development. There are no land use “restrictions”. It is a small lot in a mixed-use, low density area.

The Five-Year Implementation Plan (2010 – 2014) called for disposal of the property for a use that would benefit the community. The Plan states as follows: “After considering several options, the PAC recommended use of the property as a community garden, with the potential for an historic structure (Kenney Cottage) to be moved to the site if there is an adequate business plan to ensure its renovation and upkeep.

8. A brief history of previous development proposals and activities, including the rental or lease of the property

The former Redevelopment Agency had plans to develop an affordable housing project. From approximately 1911, a residential building existed on the site until it was demolished in 1975. In late 1978, another residential structure was moved to the site until it too was demolished in 1983 by the Agency to build new affordable housing. In preparation for development, the Agency discovered high levels of lead contamination; due to that reason construction did not proceed.

In July 1997, the Redevelopment Agency approved Resolution No. 1161 to remediate the site and develop three residential units. The developer was unable to execute the Agreement and the project was never completed. The revised Zoning Ordinance adopted in 1999, prohibited new construction of residential units within 150 feet of manufacturing uses. In 2008, a zoning determination was made allowing housing as a use for the lot, located at 1631 Fifth Street.

Also, in 2008, an RFP was issued to non-profit organizations to develop a community-serving facility or below-market artisan-serving housing on the vacant lot. Three proposals were submitted, but all were withdrawn except the NCLT proposal for potential relocation of the Kenney Cottage, an historic structure, to the lot with development of community gardens. In 2010, NCLT informed the Agency and City that it had filed Chapter 11 bankruptcy proceedings.

9. Identify the use or disposition strategy for the property

For Sale

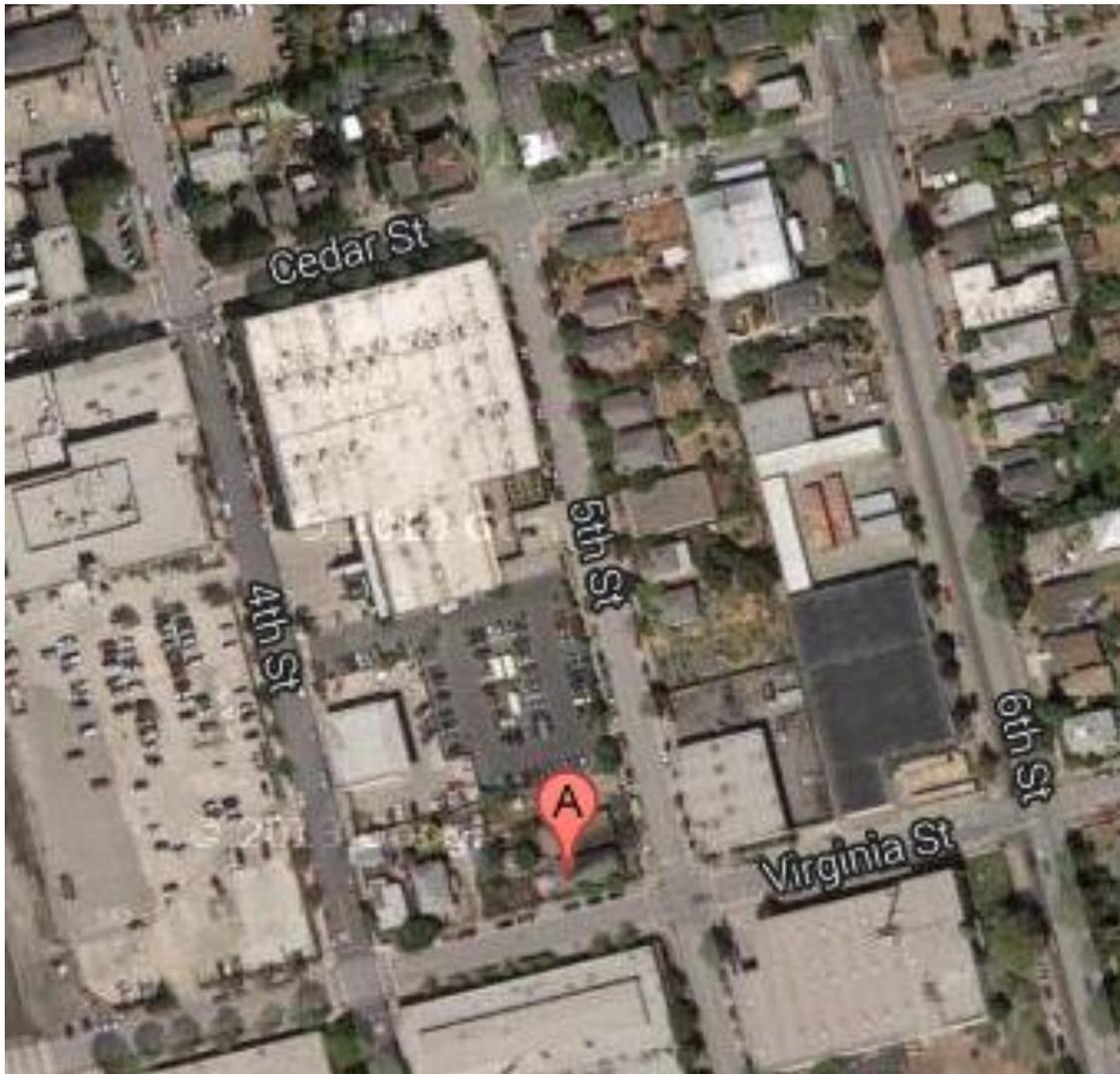
10. Outline your disposition strategy for this property

