



Date: September 5, 2013

To: Executive Board

From: Brad Paul
Deputy Executive Director

Subject: **Adoption of Resolution No. 11-13 in Support of the City of Union City's Request for Expedited Approval by the California Department of Finance of the Sale of Former Redevelopment Land within its Intermodal Station District PDA**

Executive Summary

In 2000, Union City in collaboration with nine public agencies and extensive citizen input created the Union City Station District—a vision to build housing, job centers and community facilities on 105 acres of vacant and environmentally contaminated lands surrounding Union City's BART Station. This innovative proposal became Union City's Intermodal Station District PDA as part of its submission for Plan Bay Area. This PDA now presents an instructive example of some of the obstacles to implementing Plan Bay Area that need to be addressed in the coming months, including potential conflicts with state policies regarding disposition of former redevelopment land. These impediments to completing development of the Union City Intermodal Station District PDA also apply to other Priority Development Areas in Plan Bay Area.

To date, the Station District plan has resulted in:

- *812 housing units (251 of them affordable) built within walking distance of Union City's BART station that now integrates BART, buses and passenger rail into one transit center.*
- *Amenities that include a beautiful community plaza, playground and a farmers market that will open in the fall.*
- *Union City investing \$163 million from redevelopment funds and leveraged grants in the Station District to acquire land, construct infrastructure, improve pedestrian connectivity to BART, and underwrite the construction of affordable housing.*
- *90 acres of previously contaminated land now generating \$3 million a year in property taxes. An additional \$2.2 million per year will be generated once this PDA is fully built-out, including the 14 properties owned by the former redevelopment agency.*

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Currently, the State Department of Finance (DOF), which oversees the dissolution of redevelopment agencies in California, requires a lengthy process for approving the sale of land previously owned by redevelopment agencies. In Union City's case, DOF is requiring separate agreements with each of the 29 taxing entities be executed for each of the 14 properties owned by the former redevelopment agency—a total of 406 separate agreements.

This lengthy process is slowing down final build out of the Station District's 14 remaining properties owned by the former redevelopment agency and, according to city officials, could prevent Union City from meeting its housing construction obligations to the California Department of Housing and Community Development, which has committed \$22.6 million in Proposition 1C funds to build infrastructure around the BART station.

At a time when we need to hasten the delivery of new housing, new jobs and new tax revenue around transit to meet the goals of Plan Bay Area and SB 375, ABAG anticipates opportunities to help member cities and counties inform state leaders about specific ways they might streamline state regulations that are inadvertently inhibiting the success of sustainable development in Plan Bay Area Priority Development Areas. Union City's situation offers just such an opportunity.

Recommended Action

ABAG has been asked by the City of Union City, an ABAG member jurisdiction, to discuss with the Governor and other state officials better ways to fast-track successor agency sponsored transit-oriented projects that conform with the goals of Plan Bay Area so that jurisdictions, such as Union City, can put people to work, build badly needed housing, and generate more property taxes for schools and other taxing entities.

The Executive Board is requested to approve Resolution 11-13 instructing staff to send a letter to Governor Brown asking him to direct the Department of Finance to expedite review and approval of Long Range Property Management Plans for land owned by former redevelopment agencies such as the parcels in Union City's PDA, and to clarify that no further review is required by Department of Finance on individual property transactions that fall within the Union City Intermodal Station District if those property transactions conform with and implement an approved Long Range Property Management Plan that:

- a) meets the goals of SB 375 and Plan Bay Area, and
- b) specifies that all net proceeds from the sale of parcels of land owned by former redevelopment agencies within PDAs will be distributed to all taxing entities on a pro-rata basis in proportion to each entity's respective share of the property tax base.

Attachments

Resolution No. 11-13

Op-Ed by Mark Evanoff, Redevelopment Manager, Union City, entitled, "Cities Need the State as a Partner on Housing", San Francisco Chronicle, 9/2/13