

CITY OF SOLANA BEACH
ACTION AGENDA

The Action Agenda of the Oversight Board Meeting is a document provided immediately following the Meeting in order to communicate the business transacted that resulting in actions taken by Board. This is a preliminary draft and not a public record. The meeting's legal record is the Minutes approved by the Board.

Oversight Board of the Successor Agency for the Solana Beach Redevelopment Agency
SPECIAL MEETING
Thursday, October 17, 2013
4:00 P. M.

City Hall, 635 S. Highway 101, Solana Beach, California

CALL TO ORDER AND ROLL CALL:

APPROVAL OF AGENDA:

CHAIR AND BOARDMEMBERS' COMMENTS

PUBLIC COMMENT (Non-Agenda Items)

This portion of the agenda provides an opportunity for members of the public to address the Oversight Board of the Successor Agency on items relating to the Board's subject matter and not appearing on today's agenda. Comments relating to items on this evening's agenda are taken at the time the items are heard. Pursuant to the Brown Act, no action shall be taken by the Board on public comment items. The Board may refer items for placement on a future agenda.

BOARD BUSINESS

1. Minutes of the Oversight Board.

- a. Approve the Minutes of the Oversight Board Meeting held September 26, 2013.

ACTION: Approved 6/1 (Absent: Coughlin)

2. Transfer of Housing Assets to City of Solana Beach as Housing Successor to the Former Solana Beach Redevelopment Agency. (File 0115-35)

- a. Adopt **Resolution OBSA-015** directing transfer of housing assets contained in the State Department of Finance approved Housing Asset List to the City of Solana Beach in its capacity as Housing Successor to the former Solana Beach Redevelopment Agency, pursuant to Health and Safety Code Section 34181(c).

ACTION: Approved 7/0

ADJOURN:

AFFIDAVIT OF POSTING:

*STATE OF CALIFORNIA
COUNTY OF SAN DIEGO
CITY OF SOLANA BEACH*

I, Angela Ivey, Secretary, of the Oversight Board to the Successor Agency and City Clerk of the City of Solana Beach, do hereby certify that this Agenda for the October 17, 2013 Special Meeting was called by Oversight Board to the Successor Agency for the Redevelopment Agency of Solana Beach and was provided and posted on October 16, 2013 at 7:45 a.m. on the City Bulletin Board at the entrance to City Hall. Said meeting is held at 4:00 p.m., October 17, 2013, at City Hall, 635 S. Highway 101, Solana Beach, California.

Angela Ivey, Secretary
City of Solana Beach, CA



STAFF REPORT OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE SOLANA BEACH REDEVELOPMENT AGENCY

TO: Honorable Chair and Members of the Oversight Board
FROM: David Ott, Executive Director
MEETING DATE: October 17, 2013
ORIGINATING DEPT: Successor Agency of the Solana Beach Redevelopment Agency
SUBJECT: **Transfer of Housing Assets to City of Solana Beach as Housing Successor to the Former Solana Beach Redevelopment Agency**

BACKGROUND:

At its regular meeting of January 11, 2012, the City Council of the City of Solana Beach adopted Resolution No. 2012-011, affirming that the City of Solana Beach (the "City") would elect to retain the housing assets and functions previously performed by the Solana Beach Redevelopment Agency (the "Dissolved RDA") and would serve as the housing successor agency for the Dissolved RDA, effective February 1, 2012.

On July 31, 2012, Staff submitted the Housing Successor Agency Housing Asset List (the "Housing Asset List" attached as Exhibit A) (Attachment 1) to the State Department of Finance ("DOF"). The Housing Asset List was a list of all "housing assets" of the Dissolved RDA, as defined in Health and Safety Code Section 34176(e), including: real and personal property interests acquired for low- and moderate-income housing purposes; encumbered funds; loan and grant receivables for assistance provided by the Low and Moderate Income Housing Fund ("Housing Fund"); rents and payments from housing operations; and amounts owed to the Housing Fund as a result of previously deferred or borrowed Housing Fund deposits. AB 1484 states that these assets are to be transferred to the Successor Agency.