The Successor Agency will sell the property for fair market value pursuant to a competitive solicitation process with the proceeds of the sale retained by the City as program income to be used for CDBG eligible activities as required by the Community Development Block Grant Close-Out Agreement

dated September 12, 1978.. The solicitation process is intended to reach as many potentially interested bidders as possible and to solicit competitive offers to purchase the property from such bidders. If the highest bid received is within a range of fair market value, the property will be sold to the highest bidder pursuant to a purchase and sale agreement (“Purchase Agreement”).

The Community Development Block Grant (CDBG) Close-Out Agreement dated September 12, 1978, stipulates that the proceeds from the sale of all properties purchased with Federal financial assistance as part of the Neighborhood Development Project, which includes the subject property, must be treated as program income to the CDBG program under the provisions of 24 CFR 570.506. Therefore, sale proceeds must be returned to the City’s CDBG Program and treated as program income to support CDBG-eligible activity.

**Property #2 – 1654 Fifth Street
(Single Family Dwelling)**





1. Date of acquisition and its value at that time and an estimated current value

The former Redevelopment Agency acquired various parcels between 1969 and 1971. The property was half of a double parcel that also included 1650 Fifth Street, which is now in separate ownership; the two properties share a driveway easement. There are no records available regarding the value of the property at the time, however, a value of \$13,312 for 1650 and 1654 Fifth Street combined was noted in the Close-Out Agreement. The Agency did not maintain cost records by parcel, as there is no relationship between costs incurred and the final disposition. The estimated current value is to be determined. No current appraisal exists.

2. Purpose for which property was acquired

The parcel was acquired as part of Redevelopment Agency acquisitions to create an Industrial Park, under a “Neighborhood Development Program” with Federal Financial Assistance under Title 1 of the Housing Act of 1949 to “eliminate and prevent spread of slums and urban blight” Contract No. Calif. A-6 – LG).

3. Parcel data for each property, including address, lot size and current zoning

APN: 057 2116-023-00
Size: 1,376 sq. ft.
Address: 1654 Fifth Street
Zoning: Single-family residential use; MU-R – Mixed Use Residential

4. Estimate of current value of parcel including any appraisal information

TBD. No current appraisals exists

The estimated current value of the Property is approximately \$490,000. This valuation is based on an appraisal commissioned by the former Redevelopment Agency in November 2011, prepared by Yovino-Young, Inc. At the time of proposed disposition of the Property in accordance with this LRPMP, a new valuation of the Property will be prepared to confirm the proposed purchase price.

5. Estimate of any lease, rental, or other revenues generated by the property and description of the contractual requirement for disposition of those revenues

The property was previously rented to a low-income tenant with a Section 8 certificate. The rent was \$1,515 in May 2010; the tenant portion paid was \$377. The property has been vacant since December 2010.

