

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
12	01/22/18	Open	Action	01/17/18

Subject: Declaring Evergreen Street Property as Surplus to Transit Operations

## ISSUE

Whether or not to declare the Evergreen Street Property as surplus to transit operations.

## RECOMMENDED ACTION

Adopt Resolution No. 18-01-\_\_\_\_\_, Declaring 2051 Evergreen Street Property as Surplus to Transit Operations.

## FISCAL IMPACT

Declaring the Property as Surplus to Transit Operations has no fiscal impact.

## DISCUSSION

The subject property is located in the vicinity of 2051 Evergreen Street (APN 275-0240-074) and is further identified in Attachment "A." The parcel will be referred to hereinafter as the "Subject Property."

The Subject Property was purchased in 2003 as part of a larger acquisition using only State and Local funds. SacRT determined that the Subject Property was no longer needed for transit purposes and in October of 2014 the Board approved the marketing of the Subject Property for Transit Oriented Development (TOD) or joint development projects. The Subject Property was appraised for \$175,000 in May of 2017.

Since federal funds were not used to purchase the land, staff has concluded that the most appropriate way to market the Subject Property is through a straight purchase and sale disposition agreement, rather than through a more complex joint development agreement. A TOD or joint development disposition requires a more restrictive property transfer and requires the imposition of prevailing wages on the purchasers, potentially making the planned use(s) for the parcels unachievable due to increased costs and limits potential buyers of the Subject Property.

SacRT is obligated to follow the State statutory requirements for disposition of real property. To accomplish the disposition of the Subject Property under State requirements, the Subject Property must be declared excess to transit operations.

Staff recommends the Board declare the Subject Property as surplus to transit operations. Then, as required by the Government Code §§54220-54233, staff will offer the property for sale to statutorily enumerated public agencies and affordable housing sponsors, for a period of 60 days.

Approved:

Presented:

Final 01/17/18

General Manager/CEO

Manager, Real Estate

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California Government Code Section 54222 identifies the public agencies and affordable housing sponsors that must be sent a written offer to sell the property. Local public entities, as defined in California Health and Safety Code Section 50079, that intend to use the property to build low and moderate income housing and housing sponsors as defined in California Health and Safety Code Section 50074 that also intend to use the Subject Property to build affordable housing must be notified. If the Subject Property is suited for park and recreational purposes, the public agency must also offer to sell or lease the surplus property to the city park and recreation department, the county park and recreation department, any regional park authority having jurisdiction over the subject property, and the State Resources Agency. If the property is suitable for use as a school facility, the public agency must also send notice to any school district in whose jurisdiction the surplus property is located. Finally, if the parcel is in an enterprise zone or is suited for infill development, a notice of offer to sell must be sent to the relevant enterprise association corporation for the enterprise zone and the county, city, redevelopment agency, housing authority or public transportation agency within whose jurisdiction the property is located.

Government Code Section 54227 sets forth the order of priority in the event the selling agency receives multiple offers from qualified buyers during this 60 day period. The statute requires that the entity proposing to build affordable housing will be given priority over a buyer seeking to use the property for another acceptable purpose, except in those instances where the subject property is currently being used as a park or other recreational purpose and the buyer intends to use it for the same purpose. If more than one buyer is proposing to build affordable housing, the buyer seeking to build the greatest number of affordable housing units at the “deepest” level of affordability will be given first priority to purchase. It is important to note that the Government Code does not obligate SacRT to actually complete the sale. Instead, the statute is best understood as providing governmental agencies with the right to an exclusive negotiation period, where they are not competing with private sector buyers for the opportunity to purchase the parcel.

After the close of the 60 day term, staff will present any offers from statutorily eligible buyers to the SacRT Board as an informational item. Under the terms of the Government Code, Staff is required to prioritize negotiations with buyers proposing affordable housing projects over buyers proposing other qualified uses of the Subject Property, as outlined in Government Code Section 54227, for a period of 90 days. If the parties reach agreement on terms, staff will return to the Board to request approval of the Purchase and Sale Agreement. If the parties cannot come to terms within the 90 day period, SacRT will then offer the Subject Property to the public for sale. Failure to come to terms during that 90 day period does not automatically eliminate public agency buyers from consideration, however, after the 90 day period, they will potentially be competing with private sector buyers that could present SacRT with more favorable terms. Any offers received during this phase of the disposition will be presented to the Board for consideration.

Site Location

Property Name: 2051 Evergreen Street  
Parcel: 275-0240-074



RESOLUTION NO. 18-01-\_\_\_\_\_

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

January 22, 2018

**DECLARING 2051 EVERGREEN STREET PROPERTY  
AS SURPLUS TO TRANSIT OPERATIONS**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the real property described as Assessor Parcel Numbers 275-0240-074 is hereby declared to be surplus to transit operations in accordance with Section 7-0-6.01 of Title VII of the Sacramento Regional Transit District (SacRT) Administrative Code.

THAT, the General Manager/CEO is hereby authorized and directed, in accordance, with Chapter 6 of the Title VII of the SacRT Administrative Code, to dispose of surplus property.

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ANDREW J. MORIN, Chair

A T T E S T:

HENRY LI, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary