



LONG RANGE PROPERTY MANAGEMENT PLAN – AMENDED JANUARY 15, 2014
For the disposition of
CITY OF EL CAJON - SUCCESSOR AGENCY REAL PROPERTY ASSETS

Consistent with State Legislation ABx1 26 (the “Dissolution Act”) and Assembly Bill No. 1484 (“AB 1484”), this amended Long Range Property Management Plan (the “Amended Plan”) supersedes and replaces the Long Range Property Management Plan (“Original Plan”) approved by the Oversight Board on November 21, 2012, as Resolution No. OB-09-12, and sets forth the strategy and process of the City of El Cajon as Successor Agency (“Successor Agency”) to dispose of former El Cajon Redevelopment Agency real property assets (“Assets” or “Asset”) within its Community Redevelopment Property Trust Fund (the “Trust”). The Successor Agency’s goal is to dispose of the Assets expeditiously and in a manner aimed to maximize value to the taxing entities, while still advancing the planning objectives for which the properties were originally acquired.

Based on the above premise, and with the approval of the Successor Agency and Oversight Board, all Assets will undergo a disposition evaluation process to determine if the properties should be: 1) transferred to the El Cajon Housing Authority for a governmental purpose; 2) transferred to the City of El Cajon for a governmental purpose; 3) transferred/sold to the City of El Cajon for redevelopment activities; 4) retained by the Successor Agency to fulfill an enforceable obligation; 5) offered for sale to adjoining property owners or tenants; 6) offered for sale to persons on established interest lists; or 7) listed for sale with an approved broker on the open market.

I. GOALS OF THE AMENDED PLAN

- A. Transfer properties to the City or Housing Authority that were acquired for public purposes, acquired with restricted funding (including CDBG, tax-exempt bond proceeds, Low or Moderate-Income Housing Funds), or properties that were transferred from the City to the former redevelopment agency for a public purpose at no cost, in accordance with CH&SC Section 34181(a).
- B. Leverage Asset sites to maximize community benefits and implement planning objectives for which the properties were originally acquired.
- C. Maximize the sales price, property tax, sales tax or any combination thereof for properties deemed appropriate for private development.
- D. Engage all public, private, and non-profit groups affected by the disposition of Successor Agency Assets.
- E. Hire highly experienced Brokers who will market Successor Agency Assets, where appropriate, to yield the best development and the highest return, whether immediate or long-term.

- F. Be responsive, equitable and sensitive to the needs and concerns of adjacent private property owners.
- G. Present purchase offers to the Successor Agency and Oversight Board as early as possible.
- H. Comply with the Dissolution Act and AB 1484.

II. COMMUNITY REDEVELOPMENT PROPERTY TRUST FUND (the “Trust”)

The Successor Agency has segregated former El Cajon Redevelopment Agency real property assets from the City fixed asset account as of February 1, 2012:

- A. Land held for resale is accounted for in the Successor Agency Fund 0590.
- B. Regular land and other capital assets are accounted for in Fund 0860 - Successor Agency Fixed Asset Account.

III. REQUIRED COMPONENTS OF THE AMENDED PLAN

Pursuant to Health and Safety Code Section 34191.5 et seq., the Amended Plan shall do all of the following (“Required Components”):

- A. Include an inventory of all properties in the Trust (“Asset Inventory”).
- B. The inventory or profile for each site shall consist of all of the following information:
 - 1. The date of acquisition of the property and value/purchase price of the property at that time.
 - 2. The purpose for which the property was acquired.
 - 3. Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.
 - 4. An estimate of the current value of the parcel including, if available, any appraisal information.
 - 5. 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.
 - 6. The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.
 - 7. A description of the property’s potential for transit-oriented development and the advancement of the planning objectives of the successor agency.
 - 8. A brief history of previous development proposals and activity, including the rental or lease of property.

