

OVERSIGHT BOARD RESOLUTION NUMBER OB-2012-23

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE CITY OF SAN DIEGO REDEVELOPMENT SUCCESSOR AGENCY DIRECTING THE SUCCESSOR AGENCY TO TRANSFER CERTAIN AFFORDABLE HOUSING ASSETS TO THE CITY OF SAN DIEGO, IN ITS CAPACITY AS THE SUCCESSOR HOUSING ENTITY, AND TO THE LOW AND MODERATE INCOME HOUSING ASSET FUND

WHEREAS, the former Redevelopment Agency of the City of San Diego (Former RDA)

administered the implementation of various redevelopment projects, programs, and activities within designated redevelopment project areas throughout the City of San Diego (City); and

WHEREAS, the Former RDA dissolved as of February 1, 2012, in accordance with a deadline for elimination of all redevelopment agencies throughout California set forth in Assembly Bill x1 26 (AB 26), as modified by the California Supreme Court in a final opinion issued on December 29, 2011, in litigation designated as Case No. S194861; and

WHEREAS, before the Former RDA's dissolution, the City Council adopted Resolution No. R-307238 effective January 12, 2012, designating the City to serve as the successor agency to the Former RDA (Successor Agency) pursuant to California Health and Safety Code section 34173(d)(1), and further designating the City to serve as the successor housing entity to the Former RDA (Successor Housing Entity) for purposes of performing the Former RDA's housing functions, retaining the Former RDA's housing assets, and assuming the Former RDA's housing responsibilities pursuant to California Health and Safety Code section 34176(a)(1); and

WHEREAS, the Successor Agency is winding down the Former RDA's affairs in accordance with AB 26, enacted on June 28, 2011, and Assembly Bill 1484 (AB 1484), enacted on June 27, 2012; and

WHEREAS, AB 26 contemplates that the Successor Agency will transfer the Former RDA's affordable housing assets (Housing Assets) to the City as Successor Housing Entity at the Oversight Board's direction, but fails to specify any time frame for such transfer; and

WHEREAS, AB 1484 expands the scope of the Housing Assets to be transferred from the Successor Agency to the City as Successor Housing Entity, as specified in California Health and Safety Code section 34176(e); and

WHEREAS, AB 1484 also requires the City to submit to the California Department of Finance (DOF), by August 1, 2012, a list of Housing Assets previously transferred by the Successor Agency to the City as Successor Housing Entity, as specified in California Health and Safety Code section 34176(a)(2); and

WHEREAS, at the DOF's direction, the City submitted a blank list of Housing Assets to the DOF on August 1, 2012, showing that no Housing Assets had been transferred by the Successor Agency to the Successor Housing Entity up to that point in time; and

WHEREAS, the City submitted the blank list of Housing Assets to the DOF with a cover letter reserving all rights and confirming the Successor Agency's intention to transfer the Housing Assets to the Successor Housing Entity after obtaining the approval of the Oversight Board and the DOF, as required by California Health and Safety Code section 34181(c); and

WHEREAS, the Successor Agency has prepared a complete list of Housing Assets (Housing Assets List), a copy of which is included as Attachment B to the Staff Report accompanying this item, and is incorporated herein by this reference; and

WHEREAS, the Housing Assets List is intended to supersede the earlier blank list of Housing Assets and to reflect the proposed transfer of Housing Assets from the Successor Agency to the Successor Housing Entity; and

WHEREAS, the Housing Assets List includes several mixed-use assets that combine both affordable housing and other types of property use; and

WHEREAS, as to each mixed-use asset and consistent with California Health and Safety Code section 34176(f), the Oversight Board has considered the overall value to the local community, as well as the benefit to the local taxing entities, of (a) keeping the entire mixed-use asset intact in the Successor Housing Entity's ownership and control, (b) dividing the title and control over the mixed-use asset between the Successor Housing Entity, on the one hand, and the Successor Agency or other public or private agencies, on the other hand, or (c) disposing of the mixed-use asset through a revenue-sharing arrangement; and

WHEREAS, California Health and Safety Code section 34176(d) requires the Successor Housing Entity to create a new, separate fund, known as the Low and Moderate Income Housing Asset Fund (Housing Asset Fund), for purposes of retaining any encumbered affordable housing funds transferred from the Successor Agency and any funds generated from the Housing Assets in the future; and

WHEREAS, the City Council adopted two companion resolutions, designated as Resolution No. R-307599 and Resolution No. R-307600, both effective July 31, 2012, approving the Successor Agency's execution and recording of the appropriate conveyance instruments, including quitclaim deeds and assignment and assumption agreements, to accomplish the transfer of the Housing Assets to the Successor Housing Entity, and also authorizing the establishment of the Housing Asset Fund within the City's treasury; and

WHEREAS, on September 18, 2012, the Oversight Board held a public meeting related to the proposed transfer of the Housing Assets to the Successor Housing Entity, with at least ten days' notice to the public of the specific proposed actions, as required by California Health and Safety Code section 34181(f); and

WHEREAS, the Oversight Board's decision regarding the transfer of Housing Assets will not become effective until after the decision has been approved or deemed approved by the DOF in accordance with California Health and Safety Code section 34181(f).

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board as follows:

1. The Successor Agency is authorized and directed to transfer the Housing Assets, as identified in the Housing Assets List, to the City as Successor Housing Entity, utilizing the appropriate conveyance instruments. Before transmitting the Housing Assets List to the DOF, Successor Agency staff is authorized to add the inadvertently omitted line item 7 regarding the Park and Market Block to Exhibit E of the Housing Assets List, which correlates to the existing line item 7 in Exhibit A of the Housing Assets List.

2. The Successor Agency is authorized and directed to transfer the encumbered affordable housing funds, as identified in the Housing Assets List, to the Housing Asset Fund, which will be maintained in the City's treasury on behalf of the Successor Housing Entity.

PASSED AND ADOPTED by the Oversight Board at a duly noticed meeting of the Oversight Board held on September 18, 2012, by a unanimous vote of 6 to 0, with Board Member Donovan absent.



Chair, Oversight Board