Proceeds from the lease of the property were subject to a Closeout Agreement by and between the Redevelopment Agency of the City of Berkeley and the City of Berkeley relating to the Berkeley Neighborhood Development Program, Calif. A-6, which was executed September 12, 1978, implementing Contract No. Calif. A-6 (LG) dated March 13, 1970 with the U.S. Department of Housing and Urban Development. The lease proceeds were treated as program income and re-used for activities allowed under the CDBG program requirements.

6. History of environmental contamination or remediation efforts

There is no known history of environmental contamination on this site

7. Description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency

The site does not present an opportunity for transit-oriented development. It is a mixed-use, low density area, and the Successor Agency does not anticipate any further development of the property in the foreseeable future.

The Five-Year Implementation Plan (2010 – 2014) called for sale to a non-profit housing agency to preserve as low-income housing in perpetuity. As described further below, this was not feasible and the Redevelopment Successor Agency desires to sell at market value, with funding provided to the CDBG program as required by the Close-Out Agreement.

8. A brief history of previous development proposals and activities, including the rental or lease of the property

In 2006 and 2007, Agency staff solicited non-profit affordable housing developers to discuss the viability of sale of Agency-owned residential property at 1654 Fifth Street; however, there was a very limited response.

Northern California Land Trust (NCLT) submitted a letter of interest dated October 9, 2007, and an offer to purchase dated June 2, 2008.

On September 16, 2008, the Agency Board authorized staff to make an offer for sale of 1654 Fifth Street for \$50,000 to Northern California Land Trust (NCLT). Per the Agency's Occupancy Agreement with the tenants, the tenants were offered a right of first refusal (ROFR) to purchase the property pursuant to the same terms as authorized for the sale to NCLT. The tenants did not exercise this right within the 120-day period as authorized by the Board. The Agency Board subsequently approved minor modifications to the sale terms.

In November 2009, the former Redevelopment Agency was negotiating final terms to sell the property to Northern California Land Trust to manage the property as affordable housing. On March 26, 2010, NCLT informed the Agency and City that it had filed Chapter 11 bankruptcy proceedings. In response to concerns about the organization's ability to complete the sale and/or manage and maintain the property adequately, the Redevelopment Agency Board met and rescinded the offer to sell 1654 Fifth Street to NCLT as had been set forth in Resolution No. 1266.

In 2011, staff began proceedings for a market-rate sale of the property. At that time the property was appraised for \$490,000 in October 2011. The adoption of the redevelopment dissolution legislation required the Agency to abandon its efforts to sell the property.

9. Identify the use or disposition strategy for the property

For Sale

10. Outline your disposition strategy for this property

The Successor Agency will sell the property for fair market value pursuant to a competitive solicitation process. The solicitation process is intended to reach as many potentially interested bidders as possible and to solicit competitive offers to purchase the property from such bidders. If the highest bid received is within a range of fair market value, the property will be sold to the highest bidder pursuant to a purchase and sale agreement ("Purchase Agreement").

Proceeds from the sale of the property shall be used subject to the Closeout Agreement by and between the Redevelopment Agency of the City of Berkeley and the City of Berkeley relating to the Berkeley Neighborhood Development Program, Calif. A-6, which was executed September 12, 1978, implementing Contract No. Calif. A-6 (LG) dated March 13, 1970 with the U.S. Department of Housing and Urban Development. The proceeds will be treated as program income and re-used for activities allowed under the CDBG program requirements.

**Property #3 – 1817-1819 4th Street
(Commercial Ground Lease)**



1. Date of acquisition and its value at that time and an estimated current value

The former Redevelopment Agency acquired various parcels between 1969 and 1971. There are no records available regarding the value of the property at the time, however, the property at 1817 4th Street was purchased for \$13,125 and 1819 4th Street was purchased for \$5,625 as noted in the Close-Out Agreement. The Agency did not maintain cost records by parcel, as there is no relationship between costs incurred and the final disposition. The estimated current value is to be determined. No current appraisal exists.

2. Purpose for which property was acquired

The parcel was acquired as part of Redevelopment Agency acquisitions to create an Industrial Park, under a “Neighborhood Development Program” with Federal Financial Assistance under Title 1 of the Housing Act of 1949 to “eliminate and prevent spread of slums and urban blight” Contract No. Calif. A-6 – LG).