The City, as housing successor, received a letter from the DOF dated August 30, 2012 (attached as Exhibit B) (Attachment 2) approving all housing assets listed on the Housing Asset List. The housing successor's assets include restrictive covenants on three affordable housing units, a predevelopment loan agreement with the Hitzke Corporation for design and planning of affordable housing, and funds encumbered for the predevelopment loan and legal services associated with the development.

OVERSIGHT BOARD ACTION:

DISCUSSION:

The City (and most cities in the State) believed that housing assets approved by the DOF and contained in the Housing Asset List transferred to the City as housing successor by operation of law and therefore did not require an Oversight Board action to direct this transfer.

However, the State Controller's Office (SCO) is directed to review transfers of redevelopment agency assets to cities from January 1, 2011 on. In reviews completed to date, the SCO has taken the position that transfer of housing assets to the City as housing successor requires the approval of the Oversight Board, even if approved by the DOF. If Oversight Board action has not been taken, the SCO has made an audit finding stating that these transfers were unauthorized. In addition, title companies are often requiring evidence that the Oversight Board has approved these transfers.

As required by AB 1484, the Successor Agency published a notice on October 3, 2013 stating that the Oversight Board would consider at this meeting approving the transfer of housing assets to the City in its capacity as housing successor.

Therefore, the Successor Agency requests that the Oversight Board adopt the attached resolution directing transfer of the housing assets contained in the DOF-approved Final Housing Asset List to the City in its capacity as housing successor.

CEQA COMPLIANCE STATEMENT:

Not a project as defined by CEQA.

FISCAL IMPACT:

Should the Oversight Board approve the request, there is no fiscal impact on any taxing agencies. Transfer of the assets does not create any new enforceable obligations, but rather allows the City to continue to manage the housing assets of the Dissolved RDA and to meet existing enforceable obligations.

WORKPLAN: N/A

OPTIONS:

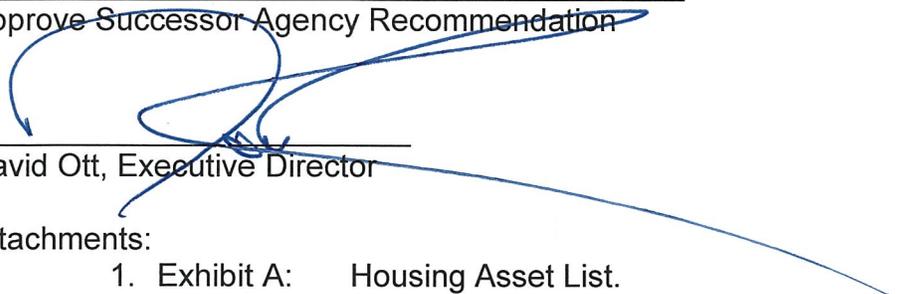
- Approve Staff recommendation.
- Provide direction. Note that AB1484 states that housing assets are to be managed by the housing successor.

SUCCESSOR AGENCY RECOMMENDATION:

The Successor Agency recommends that the Oversight Board adopt Resolution OBSA-015 (Attachment 3) directing transfer of housing assets contained in the State Department of Finance approved Housing Asset List to the City of Solana Beach in its capacity as housing successor to the former Solana Beach Redevelopment Agency, pursuant to Health and Safety Code Section 34181(c).

EXECUTIVE DIRECTOR'S RECOMMENDATION:

~~Approve Successor Agency Recommendation~~



David Ott, Executive Director

Attachments:

1. Exhibit A: Housing Asset List.
2. Exhibit B: Letter dated August 30, 2012 from Department of Finance.
3. Resolution OBSA-015

EXHIBIT A

DEPARTMENT OF FINANCE
HOUSING ASSETS LIST
ASSEMBLY BILL X1 26 AND ASSEMBLY BILL 1484
 (Health and Safety Code Section 34176)

Former Redevelopment Agency: Solana Beach Redevelopment Agency

Successor Agency to the Former Redevelopment Agency: City of Solana Beach, acting in its capacity as the Successor Agency of the Redevelopment Agency of the City of Solana Beach

