

RESOLUTION NO. 11-12 (OB)

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF WATSONVILLE CONFIRMING THE TRANSFER OF HOUSING ASSETS OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF WATSONVILLE TO THE SUCCESSOR HOUSING AGENCY UNDER HEALTH & SAFETY CODE SECTION 34176

WHEREAS, in accordance with the provisions of the California Community Redevelopment Law (Health & Safety Code Section 33000, et seq. (“**CRL**”), the City Council of the City of Watsonville (“**City**”) previously established the Redevelopment Agency of the City of Watsonville, a public body, corporate and politic (“**Agency**”) to carry out the purposes of and exercise the powers granted to community redevelopment agencies in accordance with the CRL; and

WHEREAS, in accord with CRL Section 34172, the Agency was dissolved as of February 1, 2012 and its rights, powers, duties and obligations, other than the Agency’s housing assets and functions, were transferred to a “successor agency” (as defined by CRL Section 34171(j)); and

WHEREAS, in accord with CRL Section 34173, the City is the successor agency (“**Successor Agency**”) to the former Agency and, as such, is vested with all authority, rights, powers, duties and obligations previously vested in the Agency by the CRL, except for the Agency’s housing assets and functions, and except to the extent repealed, restricted or revised pursuant to provision of Assembly Bill x1 26 (“**AB 26**”); and

WHEREAS, in accord with CRL Section 34179, an oversight board (“**Oversight Board**”) for the Successor Agency was formed and exercises the powers given to oversight boards under the CRL; and

WHEREAS, in accord with CRL Section 34176, the City elected to act as the “housing successor” (“**Housing Successor**”) to the Agency and thereby retained the Agency’s housing assets and functions; and

WHEREAS, neither CRL Section 34176 nor any other provision of AB 26 requires the Oversight Board to approve the transfer of the Agency’s housing assets and functions to the Housing Successor; and

WHEREAS, notwithstanding the lack of any such approval requirement, the State Department of Finance has informally opined that the transfers of former redevelopment agency housing assets to a housing successor require approval of the cognizant oversight board; and

WHEREAS, without conceding the correctness of the Department of Finance’s position, the Housing Successor has asked the Oversight Board to (1) approve the transfer to the Housing Successor of certain residential real properties described on the attached **Exhibit “A”** (“**Subject Properties**”) which were acquired and held as Agency housing assets and (2) confirm that the Subject Properties can be disposed of or developed as affordable housing projects and that the proceeds of any sales of the Subject Properties are Housing Successor assets and may be used by the Housing Successor to carry out the Agency’s housing functions; and

WHEREAS, the only source of tax increment funds used to acquire the Subject Properties were from the Agency’s low and moderate income housing fund (“**LMIHF**”) established under CRL Section 33334.3; and

WHEREAS, by operation of CRL Section 34176, the Subject Properties became Housing Successor assets on February 1, 2012; and

WHEREAS, the Subject Properties will continue to be restricted for use and occupancy by persons and families of low and moderate income as required by the CRL or if sold, sales proceeds will be used for the purposes of increasing, improving and preserving the City's supply of low and moderate income housing; and

WHEREAS, the Oversight Board desires (1) to confirm and approve the transfer of the Subject Properties to the Housing Successor as a housing asset of the former Agency, and (2) to confirm that the sales proceeds, if any, from the sale of the Subject Properties are Housing Successor assets and may be used for the purposes of increasing, improving and preserving the City's supply of low and moderate income housing.

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF WATSONVILLE AS FOLLOWS:

Section 1. Based upon the oral and written evidence presented to the Oversight Board at the time of its consideration of this Resolution, the Oversight Board finds and determines as follows:

- (1) The sole source of the funds used by the Agency to acquire the Subject Properties was the Agency's low and moderate income housing fund established pursuant to CRL Section 33334.3.
- (2) The Subject Properties were housing assets of the former Agency. The Subject Properties became Housing Successor assets on February 1, 2012. The future disposition and development of the Subject Properties must be for the purpose of increasing, improving and preserving the City's supply of low and moderate

income housing. Any proceeds from the Subject Properties' sale will be Housing Successor assets to be used for the purpose of increasing, improving and preserving the City's supply of low and moderate income housing.

- (3) The Oversight Board approves the transfer of the Subject Properties to the Housing Successor.

Section 2. The Oversight Board acknowledges that the Housing Successor's submission of the matters described in this Resolution to the Oversight Board for approval is done to avoid unnecessary delay in any transaction by which the Subject Properties are to be returned to the City's supply of affordable low and moderate income housing. The Oversight Board further acknowledges that the Housing Successor's submission of these matters to the Oversight Board does not constitute a waiver or an admission by the City, the Successor Agency or the Housing Successor that AB 26 or any other legal provision requires the Oversight Board's approval for the transfer of any Agency housing asset from the Agency or the Successor Agency to the Housing Successor or from the Housing Successor to another party. The Oversight Board acknowledges that the City, the Successor Agency, and the Housing Successor reserve all rights, defenses and claims with respect to such matters.

Section 3. This Resolution will become effective in accord with CRL Section 34179(h).

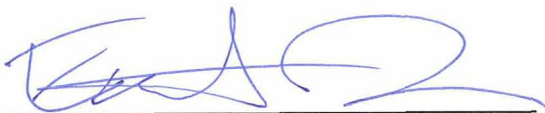
The foregoing resolution was introduced at a regular meeting of the Oversight Board of Successor Agency to the City of Watsonville Redevelopment Agency, held

on the 20th day of June, 2012, by Member Tavantzis, who moved its adoption, which motion being duly seconded by Member McFadden, was upon roll call carried and the resolution adopted by the following vote:

AYES: BOARD MEMBERS: **McFadden, Medina, Tavantzis, Cortez, Montesino**

NOES: BOARD MEMBERS: **None**

ABSENT: BOARD MEMBERS: **Caput, Pirie**



Eduardo Montesino, Chair

ATTEST:



Irwin I. Ortiz, Assistant Board Secretary

Exhibit "A"

APN: 015-391-20	Acquired 12-3-03	36 Airport Road	41,559 sf
APN: 017-302-24	Acquired 4-3-03	100 East Front	19,332 sf
APN: 107-361-11	Acquired 3-5-93	101 Main Street	6,078 sf