- C. Address the use or disposition of all of the properties in the Trust. Permissible uses authorized under AB1484 include: 1) the retention of the property for governmental use pursuant to subdivision (a) of Section 34181; 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. The Amended Plan shall separately identify and list properties in the trust dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation. All of the following conditions shall apply:
1. If the Amended 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.
 2. If the Amended 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 subparagraph (a), the proceeds from the sale shall be distributed as property tax to the taxing entities in accordance with Section VI or VII.
 3. Property shall not be transferred to a successor agency, city, county, or city and county, unless the long-range property management plan has been approved by the Oversight Board and the California Department of Finance.

IV. PROPERTY PROFILE

The Amended Plan shall include a profile of each Asset by site number, along with other pertinent information to support the disposal strategy recommended, including:

A. Each “Property Profile” shall include:

1. Required Components.
2. Classification of property - Properties will be categorized into one or more of four classifications:
 - a. Transfer to City/El Cajon Housing Authority – Governmental Purpose: properties that should be transferred for public benefit (“Public Properties”) and have minimal or no market value or are restricted by the source funding at acquisition (Parks, Parking Lot, etc. CH&SC Section 34181(a)).
 - b. Enforceable Obligation: properties subject to a contract or enforceable obligation.
 - c. Transfer to City – Redevelopment Activities: properties to be transferred to the City for redevelopment activities (CH&SC Section 34180(f)(1)).
 - d. Available for Sale: properties are available to sell.

3. Disposal Strategy.

4. Appendices - all supporting Asset documentation will be included in Amended Plan binders in the “Appendices” section and available for access from the City website.

B. Aerial/Site Map.

C. Site photos.

V. DISPOSITION PROCESS

Approval and Application of the Amended Plan.

A. Present the Amended Plan to the Successor Agency for review and approval.

B. Present the Amended Plan to the Oversight Board for review and approval.

C. Submit the Amended Plan, as may be amended, to the California Department of Finance for approval.

D. Transfer properties for governmental purposes to the Housing Authority, where applicable.

E. Transfer properties for governmental purposes to the City of El Cajon, where applicable.

F. Transfer properties for redevelopment activities to the City of El Cajon, where applicable.

G. Maintain ownership of properties until enforceable obligations can be fulfilled.

H. Offer properties for sale to adjacent property owners, tenants and/or owners on interest list, where applicable.

I. Select Broker or Broker’s from Approved Broker List (“Broker”) and execute listing agreement(s), if listing the Asset through a broker is authorized.

J. Gather all pertinent parcel information for each site under consideration including, but not limited to: Phase 1, environmental clearance, enforceable obligations, resolutions, ordinances, etc.

VI. TRANSFER/SALE OF ASSETS TO CITY OF EL CAJON OR EL CAJON HOUSING AUTHORITY - PROCESS

This process applies to the sale or transfer of Assets to the City of El Cajon or El Cajon Housing Authority for Governmental Purposes or Redevelopment Activities:

A. Secure a property appraisal (Redevelopment Activities only).

B. Prepare a report to the Successor Agency with attachments for acquisition/transfer:

1. Conduct a public hearing with at least 10 days’ notice including proposed action (including price/terms).

- C. Prepare an agenda report for the Oversight Board for offer acceptance/terms.
 - 1. Approval by resolution of the Oversight Board at a public meeting with at least 10 days public hearing notice (34181(f)) (price/terms).
- D. For approved transfers/purchases of any Asset for Redevelopment Activities, negotiate a Compensation Agreement with Affected Taxing Entities (“ATE’s”) to provide payments to them in proportion to their shares of the base property tax, as determined pursuant to Section 34188, for the value of the property retained (Section 34180(f)(1)):
 - 1. ATE’s will be contacted for approval of the Disposal Strategy for properties to be retained by the City for Redevelopment Activities.
 - 2. If no other agreement is reached on valuation of the retained assets identified in the Disposal Strategy with ATE’s, the value will be the fair market value as of the 2011 property tax lien date as determined by an independent appraiser approved by the Oversight Board.
 - 3. ATE’s shall enter into a compensation agreement with the City or Housing Authority prior to the transfer of any property under this Section VI.
- E. Staff to prepare documents and consummate transfer (internally or through an El Cajon escrow company).
- F. The Successor Agency shall remit net proceeds, if any, within five working days upon consummation of each transfer/sale, for distribution to the ATE’s.