Entity Assuming the Housing Functions of the former Redevelopment Agency: City of Solana Beach

Entity Assuming the Housing Functions Contact Name: David Ott Title City Manager Phone 858-720-2430 E-Mail Address dot@cosb.org

Entity Assuming the Housing Functions Contact Name: Marie Marron Berkuti Title Finance Manager/Treasurer Phone 858-720-2463 E-Mail Address mberkuti@yahoo.com

All assets transferred to the entity assuming the housing functions between February 1, 2012 and the date the exhibits were created are included in this housing assets list. The following Exhibits noted with an X in the box are included as part of this inventory of housing assets:

Exhibit A - Real Property	X
Exhibit B- Personal Property	X
Exhibit C - Low-Mod Encumbrances	X
Exhibit D - Loans/Grants Receivables	X
Exhibit E - Rents/Operations	X
Exhibit F- Rents	X
Exhibit G - Deferrals	

Prepared By: Marie Marron Berkuti

Date Prepared: 31-Jul-12

Exhibit A - Real Property

City of Solana Beach, acting in its capacity as the Successor Agency of the Redevelopment Agency of the City of Solana Beach
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Type of Asset a/	Legal Title and Description	Carrying Value of Asset	Total square footage	Square footage reserved for low-mod housing	is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant b/	Date of transfer to Housing Successor Agency	Construction or acquisition cost funded with Low-Mod Housing Fund monies	Construction or acquisition costs funded with other RDA funds	Construction or acquisition costs funded with non-RDA funds	Date of construction or acquisition by the former RDA	Interest in real property (option to purchase, easement, etc.)
1	Affordable Housing Units Covenants	403, 405, and 407 North Cedros Avenue Solana Beach, CA	\$0	4438* 3 UNITS	4438* 3 UNITS	Yes	California Redevelopment Law	1-Feb-12	\$0	\$0	\$0	27-May-05	Covenant
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a/ Asset Types may include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

b/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

Exhibit B - Personal Property
City of Solana Beach, acting in its capacity as the Successor Agency of the Redevelopment Agency of the City of Solana Beach
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Type of Asset, a/	Description	Carrying Value of Asset	Date of transfer to Housing Successor Agency	Acquisition cost funded with Low-Mod Housing Fund monies	Acquisition costs funded with other RDA funds	Acquisition costs funded with non-RDA funds	Date of acquisition by the former RDA
1	Housing-related files	Files	N/A	1-Feb-12	All	N/A	N/A	Various
2	Housing-related loan documents	Documents	N/A	1-Feb-12	All	N/A	N/A	Various
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a/ Asset types any personal property provided in residences, including furniture and appliances, all housing-related files and loan documents, office supplies, software licenses, and mapping programs, 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.

Exhibit C - Low-Mod Encumbrances

City of Solana Beach, acting in its capacity as the Successor Agency of the Redevelopment Agency of the City of Solana Beach
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Type of housing built or acquired with enforceably obligated funds. a/	Date contract for enforceable obligation was executed	Contractual counterparty	Total amount currently owed for the enforceable obligation	is the property encumbered by a low/mod housing covenant?	Source of low/mod housing covenant. b/	Current owner of the property	Construction or acquisition cost funded with Low-Mod Housing Fund monies	Construction or acquisition costs funded with other RDA funds	Construction or acquisition costs funded with non-RDA funds	Date of construction or acquisition of the property
1	Very low income multi-family housing	7/14/2010	Hizke Development Corporation	\$553,122	**	N/A	City of Solana Beach	\$648,000	none	\$5,640,000*	City acquired property when incorporated in 1986. Construction not yet started
2	Very low income multi-family housing	7/14/2010	McDougal Love Eckis Boehmer & Foley	\$9,832	N/A	N/A	N/A	pre-development costs (loan documents, etc)	none	none	N/A
3	Very low income multi-family housing	7/1/2010	Goldfarb & Lipman LLP	\$6,525	N/A	N/A	N/A	pre-development costs (loan documents, etc)	none	none	N/A
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* Estimated based on pro forma. All funds to be used for construction of very low income housing