3. Parcel data for each property, including address, lot size and current zoning

APN: 057-2099-015

Size: 8,750 sq. ft.

Address: 1817 Fourth Street

Zoning: Exempt Public Agency – Public (NEC)

APN: 057-2099-014

Size: 3,750 sq. ft.

Address: 1819 Fourth Street

Zoning: Exempt Public Agency – Public (NEC)

4. Estimate of current value of parcel including any appraisal information

TBD. No current appraisals exists

5. Estimate of any lease, rental, or other revenues generated by the property and description of the contractual requirement for disposition of those revenues

The property is subject to a ground lease with Abrams, Millikan & Kent that runs through October 15, 2051. The Lease may be extended at any time after the sixtieth (60th) year of the Initial Term; to a total period of not more than ninety-nine (99) years including the initial sixty-five (65) year term. The lease grants the tenant a right of first refusal to acquire the property if the Agency proposes to sell the property to anyone other than the City of Berkeley. The lease also requires the Agency and the tenant to negotiate in good faith for the sale of the property to the tenant at the end of the term of the lease.

The rent for the period October 16, 1986 and ending October 15, 1987, was \$202,000. After the first year of the Lease, the rent shall be \$1.00 per year. The tenant paid a total of \$65 in rent to cover the \$1/year until 2051. If the Lease is extended the rent for that period shall be the fair market value of the Lease, calculated as if the Property were vacant land.

Abrams Millikan & Kent own the improvements located on the property. Abrams Millikan & Kent refinanced this project, obtaining a loan which was secured by, a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (the "Deed of Trust") in favor of the Bank encumbering the Tenant's leasehold interest under the Ground Lease.

Proceeds from the lease of the property are subject to a Closeout Agreement by and between the Redevelopment Agency of the City of Berkeley and the City of Berkeley relating to the Berkeley Neighborhood Development Program, Calif. A-6, which was executed September 12, 1978, implementing Contract No. Calif. A-6 (LG) dated March 13, 1970 with the U.S. Department of Housing and Urban Development. The proceeds will be treated as program income and re-used for activities allowed under the CDBG program requirements

6. History of environmental contamination or remediation efforts

There is no known history of environmental contamination on this site

7. Description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency

The site does not present an opportunity for transit-oriented development. The Successor Agency does not anticipate any further development of the property in the foreseeable future.

8. A brief history of previous development proposals and activities, including the rental or lease of the property

The property was purchased for and developed in conjunction with the development and operation of a building for retail and office use and associated improvements. The former Redevelopment Agency entered into a 65-year ground lease to provide an incentive to the developer to construct retail space.

9. Identify the use or disposition strategy for the property

Retention of the property for governmental use

10. Outline your disposition strategy for this property

Successor Agency staff recommends this property be transferred to the City and held for the remaining term of the lease.



STAFF REPORT
December 1, 2014

To: Berkeley Redevelopment Successor Agency Oversight Board
From: Lourdes Chang, Oversight Board Secretary
Subject: Change Term of Office to Two Years

RECOMMENDATION

Adopt a Resolution approving the change in term of office of Oversight Board Chair and Vice-Chair to two years, beginning January 1, 2015.

BACKGROUND

On April 26, 2012, the Oversight Board of the Berkeley Redevelopment Successor Agency adopted by-laws which provided for a one year term of office for its Chair and Vice-Chair. Since April 2012, the board has met 12 times and the need to elect officers annually is not warranted. The Board wishes to change the term of office to a two-year term in order to provide for continuity of leadership on the board.

RATIONALE FOR RECOMMENDATION

The frequency of meetings of the Oversight Board does not warrant election of officers on an annual basis. Changing the term of office from one year to two years would be more efficient and would provide more continuity of leadership on the board.

ALTERNATIVE ACTIONS CONSIDERED

None.

CONTACT PERSON

Lourdes Chang, Health, Housing & Community Development, 510-981-5419.

Attachments:

- 1: Resolution
Exhibit A: Revised By-Laws (Redlined Copy)

RESOLUTION NO. ##,###-N.S.

