

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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September 28, 2022

Steve Stewart, Planning Manager
Community Development Department
City of Livermore
1052 S. Livermore Avenue
Livermore, CA 94550

Dear Steve Stewart:

RE: HCD's Review of the City of Livermore's Disposition and Development Agreement with Red Bear Property Management, Inc. for the Development of Certain Real Properties Located on the Southwest Corner of South Livermore Avenue and Railroad Avenue in Downtown Livermore

Thank you for contacting the California Department of Housing and Community Development (HCD) regarding the parcels of property that are approximately 5.5 acres, bounded by Railroad Avenue, Livermore Avenue, First Street, and L Street, commonly referred to as Livermore Village Site (APNs 098-0289-002-01, 098-0289-019, and 098-0289-020) (Property), located in the City of Livermore (City). HCD reviewed the Disposition and Development Agreement (DDA) between the City and Red Bear Property Management, Inc (Developer), and other documentation you provided.

HCD also considered the City's claim that the Property is subject to the Surplus Land Act (SLA) as it existed on December 31, 2019, because the Property qualifies for the "grandfathering exemption" under Government Code section 54234, subdivision (a)(1) (Grandfathering Exemption). As explained below, HCD finds that the Property qualifies for the "Grandfathering Exemption" under Government Code section 54234, subdivision (a)(1), so long as the disposition of the Property is completed by December 31, 2022.

Analysis

According to Government Code section 54234, subdivision (a)(1), surplus land is subject to the SLA as it existed on December 31, 2019, provided the disposition of the surplus land meets the following requirements:

- (i). The local agency entered into an ENA or legally binding agreement to dispose of the property prior to September 30, 2020.

- (ii). The disposition of the Property to the party that had entered into the ENA or legally binding agreement (or its successors or assigns) is completed by December 31, 2022.

Disposition and Development Agreement of the Property

On October 22, 2018, the City Council adopted Resolution No. 2018-185 authorizing the city manager to execute the DDA between the City and the Developer. On May 30, 2019, the City and Developer executed the DDA for purposes of the City selling the Property and the Developer acquiring and developing the Property.

Merger and Subdivision of APNs 098-0289-002-01, 098-0289-019, and 098-0289-020

On April 17, 2018, the City recorded a Grant Deed, which merged certain City-owned parcels, including the Property, and created one parcel identified as APN 098-0289-021-001. Subsequently, the City re-subdivided APN 098-0289-021-001, which created nine new parcels including APNs 098-0289-026 and 098-0289-027. Based on the additional documentation provided, HCD finds that the parcels that now will be disposed of to the Developer are identified as APNs 098-0289-026 and 098-0289-027.

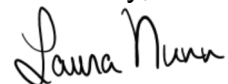
Conclusion and Next Steps

After reviewing the documentation provided, HCD finds that, because the City entered into a legally binding agreement as of September 30, 2019, the parcels now identified as APNs 098-0289-026 and 098-0289-027 (Subject Property) qualify for the “grandfathering exemption” under Government Code section 54234, subdivision (a)(1). Therefore, the disposition of the Subject Property is subject to the SLA as it existed on December 31, 2019, provided the disposition of the Subject Property to the Developer is completed by December 31, 2022.

After the City has completed the disposition of the Property, it must provide HCD documentation demonstrating that the disposition was completed by December 31, 2022, for HCD’s records.

If you have any questions or need additional technical assistance, please contact Public Lands at Publiclands@hcd.ca.gov.

Sincerely,



Laura Nunn
Senior Manager, Housing Accountability Unit
Housing Policy Development