

RESOLUTION NUMBER R- 311416DATE OF FINAL PASSAGE NOV 20 2017

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING A FIVE-YEAR EXTENSION OF THE STATUTORY TIME PERIOD IN WHICH THE CITY MAY RETAIN ITS INTEREST IN CERTAIN REAL PROPERTY ASSETS TO INITIATE ACTIVITIES CONSISTENT WITH DEVELOPMENT OF THOSE ASSETS FOR VALID AFFORDABLE HOUSING PURPOSES.

WHEREAS, from its formation in 1958 until its elimination on February 1, 2012, the 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 *California Redevelopment Assn v. Matosantos*, 53 Cal. 4th 231 (2011); and

WHEREAS, before the Former RDA's dissolution, the City Council adopted Resolution R-307238 effective January 12, 2012, designating the City to serve as the successor agency to the Former RDA (Successor Agency) under California Health and Safety Code (Code) section 34173(d)(1), and further designating the City to serve as the housing successor to the Former RDA and perform the Former RDA's housing functions under Code section 34176(a)(1); and

WHEREAS, when the Former RDA dissolved on February 1, 2012, the Successor Agency became vested with all of the Former RDA's authority, rights, powers, duties, and obligations under the California Community Redevelopment Law (Redevelopment Law) and, by

operation of law, received all assets, properties, contracts, leases, books and records, buildings, and equipment of the Former RDA; and

WHEREAS, the Successor Agency is winding down the Former RDA's affairs in accordance with AB 26, enacted on June 28, 2011, and subsequent legislation (collectively, Dissolution Laws); and

WHEREAS, the City Council, acting separately on behalf of the Successor Agency and the City as housing successor, adopted Resolutions R-307601 and R-307602, respectively, effective July 31, 2012, approving the Successor Agency's transfer and the City's acceptance of certain affordable housing assets (Housing Assets) identified in a detailed list (Housing Asset List) as contemplated by the Dissolution Laws; and

WHEREAS, in accordance with Code section 34181(c), the seven-member Oversight Board directed the Successor Agency to transfer the Housing Assets, as identified in the Housing Asset List, to the City, and the California Department of Finance (DOF) approved the Oversight Board's decision on January 4, 2013; and

WHEREAS, the Successor Agency transferred the Housing Assets to the City on or about January 28, 2013; and

WHEREAS, among other assets, the Housing Assets consist of 22 real property assets initially acquired for the development of an affordable housing project or a mixed-use project with a significant affordable housing component; and

WHEREAS, Code section 33334.16, which is part of the Redevelopment Law, states that with respect to any real property asset acquired using monies in the Low and Moderate Income Housing Fund, the Former RDA must have initiated activities consistent with the development of

housing affordable to persons and families of low and moderate income within five years after the date on which the Former RDA acquired the asset; and

WHEREAS, Code section 33334.16 further states that, if the Former RDA has not initiated affordable housing activities (which typically involve entering into a disposition and development agreement) within the applicable five-year period, the City Council may adopt a resolution extending the time period in which the Former RDA may retain the real property asset for one additional period not to exceed five years and affirming the City Council's intention that the asset be used for the development of housing affordable to persons and families of low and moderate income; and

WHEREAS, Code section 33334.16 also provides that, if the City does not meet the deadline to initiate affordable housing activities on a particular real property asset, then the asset must be sold and the net sale proceeds must be deposited in the Low and Moderate Income Housing Fund (now known as the Low and Moderate Income Housing Asset Fund, which is administered by the City as housing successor); and

WHEREAS, Code section 34176.1(e), which is part of the Dissolution Laws, states that with respect to any real property asset acquired by the Former RDA before February 1, 2012, the time periods for initiation of affordable housing activities shall be deemed to have commenced on the date that the DOF approved the Housing Asset List (in this instance, January 4, 2013); and

WHEREAS, Code section 34176.1(e) is worded broadly, suggesting the California Legislature may have intended that the statutory deadline to initiate affordable housing activities applies to all real property assets identified in the approved Housing Asset List (regardless of whether the Former RDA originally acquired those assets using monies in the Low and Moderate Income Housing Fund); and

WHEREAS, in an abundance of caution, but without waiving the right to assert an alternative statutory interpretation, the City has assumed that the statutory deadline to initiate affordable housing activities applies to all real property assets identified in the approved Housing Asset List; and

WHEREAS, to date, the Former RDA or the City has initiated (and, in many instances, completed) affordable housing activities on 14 of the 22 real property assets identified in the approved Housing Asset List; and

WHEREAS, to date, neither the Former RDA nor the City has initiated affordable housing activities on the remaining eight real property assets (collectively, the Retained Housing Sites), which include sites located at the following locations, as more particularly described in the staff report accompanying this Resolution: (a) Hilltop and Euclid in Southeastern San Diego – Central Imperial (site 19 on the approved Housing Asset List); (b) 808 West Cedar in Centre City – Little Italy (site 15); (c) 13th and Broadway in Centre City – East Village (site 6); (d) 40th and Alpha in Southeastern San Diego – Southcrest (site 22); (e) 13th and Market in Centre City – East Village (site 10); (f) Popular Market in Centre City – East Village (site 9); (g) 475 West Broadway in Centre City – Columbia (site 1); and (h) 6395-6397 Imperial in Southeastern San Diego – Central Imperial (site 21); and

WHEREAS, the City Council desires that the City continue to possess the Retained Housing Sites, allowing the City to initiate affordable housing activities on those sites, beyond the current statutory deadline of January 3, 2018; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego (Council) as follows:

1. The Council approves the extension of the statutory time period in which the City may possess the Retained Housing Sites for the purpose of initiating affordable housing activities

on those sites for one additional five-year period, until January 3, 2023, consistent with Code sections 33334.16 and 34176.1(e).

2. The Council affirms its intention that the Retained Housing Sites will be used for the development of housing affordable to persons and families of low and moderate income.

APPROVED: MARA W. ELLIOTT, City Attorney

By Kevin Reisch  
Kevin Reisch  
Senior Chief Deputy City Attorney

KJR:nja  
10/31/2017  
Or.Dept: Civic San Diego  
Doc. No.: 1609686

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of NOV 13 2017.

ELIZABETH S. MALAND  
City Clerk

By [Signature]  
Deputy City Clerk

[Signature]  
KEVIN L. FAULCONER, Mayor

Approved: 11/20/17  
(date)

Vetoed: \_\_\_\_\_  
(date)

\_\_\_\_\_  
KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on NOV 13 2017, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Barbara Bry	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lorie Zapf	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Ward	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Myrtle Cole	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mark Kersey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Cate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scott Sherman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Alvarez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Georgette Gomez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage NOV 20 2017


(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

AUTHENTICATED BY:



KEVIN L. FAULCONER  
Mayor of The City of San Diego, California.

ELIZABETH S. MALAND  
City Clerk of The City of San Diego, California.

By , Deputy

Office of the City Clerk, San Diego, California  
Resolution Number R- **311416**