

SPECIAL MEETING

Oversight Board Successor Agency to the Daly City Redevelopment Agency

Thursday, May 18, 2017, 10:00 a.m.

**City of Daly City – City Hall
Administrative Conference Room
333-90th Street, 3rd Floor, Daly City, CA 94015**

For those wishing to address the Board on any Item on the Agenda or under Public Appearances/Oral Communications, please complete a Speaker Card located at the entrance to the meeting and submit to a Staff Member as early in the meeting as possible.

Persons with disabilities who require auxiliary aids or services in attending or participating in this meeting should call the office of the City clerk at (650) 991-8078 as soon as possible.

Agenda

1. Adopt Resolution Allowing the Successor Agency to Execute a Purchase and Sale Agreement to convey property at 2960 Geneva Avenue as identified in the Long Range Property Management Plan Pursuant to Health and Safety Code Section 34191.3

Tatum Mothershead

2. Public Comments
NOTE: Speakers are limited to two Minutes, unless modified by the Chairperson.
The Board cannot take action on any matter raised under item.
3. Future Business
4. Board Comments
5. Adjourn

Oversight Board
Successor Agency to the
Daly City Redevelopment Agency
Minutes-Special Meeting
March 1, 2017

The meeting was called to order in the City of Daly City Administrative Conference Room by -Chairperson Jensen at 10:03 A.M.

Oversight Boardmembers Present:

Kathy Blackwood, Executive Vice-Chancellor, San Mateo County Community College District
Judith Christensen, Councilmember, City of Daly City
Michael Crilly, Appointee, San Mateo County
Iris Gallagher, President, Bayshore Sanitation District
Peggy Jensen, Deputy County Manager
Patricia E. Martel, City Manager, City of Daly City

Counsel to the Oversight Board:

Michael Conneran, Esq.

Staff Present:

Lawrence Chiu, Director of Finance and Administrative Services
K. Annette Hipona, City Clerk
Tatum Mothershead, Director, Economic and Community Development
Christine Paras, Deputy Director of Finance
Rose Zimmerman, City Attorney

MINUTES:

January 16, 2017

It was moved by Boardmember Blackwood, seconded by Boardmember Martel and carried to approve the special meeting minutes of January 16, 2017.

RESOLUTIONS:

Allowing the Successor Agency to Execute Purchase and Sale Agreements conveying two properties identified in the Long Range Property Management Plan Pursuant to Health and Safety Code Section 34191.3

Tatum Mothershead reviewed the agenda report with the board.

It was moved by Boardmember Blackwood, seconded by Boardmember Gallagher and carried by unanimous roll call vote to adopt the following resolutions:

OB17-2, Approving and Authorizing the Execution of a Purchase and Sale Agreement and the Sale of Real Property Located at 3001 Geneva Avenue

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RESOLUTIONS (continued):

OB17-3, Approving and Authorizing the Execution of a Purchase and Sale Agreement
and the Sale of Real Property Located at 2960 Geneva Avenue

ADJOURNMENT:

The meeting adjourned at 10:32 A.M.

City Clerk

Approved this _____ 18th _____ day

of _____ May _____, 2017,

Chairperson

Oversight Board Agenda Report
Successor Agency to the
Daly City Redevelopment Agency

Item # _____

Meeting Date: May 18, 2017

Subject: Adopt Resolution Allowing the Successor Agency to Execute a Purchase and Sale Agreement to convey property at 2960 Geneva Avenue as identified in the Long Range Property Management Plan Pursuant to Health and Safety Code Section 34191.3

Recommendation

It is recommended that the Oversight Board adopt a resolution allowing the Successor Agency to execute a Purchase and Sale Agreement conveying property at 2960 Geneva Avenue as identified in the approved Long Range Property Management Plan (LRPMP) for immediate disposition pursuant to Health and Safety Code Section 34191.3.

Background and Analysis

The Successor Agency must dispose of assets and properties of the former Redevelopment Agency in accordance with the direction of the Oversight Board (Sections 34177(e), 34181(a)). Any disposition of property, whether governmental purpose or otherwise, shall be done expeditiously and in a manner aimed at maximizing value. (Sections 34177(e), 34181(a).) The Successor Agency received approval of its LRPMP in December 2015, allowing the disposition of properties for sale to third parties. The State Department of Finance (DOF) requires Oversight Board approval of each disposition of "for sale" property under the LRPMP. The property located at 2960 Geneva Avenue was listed as a "for sale" property under the LRPMP.

As noted in the LRPMP, the Successor Agency did not intend to obtain current appraisals as part of the disposition process. Instead, the competitive marketplace determined each asset's fair market value. The process resulted in multiple bids for the Property. The Successor Agency, as approved by the Oversight Board engaged the services of Kosmont Properties to assist in the disposition. Kosmont Properties, in turn, engaged the local brokerage services of Hildebrand Real Estate Group to market the sites for immediate disposition. The property was listed in both REIL Multiple Listing Service as well as LoopNet. REIL is a combined MLS that covers from Monterey to Sacramento that filters into websites for Realtor.com as well as many agents from cooperating office's individual websites. LoopNet is a commercial listing service that is nationwide. The brokerage company also posted signs for the property on January 4, 2017.

On March 1, 2017 the Oversight Board approved a Purchase and Sale Agreement to sell the property to Amir Mogannam for \$691,300. Unfortunately, the buyer was unable to secure financing for the purchase. As a result, the brokerage company listed the property again on April 17, 2017 and offers were accepted until April 27, 2017.

Oversight Board Agenda Report

Subject: Adopt Resolution Allowing the Successor Agency to Execute a Purchase and Sale Agreement to convey property at 2960 Geneva Avenue as identified in the Long Range Property Management Plan Pursuant to Health and Safety Code Section 34191.3

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2960 Geneva Avenue

The broker received 4 offers, ranging from \$760,000 to \$650,000, but the highest offer was later rescinded. The offers are listed below:

Buyer's Name	Offering Price	Contingencies	Financing
Carmen Cheung (rescinded)	\$760,000	None	Conventional Loan, 50% down
Tony Mak	\$750,000	Inspection, Appraisal, and 120-day Financing	SBA, 10% down
Neil and Angie Hsu	\$650,000	None	All Cash
James and Jeanette Guo	\$650,000	Inspection and Appraisal	Conventional Loan, 35% down

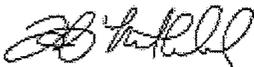
Staff recommends the sale to Neil and Angie Hsu. While they are not offering the highest dollar amount, they are paying with all cash and have no inspection contingencies. The highest offer of \$750,000, proposed by Mr. Mak, has a higher risk of obtaining the financing and requires a significantly longer closing period.

Conclusion

It is recommended that the Oversight Board adopt a resolution allowing the Successor Agency to execute a Purchase and Sale Agreement conveying property located at 2960 Geneva Avenue as identified in the Long Range Property Management Plan. Staff further recommends that the sale of 2960 Geneva Avenue be approved and sold to Neil and Angie Hsu.

Staff is available to provide any additional information desired by the Chair or Board Members.

Respectfully submitted,



Tatum Mothershead
Director
Economic and Community Development



Rose Zimmerman
City Attorney/Agency Counsel