** Agreement requires construction of very low income multi-family housing. Housing to be encumbered by low/mod covenant when construction begins.

a/ May include low/mod housing, mixed-income housing, low/mod housing with commercial space, mixed-income housing with commercial space.

b/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

Exhibit D - Loans/Grants Receivables

City of Solana Beach, acting in its capacity as the Successor Agency of the Redevelopment Agency of the City of Solana Beach
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Was the Low-Mod Housing Fund amount issued for a loan or a grant?	Amount of the loan or grant	Date the loan or grant was issued	Person or entity to whom the loan or grant was issued	Purpose for which the funds were loaned or granted	Are there contractual requirements specifying the purposes for which the funds may be used?	Repayment date, if the funds are for a loan	Interest rate of loan	Current outstanding loan balance
1	Loan	\$94,878	7/14/2010	Hitzke Development Corporation	very low income multi-family housing project	yes	** see footnote	3%	\$97,378*
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* amount disbursed to date and accrued interest

** repayment if terms of agreement are not met; secured by assignment of plans and specs; expected repayment 55 years after commencement of construction.

Exhibit E - Rents/Operations
City of Solana Beach, acting in its capacity as the Successor Agency of the Redevelopment Agency of the City of Solana Beach
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Type of payment a/	Type of property with which they are associated b/	Property owner	Entity that collects the payments	Entity to which the collected payments are ultimately remitted	Purpose for which the payments are used	Is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant c/	Item # from Exhibit A the rent/operation is associated with (if applicable)
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a/ May include revenues from rents, operation of properties, residual receipt payments from developers, conditional grant repayments, costs savings and proceeds from refinancing, and principal and interest payments from homebuyers subject to enforceable income limits.

b/ May include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

c/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

d/ No revenues received to date. All housing assets listed in Exhibits A and D may provide revenues to the housing successor that are derived from rents and operations and meet the definition of housing assets under Section 34176(e)(4). These revenues are incorporated into this Exhibit E by this reference. Revenues to third parties are not housing assets as defined in Section 34176(e).

Exhibit F - Rents

City of Solana Beach, acting in its capacity as the Successor Agency of the Redevelopment Agency of the City of Solana Beach
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Type of payment a/	Type of property with which the payments are associated b/	Property owner	Entity that collects the payments	Entity to which the payments are ultimately remitted	Purpose for which the payments are used	Is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant c/	Item # from Exhibit A the rent is associated with (if applicable)
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a/ May include rents or home loan payments.

b/ May include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

c/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

d/ No revenues received to date. All housing assets listed in Exhibits A and D may provide revenues to the housing successor from tenants and operators that are used for the purposes listed in Section 34176(e)(5). These revenues are incorporated into this Exhibit F by this reference. Revenues to third parties are not housing assets as defined in Section 34176(e).

Exhibit G - Deferrals
 City of Solana Beach, acting in its capacity as the Successor Agency of the Redevelopment Agency of the City of Solana Beach
 Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Purpose for which funds were deferred	Fiscal year in which funds were deferred	Amount deferred	Interest rate at which funds were to be repaid	Current amount owed	Date upon which funds were to be repaid
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EXHIBIT B



EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

August 30, 2012

Mr. David Ott, City Manager
City of Solana Beach
635 South Highway 101
Solana Beach, CA 92075

Dear Mr. Ott:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Solana Beach submitted a Housing Assets Transfer Form (Form) to the California Department of Finance (Finance) on July 31, 2012 and for the period February 1, 2012 through July 31, 2012.

Finance has completed its review of your Form, which may have included obtaining clarification for various items. Based on a sample of line items reviewed and the application of law, Finance is not objecting to any assets or transfers of assets identified on your Form.