APPROVING THE CHANGE IN TERM OF OFFICE FOR OVERSIGHT BOARD CHAIR
AND VICE CHAIR TO TWO YEARS

WHEREAS, on April 26, 2012, the Oversight Board of the Berkeley Redevelopment Successor Agency adopted the by-laws which provided for a one-year term of office of its Chair and Vice-Chair; and

WHEREAS, the Oversight Board meets quarterly; and

WHEREAS, the frequency of board meetings does not warrant annual election of officers; and

WHEREAS, the Oversight Board desires to change the one year term to a two-year term effective immediately; and

WHEREAS, the transition to a two-year term would provide for more continuity of leadership on the board.

NOW, THEREFORE BE IT RESOLVED by the Oversight Board for the Successor Agency to the Redevelopment Agency of the City of Berkeley to approve changing the term of office of its Chair and Vice-Chair to a two-year term and authorize the Board Secretary to make changes to the by-laws to reflect that change.

EXHIBIT A

[Redlined Copy, 12-01-14]

**BY-LAWS
OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY
TO THE BERKELEY REDEVELOPMENT AGENCY**

Approved by Resolution No. 2012-01 N.S. April 26, 2012

By-laws Revised by Resolution No. 2014-XX N.S. on December 1, 2014

I. Name of Authority.

The official name shall be the "Oversight Board of the Successor Agency to the Berkeley Redevelopment Agency" ("Oversight Board").

II. Background and Purpose

The Oversight Board shall be vested with all the rights, powers, duties, privileges, and immunities established by the California Health and Safety Code § 34179, 34180, and 34181. The primary purpose of the Oversight Board is to oversee the activities of the Successor Agency to the Berkeley Redevelopment Agency. The City of Berkeley is currently designated as the Successor Agency.

III. Membership

A. Selection of Members

The Oversight Board shall consist of seven members selected pursuant as set forth in California Health and Safety Code § 34179.

B. Term of Office

Each member of the Oversight Board shall be appointed for a term beginning on April 26, 2012, through June 30, 2016.

C. Oath or Affirmation

Any person appointed to serve as a Board member must take the oath or affirmation of office prior to formally and officially assuming his or her position as a member of the Oversight Board.

D. Commencement of Term

Terms shall commence on April 26, 2012.

E. Removal

Each Board member shall serve at the pleasure of the entity that appointed such member pursuant to Health and Safety Code § 34179(g).

F. Replacement of Board member

A person appointed to fill the unexpired term of a Board member shall serve the remaining term of the replaced Board member.

G. Vacancies

When a position on the Oversight Board becomes vacant, the position will be filled by a member appointed by the entity who originally appointed the former member. Such appointments are to take place within 60 days of the creation of the vacancy.

H. Compensation

Pursuant to Health and Safety Code § 34179(c), Board members shall serve without compensation or reimbursement for expenses.

IV. Officers

A. Designated Elected Officers

The elected officers of the Oversight Board shall consist of:

1. Chairperson
2. Vice Chairperson

B. Duties of Officers

1. Chairperson
 - a. When necessary, the Chairperson shall be the official representative of the Oversight Board. He/she shall have the power to appoint committees and subcommittees and such other powers as may be delegated by the Oversight Board from time to time.
 - b. The Chairperson shall serve as the presiding officer of all Oversight Board meetings.

- c. The Chairperson shall sign all acts, orders, resolutions and proceedings of the Oversight Board.
2. Vice Chairperson
 - a. In the temporary absence of the Chairperson, the Vice Chairperson shall assume duties of the Chairperson.
3. Role of Secretary to the Oversight Board

The Oversight Board is not required to elect a Secretary. As such, staff assigned by the Successor Agency to the Berkeley Redevelopment Agency shall serve not as an officer but shall perform the duties and responsibilities usually assigned to the office of secretary. Staff shall keep the records of the Oversight Board, shall act as secretary at meetings of the Oversight Board, shall record all votes, and keep a record of the proceedings of the Oversight Board in a journal of proceedings to be kept for such purpose. Staff shall maintain a record of all official proceedings of the Oversight Board.