VII. TRANSFER OF PROPERTIES TO FULFILL AN ENFORCEABLE OBLIGATION – PROCESS

This process applies to Assets to be retained by the Successor Agency in order to fulfill an enforceable obligation, including Lease Option Agreements or other agreements, and the subsequent transfer of the property:

- A. Secure property appraisal, if required.
- B. If property is to be sold without a Broker, staff will proceed to communicate/negotiate with the party to the agreement creating the enforceable obligation.
- C. Staff to prepare a report to the Successor Agency with attachments for acquisition/transfer:
 - 1. Present the proposed transaction in closed session (to discuss price/terms approved), if applicable.
 - 2. Conduct a public hearing (once price/terms approved) with at least 10 days’ notice.
- D. Staff to prepare an agenda report for the Oversight Board for offer acceptance/terms.

1. Conduct a public hearing with at least ten days' notice (34181(f)) (once price/terms approved).
- E. Staff to prepare documents and consummate transfer internally or through an El Cajon escrow company.
- F. The Successor Agency shall remit net proceeds, if any, within five working days upon consummation of each transfer/sale, for distribution to the ATE's.

VIII. SALE OF ASSETS IN OPEN MARKET – PROCESS

This process applies to Assets to be sold to parties, other than the City or the El Cajon Housing Authority, in the open market:

- A. Secure property appraisal.
- B. If property is to be sold without a Broker, staff will proceed to communicate/negotiate with interested parties.
- C. If property to be sold with a Broker, Broker to list Asset for sale on MLS, Co-Star, Loop-Net, website, and/or other marketing resources.
- D. Broker to accept, evaluate and present offers to Successor Agency staff.
- E. Staff to prepare a report to the Successor Agency with attachments for acquisition/transfer:
 1. Present the proposed transaction in -closed session (until price/terms approved), if applicable.
 2. Conduct a public hearing with at least ten days' notice (once price/terms approved).
- F. Staff to prepare an agenda report for the Oversight Board for offer acceptance/terms.
 1. Conduct a public hearing with at least ten days' notice (34181(f)) (once price/terms approved).
- G. Staff to prepare documents and consummate transfer through an El Cajon escrow company.
- H. The Successor Agency shall remit net proceeds, if any, within five working days upon consummation of each sale to the ATE's.

IX. TIMING

- A. This Amended Plan shall be submitted to and approved by the Successor Agency and Oversight Board prior to submission to the California Department of Finance.
- B. The Amended Plan, as may be amended by the Successor Agency or Oversight Board, shall be submitted to the California Department of Finance:

1. Upon approval of both Due Diligence Review (“DDR”) reports and transmission of approved DDR amounts.
 2. Not later than six months following the issuance of the “Finding of Completion”¹ to the Successor Agency pursuant to Health and Safety Code Section 34179.7.
- C. Upon notification of approval of the Amended Plan by the California Department of Finance, Assets shall be disposed of in an expedited manner in accordance with this Amended Plan, the Asset Inventory and the Property Profiles that supplement the Amended Plan.
- D. If the DOF has not approved the Amended Plan by January 1, 2015, subdivision (e) of Section 34177 and subdivision (a) of Section 34181 shall be operative.

X. SUCCESSOR AGENCY STAFF CONTACTS

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Finance Department:

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¹ A **Finding of Completion** will be issued by the California Department of Finance (DOF) upon submission, approval and remittance of funds identified in a Due Diligence Review for: a) the Low and Moderate Income Housing Fund; and 2) All Other Funds and Accounts. The Successor Agency received its Finding of Completion on April 11, 2013, and the Original Plan was submitted to DOF immediately upon receipt.