RESOLUTION NO. 2019-_____

A RESOLUTION OF THE CITY COUNCIL FO THE CITY OF MERCED, CALIFORNIA, ACTING IN ITS CAPACITY AS THE HOUSING SUCCESSOR AGENCY VALIDATING THE DEPOSIT OF FUNDS FROM THE SALE OF A HOUSING ASSET (951 WEST 7TH STREET) OWNED BY THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF MERCED INTO THE HOUSING ASSET FUND

WHEREAS, in accordance with the provisions of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.) ("H&S Code"), 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 H&S Code; and

WHEREAS, Assembly Bill X1 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 H&S Code Section 34173(d)(l), and as a result, the City of Merced Designated Local Authority ("DLA") was formed in accordance with H&S Code Section 34173(d)(3)(A) and assumed the former Redevelopment Agency's non-housing functions and obligations; and

WHEREAS, pursuant to H&S Code Section 34176(a), the City elected to retain the housing assets and functions previously performed by the Redevelopment Agency, and under H&S Code 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 H&S Code Section 34179, to oversee the actions of the DLA, and pursuant to H&S Code Section 34181(c), direct the DLA, as the successor agency, to transfer housing assets to the Housing Successor pursuant to H&S Code Section 34176; and

WHEREAS, the assets identified in 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 H&S Code Section 34176(e)(l)) 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, H&S Code 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, H&S Code 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, H&S Code 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 H&S Code Section 34179.6(c); and

WHEREAS, in accordance with H&S Code Section 34167.5, 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 H&S Code Section 34181; and

WHEREAS, H&S Code 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 H&S Code 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 H&S Code 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 H&S Code Section 34176, and returned the action to the Oversight Board for reconsideration; and

WHEREAS, H&S 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 assembled documentation to demonstrate that the Housing Assets identified in Exhibit A meet the criteria for housing assets as defined in H&S Code Section 34176, and the City submitted this documentation to the Oversight Board for consideration and approval; and

WHEREAS, on January 17, 2017, the City Council of Merced approved Resolution No. 2017-02 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, including most of the properties in Exhibit A, as identified therein; and

WHEREAS, on January 26, 2017, the Oversight Board approved Resolution No. 2017-04 approving the transfer of those housing assets to the City of Merced; and

WHEREAS, one housing asset known as 951 W. 7th Street (Assessor's Parcel Number: 032-133-015) was sold by the Housing Successor in 2012, with sale proceeds deposited into the Low- and Moderate-Income Housing Asset Fund ("Housing Asset Fund"), and excluded from the 2017 transfer; and

WHEREAS, City staff assembled documentation to demonstrate that 951 W. 7th Street met the criteria for housing assets as defined in H&S Code Section 34176, and the City desires to submit this documentation to the Oversight Board for consideration and approval to validate the deposit of sale proceeds from the sale of 454 W. 8th Street into the Housing Asset Fund.

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. Housing Asset. The City Council hereby determines that the Housing Asset known as 951 W. 7th Street is a "housing asset" that met the criteria defined in Health and Safety Code Section 34176 when it was owned by the Housing Successor. This determination as to the Housing Asset is based on the supporting documentation referenced in and attached to the Administrative Report, dated May 20, 2019, which information is incorporated herein by reference.

SECTION 3. Validation of Deposit of Funds. The City Council hereby validates and affirms the deposit of funds by the City from the sale of 951 W. 7th Street into the Housing Asset Fund 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 _____ 2019, 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 Tinnea 5-10-19
City Attorney Date

EXHIBIT A
LIST OF HOUSING ASSETS

APN	Address	Existing Use	Status
031-161-001	1744 I Street	Vacant Land	Transferred in 2017
031-074-010	1815 I Street	Vacant Land	Transferred in 2017
031-074-009	1823 I Street	Vacant Land	Transferred in 2017
031-082-002	150 W. 19th Street	Vacant Land	Transferred in 2017
031-074-008	202 W. 19th Street	Vacant Land	Transferred in 2017
031-074-011	205 W. 18th Street	Vacant Land	Transferred in 2017
031-074-012	211 W. 18th Street	Vacant Land	Transferred in 2017
031-084-011	49 W. 18th Street	Vacant Land	Transferred in 2017
059-256-004	73 S. R Street	Vacant Land	Transferred in 2017
031-163-005	26 W. 18th Street	Vacant Land	Excluded from 2017 Transfer
032-161-002	454 W. 8th Street	Single Family Home	Sold in 2015
032-133-015	951 W. 7th Street	Single Family Home	Sold in 2012