

RESOLUTION NO. 2017-_____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MERCED
AUTHORIZING THE RETENTION BY THE CITY, AS HOUSING
SUCCESSOR, OF CERTAIN HOUSING ASSETS OWNED BY THE
FORMER REDEVELOPMENT AGENCY OF THE CITY OF MERCED
AND PREVIOUSLY CONVEYED TO THE CITY**

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, Assembly Bill 1X 26, enacted in June 2011, and as modified by the Supreme Court of the State of California in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861, and further modified by Assembly Bill 1484, enacted in June 2012, and other subsequently adopted legislation (collectively, the “Dissolution Act”) dissolved all redevelopment agencies on February 1, 2012, and set out procedures for their wind-down; and

WHEREAS, in accordance with the Dissolution Act, the City Council took official action declining to become the former Redevelopment Agency’s successor agency pursuant to CRL Section 34173(d)(1), and as a result, the City of Merced Designated Local Authority (“DLA”) was formed in accordance with CRL Section 34173(d)(3)(A) and assumed the former Redevelopment Agency’s non-housing functions and obligations; and

WHEREAS, pursuant to CRL Section 34176(a), the City elected to retain the housing assets and functions previously performed by the Redevelopment Agency, and under CRL Section 34176, all rights, powers, duties, obligations and housing assets were transferred to the City, as the housing successor (“Housing Successor”); and

WHEREAS, an oversight board (“Oversight Board”) was formed for the DLA in accordance with CRL Section 34179, to oversee the actions of the DLA, and pursuant to CRL Section 34181(c), direct the DLA, as the successor agency, to transfer housing assets to the Housing Successor pursuant to CRL Section 34176; and

WHEREAS, the assets and obligations identified on the attached Exhibit A (“Housing Assets”), were acquired by the former Redevelopment Agency for low- and moderate-income housing purposes and thus constitute housing assets (as defined under CRL Section 34176(e)(1)) of the former Redevelopment Agency; and

WHEREAS, pursuant to the authority granted in Resolution No. RDA 698, and Resolution No. PFA 2011-4, both adopted on January 31, 2011, the Housing Assets identified in

Exhibit A were transferred to the Merced Public Finance and Economic Development Agency ("PFEDA") in March 2011, and were subsequently transferred by PFEDA to the City in April 2012, and

WHEREAS, CRL Section 34176(a)(2) required the Housing Successor to submit a list of the former Redevelopment Agency's housing assets ("Housing Assets Transfer List") to the California Department of Finance ("DOF"), which had the right to review and object to any asset included on the Housing Assets Transfer List; and

WHEREAS, CRL Section 34176(a)(2) further provides that if a transferred asset is deemed not to be a housing asset as defined in subdivision (e), it shall be returned to the successor agency; and

WHEREAS, the City, as the Housing Successor, compiled and submitted a Housing Assets Transfer List to DOF on August 1, 2012, and by letter dated February 25, 2013, DOF indicated it did not object to the transfer of the Housing Assets, noting that the properties were still subject to review by the State Controller's Office; and

WHEREAS, CRL Section 34179.5 required the DLA, as the successor agency, to undergo specified due diligence reviews (each a "DDR") of the assets and accounts of the former Redevelopment Agency, one of which examined all housing assets transferred from the former Redevelopment Agency to the City ("Housing DDR"), which was submitted to DOF for review in accordance with CRL Section 34179.6(c); and

WHEREAS, in accordance with CRL Section 34167(g), the State Controller's Office ("SCO") undertook a review of all asset transfers which occurred after January 1, 2011, from the former Redevelopment Agency to the City or any other government agency, and in July 2015, the SCO issued a final Asset Transfer Report which acknowledged the prior transfer of certain housing assets to PFEDA and the City, but noted that some of these assets may be subject to the provisions of CRL Section 34181; and

WHEREAS, CRL Section 34181(f) provides that all actions taken pursuant to Section 34181(c), regarding the transfer of housing assets to the Housing Successor, shall be approved by resolution of the Oversight Board at a public meeting after at least 10 days' notice to the public, and such actions shall be subject to review by DOF pursuant to Section 34179; and

WHEREAS, to comply with CRL Section 34181(f), the Oversight Board, by Resolution No. 2014-12 adopted on November 6, 2014, approved the conveyance of the Housing Assets to the Housing Successor and ratified the prior actions taken; and

WHEREAS, pursuant to CRL Section 34179(h), the Oversight Board action under Resolution No. 2014-12 was submitted to DOF for its review; and

WHEREAS, by letter dated February 23, 2015, DOF did not approve said Resolution No. 2014-12, indicating that insufficient documentation was provided to demonstrate the Housing

Assets meet the criteria set forth in CRL Section 34176, and returned the action to the Oversight Board for reconsideration; and

WHEREAS, Health and Safety Code Section 34176(e)(1) defines “housing asset” to include, among other things, “any real property, interest in, or restriction on the use of real property, whether improved or not ... that were acquired for low- and moderate-income housing purposes, either by purchase or through a loan, in whole or in part, with any source of funds;” and

WHEREAS, City staff has assembled documentation to demonstrate that the Housing Assets identified in Exhibit A meet the criteria for housing assets as defined in CRL Section 34176, and the City desires to submit this documentation to the Oversight Board for consideration and approval;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCED DOES HEREBY RESOLVE 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. Housing Assets. The City Council hereby determines that the Housing Assets listed in the attached Exhibit A are “housing assets” that meet the criteria defined in Health and Safety Code Section 34176. This determination as to each of the Housing Assets is based on the supporting documentation referenced in and attached to the Administrative Report, dated January 10, 2017, which information is incorporated herein by reference.

Section 3. Approval of Retention of Housing Assets. The City Council hereby approves and authorizes the retention by the City of the Housing Assets listed in Exhibit A, attached hereto and incorporated herein by reference, which Housing Assets were previously conveyed to the City, as noted in the Recitals above.

Section 4. Authorization to Implement Resolution. The City Council hereby authorizes and directs the City Manager, in cooperation with the DLA and Oversight Board staff, to submit this matter, including all the information and documentation contained in the Administrative Report referenced in Section 2, above, and any other information or documentation requested by the Oversight Board and DOF, to the Oversight Board and DOF for approval, and to take such other actions and execute such other documents as are necessary or convenient to effectuate the retention of the Housing Assets by the City, as contemplated in this Resolution.

Section 5. 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 6. 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:

Kelly Fincher 1/10/17
City Attorney Date

EXHIBIT A
LIST OF HOUSING ASSETS

APN	Address	Existing Use
031-161-001	1744 I Street	Vacant Land
031-074-010	1815 I Street	Vacant Land
031-074-009	1823 I Street	Vacant Land
031-082-002	150 W. 19th Street	Vacant Land
031-074-008	202 W. 19th Street	Vacant Land
031-074-011	205 W. 18th Street	Vacant Land
031-074-012	211 W. 18th Street	Vacant Land
031-084-011	49 W. 18th Street	Vacant Land
059-256-004	73 S. R Street	Vacant Land