C. Terms of Office

The term of each office shall be two years beginning on January 1st on any given year except in the initial year of operation of the Oversight Board, where the term will begin April 26, 2012 and end December 31, 2014. No officer shall serve more than two consecutive terms in the office to which elected. Partial terms shall not be considered in determination of consecutive terms. No officer shall serve more than two consecutive terms in the office to which elected. Partial terms shall not be considered in determination of consecutive terms.

D. Eligibility to Hold Office

For the initial election of officers, any member of the Oversight board may be elected to any office of the Oversight Board. In subsequent elections, any Board member may be elected to any office, provided that he or she has served as a member of the Oversight Board for one calendar year.

E. Election of Officers

Officers shall be elected annually, with the election held at the first regular meeting in the month of July and commencement of officers' terms shall take effect immediately after the election. Nominations may be made from the floor when election of officer is held. Each Board member shall have one vote.

F. Removal

Officers serve at will and may be removed by a majority vote of the Board at any time with or without cause in the context of a noticed public meeting.

G. Succession

There shall be no automatic succession of officers upon the vacation of a superior officer position prior to the expiration term of the superior officer's position. A vacated officer position shall be filled by a majority vote of the Board at the earliest time possible in the context of a noticed public meeting.

IV. Board Meetings

A. Applicable Laws and Regulations

All Board meetings shall be conducted in accordance with Government Code sections 54950, et seq. (the "Brown Act") and any and all applicable laws governing public meetings.

B. Types of Meetings

1. Regular Meetings

Regular Meetings will be held quarterly on the fourth Monday in the months of January, April, July and October, commencing at 4 p.m. in the Douglas Fir Room at the City of Berkeley Permit Service Center located at 2120 Milvia Street, 1st Floor, Berkeley, California.

2. Special Meetings and Emergency Meetings

Special Meetings and Emergency Meetings may be called by the Chairperson and held from time to time pursuant to the procedures set forth in the Brown Act.

3. Adjourned Meetings

The Board may adjourn any Board Meeting to a time and place specified in the order of adjournment pursuant to the procedures set forth in the Brown Act.

C. Cancellation of Meetings

The Chairperson may, from time to time, cancel any meeting of the Oversight Board and upon cancellation will give public notice of the meeting cancellation in accordance with the Brown Act.

D. Location of Meetings

All Board Meetings shall be held in the Douglas Fir Room at the City of Berkeley Permit Service Center located at 2120 Milvia Street, 1stFloor, Berkeley, California, unless otherwise designated by the Chairperson or the Oversight Board. However, the Oversight Board may, from time to time, elect to meet at other locations and upon such election will give public notice of the change of location in accordance with the Brown Act.

E. Quorum

A majority of the Board will constitute a quorum, but a lesser number may adjourn a meeting.

F. Presiding Officer

The Chairperson will preside over all Board meetings. The Chairperson will have authority to preserve order at all Board meetings, to remove any person from any meeting of the Board for disorderly conduct, to enforce the rules of the Board and to determine the order of business under the rules of the Board.

G. Closed Sessions

Board members may not reveal the nature of discussion or decision from a closed session unless required by law or unless a majority of the Board agrees in closed session to disclose confidential closed session information.

H. Minutes

The Secretary will have exclusive responsibility for preparation of the minutes, and will keep maintain records of the minutes as approved by the Oversight Board.

I. Order of Business

The business of the Oversight Board at its meeting will generally be conducted in accordance with the order of business as listed on the agenda. The Chairperson may, with the concurrence of a majority of the Board members present, reorder items on the agenda to accommodate the public or to address other concerns.

J. Robert's Rules

Except as provided herein, other rules adopted by the Board and applicable provisions of state law, the procedures of the Board will be governed by the latest revised edition of *Robert's Rules of Order*.

L. Absences

The Oversight Board reserves the right to determine whether a Board member's absence under the circumstances at a particular Board Meeting is excused. More than two consecutive unexcused absences shall be reported to the absent Board member's appointing body.

VI. Waiver of Rules

Any of the foregoing rules may be waived by majority vote of the Oversight Board present when it is deemed that there is good cause to do so based upon the particular facts and circumstances involved.

VII. Amendment of Bylaws

The Bylaws may be amended by a simple majority vote of the entire Oversight Board.