

OVERSIGHT BOARD RESOLUTION NUMBER OB-2012-26

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE CITY OF SAN DIEGO REDEVELOPMENT SUCCESSOR AGENCY AUTHORIZING THE SUCCESSOR AGENCY TO APPROVE REFINANCING, LOAN MODIFICATIONS, LOAN SUBORDINATIONS, SHORT SALES, AND FORECLOSURES RELATED TO AFFORDABLE HOUSING LOANS, AND TO NEGOTIATE A REDUCED PRINCIPAL BALANCE, REDUCED INTEREST, OR REPAYMENT TERMS OF AFFORDABLE HOUSING LOANS

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, in accordance with Assembly Bill x1 26 (AB 26), the Former RDA dissolved as of February 1, 2012, at which time the City of San Diego, solely in its capacity as the designated successor agency to the Former RDA (Successor Agency), assumed the Former RDA's assets and obligations; 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 (collectively, the Dissolution Laws); 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 in the future from the housing assets as defined in California Health and Safety Code Section 34176(e) (“Housing Assets”); 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, the transfer of Housing Assets from the Successor Agency to the Housing Successor Entity is expected to occur soon, subject to the approval of the Oversight Board and the State Department of Finance; and

WHEREAS, until the transfer of the Housing Assets is completed, the Successor Agency is responsible for management of the Housing Assets; and

WHEREAS, the Successor Agency now seeks authorization from the Oversight Board to take certain actions related to certain Housing Assets to avoid having to bring each action to the Oversight Board for approval since the actions are related only to Housing Assets that will be transferred to the Housing Successor Entity and will not have any adverse impact on the financial interests of the Successor Agency or the other taxing entities represented by the members of the Oversight Board; and

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board that the Successor Agency is authorized to approve refinancing, loan modifications, loan subordinations, short sales, and foreclosures related to loans funded from the Low and Moderate Income

Housing Fund and associated security interests, and to negotiate a reduced principal balance, interest balance, or repayment terms of such loans, and to execute all related documents.

PASSED AND ADOPTED by the Oversight Board at a duly noticed meeting of the Oversight Board held on September 18, 2012.



Chair, Oversight Board