Please direct inquiries to Robert Scott, Supervisor or Jenny DeAngelis, Lead Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Ms. Marie Marron Berkuti, Finance Manager, Solana Beach
Mr. Juan Perez, Senior Auditor and Controller Manager, San Diego County
Ms. Nenita DeJesus, Senior Auditor and Controller Accountant, San Diego County
California State Controller's Office

ATTACHMENT 2

RESOLUTION OBSA-015

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY FOR THE SOLANA BEACH REDEVELOPMENT AGENCY, DIRECTING TRANSFER OF HOUSING ASSETS CONTAINED IN DEPARTMENT OF FINANCE APPROVED HOUSING ASSET LIST TO THE CITY ACTING AS THE HOUSING SUCCESSOR AGENCY PURSUANT TO CALIFORNIA HEALTH AND SAEFTY CODE SECTION 34181(C).

WHEREAS, the Solana Beach Redevelopment Agency (“Redevelopment Agency”) was a redevelopment agency in the City of Solana Beach (“City”), duly created pursuant to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) (“Redevelopment Law”); and

WHEREAS, the City Council of the City has adopted a redevelopment plan for Solana Beach’s redevelopment project area; and

WHEREAS, the Redevelopment Agency was responsible for the administration of redevelopment activities within the City; and

WHEREAS, Assembly Bill No. 1x26 (2011-2012 1st Ex. Sess.) (“AB 26” or “Dissolution Act”) was signed by the Governor of California on June 28, 2011, making certain changes to the Redevelopment Law and the California Health and Safety Code (“Health and Safety Code”), including adding Part 1.8 (commencing with Section 34161) (“Part 1.8”) and Part 1.85 (commencing with Section 34170) (“Part 1.85”) to Division 24 of the Health and Safety Code; and

WHEREAS, pursuant to the Dissolution Act, as modified by the California Supreme Court on December 29, 2011 by its decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Redevelopment Agency, were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and winding down the business and fiscal affairs of the former redevelopment agencies; and

WHEREAS, pursuant to the Dissolution Act at Health and Safety Code Section 34173, the City Council of the City adopted Resolution No. 2012-011 on January 11, 2012, pursuant to Part 1.85 of the Dissolution Act, electing for the City to serve as the successor agency to the Redevelopment Agency upon the dissolution of the Redevelopment Agency under the Dissolution Act (“Successor Agency”); and

WHEREAS, pursuant to Health and Safety Code Section 34176, the City Council of the City, by Resolution No. 2012-011 on January 11, 2012, further declared that the City would elect to retain the housing assets and functions previously performed by Dissolved RDA and would serve as the housing successor agency for the Dissolved RDA, effective February 1, 2012; and

WHEREAS, as part of the FY 2012-2013 State budget package, on June 27, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1484 ("AB 1484", Chapter 26, Statutes 2012). Although the primary purpose of AB 1484 is to make technical and substantive amendments to the Dissolution Act based on issues that have arisen in the implementation of the Dissolution Act, AB 1484 imposes additional statutory provisions relating to the activities and obligations of successor agencies and to the wind down process of former redevelopment agencies (including the required preparation of a due diligence review) (reference hereinafter to the Dissolution Act means AB 26 as amended by AB 1484); and

WHEREAS, the Dissolution Act at Health and Safety Code Section 34179 establishes a seven (7) member local entity with respect to each successor agency and such entity is titled the "oversight board." The oversight board has been established for the Successor Agency (hereinafter referred to as the "Oversight Board") and all seven (7) members have been appointed to the Oversight Board pursuant to Health and Safety Code Section 34179. The duties and responsibilities of the Oversight Board include approving certain actions taken by the Successor Agency, directing the Successor Agency to take certain actions, and taking action on other matters in connection with the wind down process of former redevelopment agencies. Such duties and responsibilities are primarily set forth in Health and Safety Code Sections 34179 through 34181 of the Dissolution Act, although additional provisions of the Dissolution Act require Oversight Board action; and

