

RESOLUTION NO. 2017-04

A RESOLUTION OF THE OVERSIGHT BOARD TO THE MERCED DESIGNATED LOCAL AUTHORITY, AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF MERCED, APPROVING THE TRANSFER OF HOUSING ASSETS TO THE CITY OF MERCED

WHEREAS, the Oversight Board to the Merced Designated Local Authority, as Successor Agency to the Redevelopment Agency of the City of Merced, (the "Oversight Board") is charged with overseeing the implementation of recognized enforceable obligations and winding down of the affairs of the former Redevelopment Agency of the City of Merced (the "Agency") in accordance with the California Health and Safety Code; and

WHEREAS, on January 31, 2011, the Agency adopted Resolution No. RDA 698, which authorized the transfer of specific assets, liabilities, indemnification obligations and guarantees to the City of Merced Public Financing and Economic Development Authority ("PFEDA"); and

WHEREAS, on January 12, 2012, the City Council of the City of Merced exercised its right under AB1X26 and adopted Resolution No. 2012-6 electing that the City of Merced not be the successor agency of the Agency for non-housing purposes; and

WHEREAS, pursuant to AB1X 26, as modified by the California Supreme decision in California Redevelopment Association v. Matosantos, all redevelopment agencies in the State of California were dissolved effective February 1, 2012 (as amended to date, the "Dissolution Law"); and

WHEREAS, the Merced Designated Local Authority, as Successor Agency to the Redevelopment Agency of the City of Merced ("DLA") subsequently became the successor agency to the Agency for non-housing purposes; and

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

WHEREAS, the Oversight Board was formed for the DLA in accordance with HSC Section 34179, to oversee the actions of the DLA, and pursuant to HSC Section 34181(c), direct the DLA, as the successor agency, to transfer housing assets to the Housing Successor pursuant to HSC 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 HSC 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 PFEDA in March 2011, and were subsequently transferred by PFEDA to the City in April 2012; and

WHEREAS, HSC 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, HSC 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, HSC 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 HSC Section 34179.6(c); and

WHEREAS, in accordance with HSC 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 HSC Section 34181; and

WHEREAS, HSC 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 HSC 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 HSC 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 HSC 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 HSC Section 34176, DLA staff has reviewed such documentation and DLA staff desires to submit this documentation to the Oversight Board for consideration and approval;

WHEREAS, on January 17, 2017, the City adopted Resolution 2017-02, which authorizes the City as Housing Successor to retain title to the Housing Assets as housing assets, in accordance with the Dissolution Law; and

WHEREAS, the exhibits to the resolutions adopted by the City of Merced providing evidence of qualification of such properties as Housing Assets are too large to attach here; and

WHEREAS, below is a link that can be used to access the agenda from the January 17, 2017 City Council meeting by scrolling down to the bottom, finding the January 17, 2017 meeting, and accessing the agenda by clicking on the full agenda packet link to the right of the screen (the transfers were items H.11, H.12, and H.13 and by clicking on the links those agenda items, the full agenda packet will download); and

<https://cityofmerced.legistar.com/Calendar.aspx>

WHEREAS, Health & Safety Code Section 34181(a) requires the Oversight Board to direct the DLA as Successor Agency to transfer housing assets to the City of Merced as Housing Successor; and

WHEREAS, the requirements of Health & Safety Code Section 34181(f) have been satisfied, in that the Oversight Board is holding a public meeting to consider the transfer of the Housing Assets from the DLA to the City, ten (10) days public notice of said meeting was provided, and members of the public will be given an opportunity to comment on the transfer of the Housing Assets; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, THE OVERSIGHT BOARD TO THE MERCED DESIGNATED LOCAL AUTHORITY, AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF MERCED, DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The Recitals set forth above are true and correct and incorporated herein by reference.

SECTION 2. The Oversight Board hereby approves the transfer of the ownership of the Housing Assets as housing assets to the City of Merced as Housing Successor.

SECTION 3. In lieu of accepted title to the Housing Assets from the City and executing transfers thereof to the City of Merced as Housing Successor, the Oversight Board hereby directs the City of Merced as Housing Successor to retain the Housing Assets.

SECTION 4. The Chair of the DLA, Michael Amabile, or his designee, is hereby authorized (i) to transfer or direct the transfer or retention of the Housing Assets to the City of Merced as Housing Successor provided that this Oversight Board action has been approved or deemed approved by the Department of Finance, and (ii) to take such other actions and execute such documents as may be necessary in furtherance of the foregoing in accordance with applicable law.

SECTION 5. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution which can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board hereby declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion thereof.

SECTION 6. This Resolution shall take effect from and after the date of its passage and adoption in accordance with, and subject to, all applicable requirements of the Health & Safety Code.

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PASSED, APPROVED AND ADOPTED at a regular meeting of the Oversight Board to the Merced Designated Local Authority, as Successor Agency to the Redevelopment Agency of the City of Merced, held this 26th day of January, 2017, by the following vote:

AYES: *Ramirez, Urequidez, Johnston, Quintero*

NOES: *NONE*

ABSENT: *Cox, Inman*

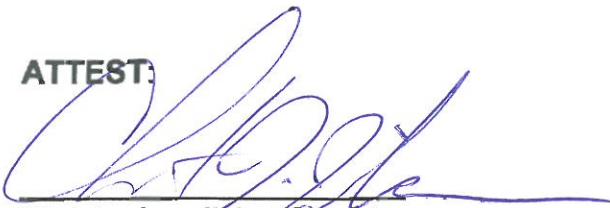
ABSTAIN: *NONE*



Adam Cox, Chair

Oversight Board to the Merced Designated
Local Authority, as Successor Agency to
the Redevelopment Agency of the City of
Merced

ATTEST:



Christopher Jicha, Secretary

**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