



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Public Works



Date: October 20, 2016
Board Meeting Date: November 1, 2016
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors, Acting as the Governing Board of the San Mateo County Flood Control District

From: James C. Porter, Director of Public Works

Subject: Resolution authorizing an agreement regarding distribution of sales proceeds in connection with transfer of real properties owned by the Successor Agency to the Redevelopment Agency of the City of South San Francisco

RECOMMENDATION:

Acting as the Governing Board the San Mateo County Flood Control District, adopt a resolution authorizing the Director of Public Works or his designee to execute an agreement with the City of South San Francisco and other affected taxing entities governing the distribution of sales proceeds from the sale of certain real properties owned by the Successor Agency to the Redevelopment Agency of the City of South San Francisco.

BACKGROUND:

On June 29, 2011, the Legislature passed legislation which, together with the California Supreme Court decision in California Redevelopment Association, et al. v. Ana Matosantos, et al. (collectively, the "Dissolution Law"), effectively dissolved redevelopment agencies in California. The former Redevelopment Agency of the City of South San Francisco was thus dissolved on February 1, 2012, and the Successor Agency to the Redevelopment Agency of the City of South San Francisco ("Successor Agency") became the owner of certain real properties located in the City of South San Francisco ("City") formerly owned by its predecessor.

Pursuant to the Dissolution Law, the Successor Agency prepared a Long Range Property Management Plan ("LRPMP") to provide for the disposition of all real assets owned by the Successor Agency. The LRPMP was approved by the Oversight Board for the Successor Agency to the Redevelopment Agency of the City of South San Francisco ("Oversight Board") on November 19, 2013. An Amended LRPMP, which is the operative LRPMP, was approved by the "Oversight Board" on May 21, 2015 and by the California Department of Finance ("DOF") on October 1, 2015. In addition to

identifying the real property assets to be conveyed to third parties for immediate development or retained/transferred for a governmental use, the LRPMP identified fourteen properties (“Subject Properties”) to be conveyed by the Successor Agency to the City for future redevelopment activities. With respect to the Subject Properties, both the Dissolution Law and the LRPMP require the affected taxing entities to enter into a “compensation agreement” to govern the distribution of the eventual sales proceeds. The LRPMP did not identify a definite timeline for the sale of any Subject Property.

DISCUSSION:

The City/Successor Agency has requested that the affected taxing entities, including the San Mateo County Flood Control District (“District”), approve the Amended and Restated Master Agreement for Taxing Entity Compensation (“Agreement”), which was previously approved by your Board on behalf of the County on October 18, 2016. As the District is a distinct legal entity that is also an affected taxing entity with respect to the former Redevelopment Agency for the City of South San Francisco, its separate approval of the Agreement is required.

The Agreement provides in relevant part that the net proceeds from the sale of any Subject Property, and the net annual revenue attributable to any Subject Property prior to sale, will be distributed to affected taxing entities in accordance with each taxing entity’s proportionate contribution to the Redevelopment Property Tax Trust Fund (“RPTTF”) of the former Redevelopment Agency of the City of South San Francisco pursuant to California Health and Safety Code Section 34188.

To account for the possibility that either the Oversight Board or another taxing entity may request minor or technical edits during the approval process, the Director of Public Works requests the authority to execute an agreement substantially of the form of the Agreement attached hereto, including any minor edits that may be proposed so long as said edits are consistent with the purposes discussed herein.

County Counsel has reviewed and approved the resolution and agreement as to form.

Approval of this agreement contributes to the Shared Vision 2025 outcome of a Collaborative Community by authorizing participation in a collaborative process for the dissolution of the Redevelopment Agency for the City of South San Francisco.

FISCAL IMPACT:

There is no Net Cost associated with the agreement. The monies to be received by the District are dependent upon numerous factors including the eventual sale price of the properties, the properties’ interim revenues, and the associated City management/sales costs