WHEREAS, pursuant to the Dissolution Act at Health and Safety Code Section 34176, on July 31, 2012, City Staff submitted the Housing Successor Agency Housing Asset List (the "Housing Asset List") ("Exhibit A, attached hereto) to the California Department of Finance ("DOF"). The Housing Asset List was a list of all "housing assets" of the Redevelopment Agency, as defined in Health and Safety Code Section 34176(e), including: real and personal property interests acquired for low- and moderate-income housing purposes; encumbered funds; loan and grant receivables for assistance provided by the Low and Moderate Income Housing Fund ("Housing Fund"); rents and payments from housing operations; and amounts owed to the Housing Fund as a result of previously deferred or borrowed Housing Fund deposits; and

WHEREAS, the City received a letter from the DOF dated August 30, 2012 (Exhibit B, attached hereto), approving all housing assets listed on the Housing Asset List; and

WHEREAS, the State Controller's Office (SCO) intends to conduct a review of the former Redevelopment Agency's assets. The SCO has stated in other published audits that the transfer of housing assets from a successor agency to a housing successor requires Oversight Board action directing transfer of those assets; and

WHEREAS, public notice of the proposed actions set forth in this Resolution was published in the Successor Agency's newspaper of general circulation, the U-T North County, on October 3, 2013 in compliance with the requirement of Health and Safety Code Section 34181(f); and

WHEREAS, the Successor Agency requests that the Oversight Board direct transfer of the housing assets contained in the Housing Asset List to the City as the housing successor for the former Redevelopment Agency.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board of the Successor Agency for the Solana Beach Redevelopment Agency, as follows:

SECTION 1. The foregoing recitals are true and correct and are a substantive part of this Resolution.

SECTION 2. The Oversight Board's approvals, authorizations and determinations as set forth in this Resolution are based upon the foregoing recitals, information and documents provided by the Successor Agency staff, and any comments and other information received by the Oversight Board during the public meeting on this matter held on September 12, 2013.

SECTION 3. Pursuant to Health and Safety Code Section 34181(c), the Oversight Board does hereby direct the transfer of the housing assets contained in the Housing Asset List (Exhibit A, attached hereto) to the City acting as the housing successor to the former Redevelopment Agency.

SECTION 4. The Oversight Board hereby authorizes and directs the Executive Director, or designee, of the Successor Agency to (i) submit copies of this Resolution and actions taken herein, as approved and fully executed by the Oversight Board, to the DOF (electronically); (ii) post a copy of this Resolution and actions taken herein, as approved and fully executed by the Oversight Board, on the Successor Agency's internet website; and (iii) take all other actions necessary pursuant to the Dissolution Act to file, post, mail, or otherwise deliver by electronic mail, internet posting, and/or hardcopy all notices and transmittals necessary or convenient in connection with the actions taken by this Resolution.

SECTION 5. The Oversight Board hereby authorizes the Executive Director, or designee, of the Successor Agency to take such other actions and

execute such other documents on behalf of the Successor Agency as are necessary to effectuate the intent of this Resolution.

SECTION 6. This Resolution shall take effect upon the date of its adoption, subject to the DOF's review pursuant to Health and Safety Code Sections 34181(f) and 34179(h).

PASSED AND ADOPTED this 17th day of October, 2013, at a special meeting of the Oversight Board of the Successor Agency for the Solana Beach Redevelopment Agency by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

THOMAS GOLICH, Board Chair

APPROVED AS TO FORM:

ATTEST:

KENDALL D. BERKEY, General Counsel

ANGELA IVEY, Agency Secretary

RESOLUTION OBSA-015

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY FOR THE SOLANA BEACH REDEVELOPMENT AGENCY, DIRECTING TRANSFER OF HOUSING ASSETS CONTAINED IN THE DEPARTMENT OF FINANCE APPROVED HOUSING ASSET LIST TO THE CITY ACTING AS THE HOUSING SUCCESSOR PURSUANT TO CALIFORNIA HEALTH AND SAEFTY CODE SECTION 34181(C).

