

RESOLUTION NO. OB 2013-009

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE LA MESA COMMUNITY REDEVELOPMENT AGENCY APPROVING AND RATIFYING THE TRANSFER OF OWNERSHIP OF A REAL PROPERTY HOUSING ASSET, AND APPROVING THE ASSIGNMENT OF THE RELATED GROUND LEASE (BUT EXCLUDING ASSIGNMENT OF FINANCIAL RELATED ENFORCEABLE OBLIGATIONS RETAINED BY THE SUCCESSOR AGENCY) TO THE CITY OF LA MESA AS THE DESIGNATED ENTITY THAT ASSUMED THE HOUSING FUNCTIONS OF THE FORMER LA MESA COMMUNITY REDEVELOPMENT AGENCY, IN ACCORDANCE WITH CALIFORNIA HEALTH AND SAFETY CODE SECTION 34181(c)

WHEREAS, the La Mesa Community Redevelopment Agency ("Redevelopment Agency") was a redevelopment agency in the City of La Mesa ("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 Redevelopment Agency owned fee title to certain real property commonly known as the Campina Court Apartments property, referenced by Assessor Parcel Number 490-580-12-00, and located at 9000 Campina Court in the City of La Mesa (the "Property"); and

WHEREAS, the Property is subject to that certain Ground Lease dated December 15, 1993 by and between the Redevelopment Agency and the La Mesa Family Housing Partnership, L.P., a California limited partnership ("Developer"), as amended by that certain First Amendment to Ground Lease dated as of April 26, 2005 (collectively, the "Ground Lease"), which obligated the Developer to develop, in accordance with the Redevelopment Law, an affordable housing project. As a result of the Ground Lease, a 60-unit multifamily affordable rental housing project was developed and is currently being operated on the Property; 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 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. 2012-005 on January 10, 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 responsibility for performing housing functions of the Redevelopment Agency upon the dissolution of the Redevelopment Agency under AB 26 ("Successor Housing Entity"); and

WHEREAS, due to the impending dissolution of the Redevelopment Agency and in accordance with AB 26, on January 24, 2012, the Property was transferred from the Redevelopment Agency to the City pursuant to City Council Resolution No. 2012-007 and Redevelopment Agency Resolution No. 370-RA; and

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

WHEREAS, Health and Safety Code Section 34179 of AB 26 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 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). Although the primary purpose of AB 1484 was to make technical and substantive amendments to AB 26 based on issues that have arisen in the implementation of AB 26, 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; and

WHEREAS, 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, 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 AB 26; 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) (which includes real property housing assets), 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 Successor Housing Entity; 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 Successor Housing Entity; and

WHEREAS, pursuant to Health and Safety Code Section 34176(a)(2) of the Dissolution Act, the Successor Housing Entity prepared the Housing Asset Transfer Form (the "HAT") for the purpose of identifying the housing assets of the former Redevelopment Agency, and on July 31, 2012 submitted the HAT to the California Department of Finance ("Department of Finance") for its review. The Property was included on Exhibit "A" of the HAT, as a real property housing asset; and

WHEREAS, by written correspondence dated August 30, 2012, the Department of Finance notified the Successor Housing Entity that it did not object to transfer of the housing assets listed on Exhibit A of the HAT to the City as the Successor Housing Entity, including the Property; and

WHEREAS, on July 16, 2013, the Department of Finance issued a Finding of Completion to the Successor Agency pursuant to Health and Safety Code Section 34179.7 of the Dissolution Act; 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 Section 34176 of the Dissolution Act; and

WHEREAS, in accordance with the Dissolution Act and to facilitate future transactions relating to the Property and housing functions of the former Redevelopment Agency, the Oversight Board desires to approve and ratify the transfer of the Property to the City as the Successor Housing Entity, consistent with the transfers of housing assets approved on the HAT by the Department of Finance; and

WHEREAS, in accordance with the Dissolution Act and to further facilitate the use of the Property for purposes of affordable housing subject to the Ground Lease, the Oversight Board desires to approve the Assignment and Assumption Agreement, in

substantially the form presented by the Successor Agency staff to the Oversight Board at the public meeting and consistent with this Resolution, whereby the Successor Agency's rights, duties, and obligations under the Ground Lease will be assigned by the Successor Agency to, and assumed by, the City as the Successor Housing Entity, while the Successor Agency shall retain any and all financial related enforceable obligations set forth in the Ground Lease in accordance with Health and Safety Code Section 34176(a) of the Dissolution Act; and

WHEREAS, public notice of the proposed Oversight Board actions pursuant to this Resolution was duly and timely provided as required by Health and Safety Code Section 34181(f) of the Dissolution Act.

NOW, THEREFORE the Oversight Board of the Successor Agency to the La Mesa Community Redevelopment Agency does hereby resolve as follows:

Section 1. The Oversight Board hereby determines that the foregoing recitals are true and correct.

Section 2. All legal prerequisites to the adoption of this Resolution have occurred.

Section 3. The Oversight Board hereby approves and ratifies the transfer of ownership of the Property, a housing asset defined under Health and Safety Code Section 34176(e)(1) of the Dissolution Act and approved by the Department of Finance on the HAT, to the City as the Successor Housing Entity, pursuant to and in accordance with the Dissolution Act.

Section 4. The Oversight Board hereby adopts, approves, ratifies and confirms all actions taken by the former Redevelopment Agency, the Successor Agency, and their staff to implement and carry out the transfer to the Successor Housing Entity of all of the former Redevelopment Agency's and Successor Agency's right, title and interest in and to the Property.

Section 5. The Oversight Board hereby approves the proposed Assignment and Assumption Agreement in substantially the form presented to the Oversight Board at this meeting, with such minor changes as may be approved by the Successor Agency Executive Director or designee with approval as to form by the Successor Agency's General Counsel, and specifically acknowledges and approves the Successor Agency's retention of any and all financial related enforceable obligations set forth in the Ground Lease in accordance with Health and Safety Code Section 34176(a) of the Dissolution Act.

Section 6. The Successor Agency Executive Director or designee is hereby authorized to take such actions and negotiate and execute such instruments and documents as are necessary or desirable and appropriate to confirm, ratify, implement and effectuate the transfer of ownership of the Property to the City as the Successor

Housing Entity, the assignment of the Ground Lease to the City as the Successor Entity while the Successor Agency retains any and all financial related enforceable obligations set forth in the Ground Lease, and to effectuate the intent of this Resolution.

Section 7. This Resolution shall take effect immediately and is subject to review by the Department of Finance in accordance with Health and Safety Code Sections 34179(h) and 34181(f) of the Dissolution Act.

PASSED AND ADOPTED at a duly noticed public meeting of the Oversight Board of the Successor Agency to the La Mesa Community Redevelopment Agency held the 5th day of September, 2013, by the following vote, to wit:

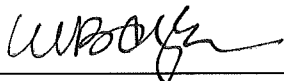
AYES: Adams, Ayres, Fazio, Gonzales, Patterson, Rearic, South

NOES: none

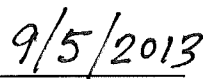
ABSENT: none

CERTIFICATE OF SECRETARY

I, WILLIAM B. CHOPYK, Secretary of the La Mesa Successor Agency Oversight Board of the City of La Mesa, California, do hereby certify the foregoing to be a true and exact copy of Resolution No. OB 2013-009 duly passed and adopted by the La Mesa Successor Agency Oversight Board on the date and by the vote therein recited.



WILLIAM B. CHOPYK
Secretary
La Mesa Successor Agency Oversight Board



Date