

RESOLUTION NO. 2017-_____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MERCED,
CALIFORNIA AUTHORIZING THE CITY MANAGER TO TRANSFER
CERTAIN REAL PROPERTIES OF THE FORMER MERCED
REDEVELOPMENT AGENCY TO THE CITY OF MERCED
DESIGNATED LOCAL AUTHORITY**

WHEREAS, in accordance with the provisions of the California Community Redevelopment Law (Health and Safety Code Section 3300 et seq.) (“CRL”), the City Council of the City of Merced (“City”) previously established the Redevelopment Agency of the City of Merced, a public body, corporate and politic (“Redevelopment Agency”) to carry out the purposes of and exercise the powers granted to community redevelopment agencies in accordance with the CRL; and

WHEREAS, pursuant to AB 1x 26, as modified by the California Supreme in *California Redevelopment Association v. Matosantos*, and other subsequent legislation (collectively the “Dissolution Act”), all redevelopment agencies in the State of California were dissolved on February 1, 2012; and

WHEREAS, successor agencies were established under CRL Section 34173 as successor entities for the non-housing functions and assets of the former redevelopment agencies, and pursuant to CRL Section 34173(d)(1), a city or other entity that formed the redevelopment agency could elect not to serve as a successor agency; and

WHEREAS, the City Council took official action declining to become the former Redevelopment Agency’s successor agency, and as a result of that action, the City of Merced Designated Local Authority (“DLA”) was formed pursuant to CRL Section 34173(d)(3)(A) and assumed the former Redevelopment Agency’s non-housing functions and obligations; and

WHEREAS, CRL Section 34176(a) authorized the city or other entity that created the redevelopment agency to elect to retain the housing assets and functions previously performed by the Redevelopment Agency (“Housing Successor”), and the City made such election and, under said Section 34176, all rights, powers, duties, obligations and housing assets of the former Redevelopment Agency were transferred to the City, as the Housing Successor; and

WHEREAS, as part of the Dissolution Act, an oversight board (“Oversight Board”) was formed for the DLA in accordance with CRL Section 34179, to oversee the actions of the DLA; and

WHEREAS, CRL Section 34181(a)(1) provides that the Oversight Board shall direct the DLA, as the successor agency, to dispose of all assets and properties of the former Redevelopment Agency; provided, however, that the Oversight Board may instead direct the DLA to transfer ownership of those assets that were constructed and used for a governmental

purpose, such as roads, parks, and parking facilities and lots dedicated solely to public parking, to the appropriate public jurisdiction; and

WHEREAS, prior to its dissolution, the Redevelopment Agency, pursuant to the authority granted in Resolution No. RDA 698, adopted on January 31, 2011, transferred certain real properties to the City of Merced Public Financing and Economic Development Authority ("PFEDA") in March 2011, and pursuant to the authority granted in Resolution No. PFA 2011-4, adopted on January 31, 2011, the PFEDA accepted such transfers; and

WHEREAS, certain of the real properties transferred to PFEDA in March 2011 were identified as housing assets and governmental use properties, and were subsequently transferred by PFEDA to the City and the City of Merced Parking Authority in April 2012; and

WHEREAS, as part of the dissolution of the former Redevelopment Agency, Health and Safety Code Section 34167.5 required the State Controller to review the asset transfers between the Redevelopment Agency and the City or any other public agency after January 1, 2011, and to order the return of the applicable assets to the successor agency as such assets are deemed unauthorized; and

WHEREAS, in its final Asset Transfer Review Report, dated July 2015, the State Controller found that the land transferred by the Redevelopment Agency to the PFEDA in 2011 was "unallowable" and ordered that such assets be turned over to the successor agency, however, the SCO noted that some of those assets may be subject to the provisions of CRL Section 34181(a); and

WHEREAS, CRL Section 34179.9 provides, in part, that the City "shall return to the successor agency all assets transferred to the city ... ordered returned pursuant to Section 34167.5;" and

WHEREAS, the City Council, under separate actions, has provided or will provide to the Oversight Board supporting documentation to evidence that certain of the assets previously transferred by PFEDA to the City meet the criteria for housing assets under CRL Section 34176, and government use properties under CRL Section 34181(a), and requested that the Oversight Board authorize the City to retain ownership of such assets; and

WHEREAS, the parcels previously conveyed to the City, and identified on Exhibit A attached hereto and incorporated herein by reference, were determined to be disallowed or unauthorized transfers and must be returned to the DLA, as the successor agency to the former Redevelopment Agency; and

WHEREAS, the proposed transfers to the DLA are clean-up administrative acts required to comply with the Order from the State Controller and provisions of the Dissolution Act.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCED DOES HEREBY RESOLVE, DETERMINE, FIND, AND ORDER AS FOLLOWS:

Section 1. Incorporation of Recitals. The foregoing recitals are true and correct, and are incorporated herein and made an operative part of this Resolution.

Section 2. Approval to Transfer Properties to DLA. The City Council hereby authorizes and directs the reversal of the transfer of the properties listed in Exhibit A previously transferred by the former Redevelopment Agency to the PFEDA and subsequently transferred to the City, and conveyance by the City to the DLA of any interest that the City may have in the properties listed in Exhibit A. The reversal of those disallowed transfers shall be accomplished, and title to such properties shall be transferred to the DLA by grant deed, or other acceptable mechanism, in form and content acceptable to DLA General Counsel and the City Attorney.

Section 3. Authorization to Implement Resolution. The City Council hereby authorizes and directs the City Manager to execute grant deeds, or other acceptable documentation, on behalf of the City and to take such other actions and execute such other documents as are necessary or convenient to effectuate such transfers, and conveyance of the properties identified on Exhibit A to the DLA, as the successor agency to the former Redevelopment Agency, as contemplated in this Resolution, and in implementation of the Order of the State Controller's Office, and as required by Health and Safety Code Sections 34167.5 and 34179.9.

Section 4. Severability. If any provision of this Resolution is held invalid, the remainder of this Resolution shall not be affected by such invalidity, and the provisions of this Resolution are severable.

Section 5. Effective Date. This Resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the ____ day of _____ 2017, by the following vote:

AYES: Council Members:

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

APPROVED:

Mayor

ATTEST:
STEVE CARRIGAN, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

(SEAL)

APPROVED AS TO FORM:

Kelley Enner 11/9/17
City Attorney Date

EXHIBIT A

REVERSAL OF ASSET TRANSFERS –
PROPERTIES TO BE CONVEYED BY THE CITY TO THE
CITY OF MERCED DESIGNATED LOCAL AUTHORITY

Property	Address	APN
South Merced Lots	376 S. West Avenue	059-240-018
G Street Properties	2490 G Street	033-032-015
Santa Fe Properties	25 E Santa Fe	033-032-012
Parsons Residential	33 N. Parsons Ave	035-140-018
PD 14	823 W. 14th Street	031-213-012
	843 W. 14th Street	031-213-015
	849 W. 14th Street	031-213-016
	1011 W. 14th Street	031-203-019
		031-203-018