WHEREAS, the Solana Beach Redevelopment Agency (“Redevelopment Agency”) was a redevelopment agency in the City of Solana Beach (“City”), duly created pursuant to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) (“Redevelopment Law”); and

WHEREAS, the City Council of the City has adopted a redevelopment plan for Solana Beach’s redevelopment project area; and

WHEREAS, the Redevelopment Agency was responsible for the administration of redevelopment activities within the City; and

WHEREAS, Assembly Bill No. X1 26 (2011-2012 1st Ex. Sess.) (“AB 26”) was signed by the Governor of California on June 28, 2011, making certain changes to the Redevelopment Law and to the California Health and Safety Code (“Health and Safety Code”), including adding Part 1.8 (commencing with Section 34161) (“Part 1.8”) and Part 1.85 (commencing with Section 34170) (“Part 1.85”) to Division 24 of the Health and Safety Code; and

WHEREAS, pursuant to AB 26, as modified by the California Supreme Court on December 29, 2011 by its decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Redevelopment Agency, were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and expeditiously winding down the business and fiscal affairs of the former redevelopment agencies, including disposing of “housing assets”; and

WHEREAS, the City Council of the City adopted Resolution No. 2012-011 on January 11, 2012, pursuant to Part 1.85 of AB 26, electing for the City to serve as the successor agency to the Redevelopment Agency upon the dissolution of the Redevelopment Agency under AB 26 (“Successor Agency”), and electing for the City to retain the housing assets and functions of the

Redevelopment Agency upon the dissolution of the Redevelopment Agency under AB 26 ("Housing Successor"); and

WHEREAS, on February 1, 2012, the Redevelopment Agency was dissolved by operation of law and the Successor Agency and Housing Successor were established pursuant to AB 26; and

WHEREAS, as part of the FY 2012-2013 State budget package, on June 27, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1484 ("AB 1484", Chapter 26, Statutes 2012). On September 29, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1585 ("AB 1585"), which further amended certain provisions of AB 26 as amended by AB 1484 (AB 26, AB 1484, and AB 1585 are collectively referred to herein as the "Dissolution Act"); and

WHEREAS, Health and Safety Code Section 34179 of the Dissolution Act establishes a seven (7) member local entity with respect to each successor agency with fiduciary responsibilities to holders of enforceable obligations and taxing entities that benefit from distributions of property taxes, and such entity is titled the "oversight board." The oversight board has been established for the Successor Agency (hereinafter referred to as the "Oversight Board") and all seven (7) members have been appointed to the Oversight Board pursuant to Health and Safety Code Section 34179. The duties and responsibilities of the Oversight Board are primarily set forth in Health and Safety Code Sections 34179 through 34181 of the Dissolution Act, and include approving certain actions taken by the Successor Agency and directing the Successor Agency to take certain actions, in addition to taking action on other matters pursuant to the Dissolution Act in connection with the wind down process of the former Redevelopment Agency; and

WHEREAS, pursuant to Health and Safety Code Section 34175(b) of the Dissolution Act, on February 1, 2012, all assets, properties, contracts, leases, books and records, buildings and equipment of the former Redevelopment Agency transferred by operation of law to the control of the Successor Agency for administration pursuant to Part 1.85 of the Dissolution Act; and

WHEREAS, pursuant to Health and Safety Code Section 34176(a)(1) of the Dissolution Act, all rights, powers, duties, obligations, and housing assets as defined in Section 34176(e), excluding any amounts on deposit in the Low and Moderate Income Housing Fund and enforceable obligations retained by the Successor Agency, shall be transferred to the City in its capacity as the Housing Successor; and

WHEREAS, Health and Safety Code Section 34177(g) of the Dissolution Act requires the Successor Agency to effectuate the transfer of the housing

functions and assets of the former Redevelopment Agency to the City as the Housing Successor; and

WHEREAS, pursuant to Health and Safety Code Section 34181(c) of the Dissolution Act, the Oversight Board shall direct the Successor Agency to transfer housing assets pursuant to Health and Safety Code Section 34176 of the Dissolution Act; and

WHEREAS, pursuant to Health and Safety Code Section 34176(a)(2) of the Dissolution Act, on July 31, 2012, City staff prepared and submitted the Housing Successor Housing Asset List (the "Housing Asset List") (Exhibit A, attached hereto) to the California Department of Finance ("DOF"). The Housing Asset List was a list of all "housing assets" of the Redevelopment Agency, as defined in Health and Safety Code Section 34176(e), including: real and personal property interests acquired for low- and moderate-income housing purposes; encumbered funds; loan and grant receivables for assistance provided by the Low and Moderate Income Housing Fund ("Housing Fund"); rents and payments from housing operations; and amounts owed to the Housing Fund as a result of previously deferred or borrowed Housing Fund deposits; and

WHEREAS, the City received a letter from the DOF dated August 30, 2012 (Exhibit B, attached hereto), stating that the DOF was not objecting to any assets or transfers of assets identified on the Housing Asset List; and

WHEREAS, the State Controller's Office ("SCO") has the obligation under the Dissolution Act to conduct a review of all asset transfers from the former Redevelopment Agency after January 1, 2011 through January 31, 2012 and from the Successor Agency on or after February 1, 2012. The SCO has stated in other published audits that the transfer of housing assets to a housing successor requires Oversight Board action directing transfer of those assets; and

WHEREAS, public notice of the proposed Oversight Board actions set forth in this Resolution was duly and timely published in a newspaper of general circulation, the U-T North County, on October 3, 2013 in compliance with the requirement of Health and Safety Code Section 34181(f) of the Dissolution Act; and

WHEREAS, the Successor Agency requests that the Oversight Board direct the Successor Agency's transfer of the housing assets contained in the Housing Asset List, as approved by the DOF, to the City as the Housing Successor; and

WHEREAS, in accordance with the Dissolution Act and to facilitate future transactions relating to the housing functions of the former Redevelopment Agency, the Oversight Board desires to direct the Successor Agency's transfer of

the housing assets to the City as the Housing Successor, consistent with the transfers of housing assets approved by the DOF on the Housing Asset List.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board of the Successor Agency for the Solana Beach Redevelopment Agency, as follows:

SECTION 1. The foregoing recitals are true and correct and are a substantive part of this Resolution.

SECTION 2. The Oversight Board's approvals, authorizations and determinations as set forth in this Resolution are based upon the foregoing recitals, information and documents provided by the Successor Agency staff, and any comments and other information received by the Oversight Board during the public meeting on this matter held on October 17, 2013.

SECTION 3. Pursuant to Health and Safety Code Section 34181(c) of the Dissolution Act, the Oversight Board does hereby direct the Successor Agency's transfer of the housing assets contained in the Housing Asset List (Exhibit A, attached hereto), as approved by the DOF, to the City acting in its capacity as the Housing Successor to the former Redevelopment Agency.

SECTION 4. The Oversight Board hereby authorizes and directs the Executive Director, or designee, of the Successor Agency to (i) submit copies of this Resolution and actions taken herein, as approved and fully executed by the Oversight Board, to the DOF (electronically); (ii) post a copy of this Resolution and actions taken herein, as approved and fully executed by the Oversight Board, on the Successor Agency's internet website; and (iii) take all other actions necessary pursuant to the Dissolution Act to file, post, mail, or otherwise deliver by electronic mail, internet posting, and/or hardcopy all notices and transmittals necessary or convenient in connection with the actions taken by this Resolution.

SECTION 5. The Oversight Board hereby authorizes the Executive Director, or designee, of the Successor Agency to take such other actions and negotiate and execute such instruments and documents on behalf of the Successor Agency as are necessary and appropriate to confirm, implement and effectuate the Successor Agency's transfer of the housing assets approved by the DOF on the Housing Asset List to the City as the Housing Successor and to effectuate the intent of this Resolution.

SECTION 6. This Resolution shall take effect upon the date of its adoption, subject to the DOF's review pursuant to Health and Safety Code Sections 34181(f) and 34179(h) of the Dissolution Act.

PASSED AND ADOPTED this 17th day of October, 2013, at a special meeting of the Oversight Board of the Successor Agency for the Solana Beach Redevelopment Agency by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

THOMAS GOLICH, Board Chair

APPROVED AS TO FORM:

ATTEST:

KENDALL D. BERKEY, General Counsel

ANGELA IVEY, Agency Secretary