

# Agenda Report

February 11, 2013

**TO:** Honorable Mayor and City Council

**FROM:** Housing Department

**SUBJECT:** ADOPTION OF A RESOLUTION CONFIRMING THE CITY OF PASADENA AS HOUSING SUCCESSOR TO THE PASADENA COMMUNITY DEVELOPMENT COMMISSION RETAINING ALL HOUSING ASSETS AND FUNCTIONS PURSUANT TO PART 1.85 OF DIVISION 24 OF THE CALIFORNIA HEALTH AND SAFETY CODE

**RECOMMENDATION:**

It is recommended that the City Council adopt a resolution confirming the City of Pasadena as Housing Successor to the Pasadena Community Development Commission ("PCDC") and retaining all housing assets and functions previously performed by PCDC as the redevelopment agency, and accepting the transfer of all rights, powers, duties, and obligations associated with the housing activities of the PCDC.

**BACKGROUND:**

By operation of law, effective February 1, 2012, when the PCDC, as the redevelopment agency, was dissolved, the City has been operating as Housing Successor to the PCDC as provided in Health and Safety Code Section 34176(a). However, from time to time, title officers, state and federal agencies, and others have requested documentation confirming the City's status as Housing Successor. The recommended adoption of the Resolution would provide a ready document confirming the City's role as Housing Successor conveniently documenting that all housing assets, housing functions, and all rights, powers, assets, liabilities, duties, and obligations associated with the housing activities of the PCDC, have been transferred to the City.

**COUNCIL POLICY CONSIDERATION:**

The staff recommendation is consistent with the following City Council Strategic Plan goals:

- Support and promote the quality of life and the local economy.
- Maintain fiscal responsibility and stability

**ENVIRONMENTAL ANALYSIS:**

California Environmental Quality Act ("CEQA") Guidelines Article 5 (Section 15061 (b)(3) describes the "general rule" which states that CEQA applies only to projects

HOUSING SUCCESSOR

February 11, 2013

Page 2 of 2

which have the potential for causing a significant effect on the environment. In this case, a confirmation to retain housing assets and functions previously performed by the PCDC as the redevelopment agency, and accepting the transfer of all rights, powers, duties, and obligations associated with the housing activities of the PCDC is a City Council policy decision that does not have the potential of impacting the environment.

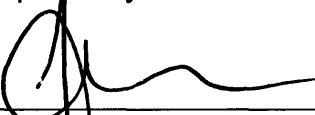
**FISCAL IMPACT:**

Approval of the staff recommendation will have no operational impact as the management of former PCDC housing assets and administration of its housing functions are currently performed by the City's Housing Department and this would continue. However, as a consequence of the dissolution of redevelopment, the Housing Department no longer receives approximately \$3 million annually in tax increment dollars as a revenue source to support the development of affordable housing and department operations. Apart from a modest annual administrative reimbursement that the City receives from the allocation of property taxes, the law does not authorize a funding mechanism for performing housing functions previously performed by the redevelopment agency. The housing revenue shortfall from the dissolution of redevelopment in 2012 has been and will continue to be addressed as part of the City's overall operating budget process.

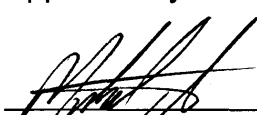
Respectfully submitted,

  
WILLIAM K. HUANG  
Housing Director

Prepared by:

  
JAMES WONG  
Senior Project Manager

Approved by:

  
MICHAEL J. BECK  
City Manager

**RESOLUTION NO.**

**RESOLUTION OF THE CITY OF PASADENA CONFIRMING THE  
ELECTION OF THE CITY OF PASADENA AS HOUSING SUCCESSOR  
RETAINING ALL HOUSING ASSETS AND FUNCTIONS OF THE  
PASADENA COMMUNITY DEVELOPMENT COMMISSION UNDER PART  
1.85 OF THE HEALTH AND SAFETY CODE SUBJECT TO  
RESERVATIONS HEREIN STATED**

**WHEREAS**, the City of Pasadena, a municipal corporation (“City of Pasadena”) formed the Pasadena Community Development Commission, a public body, corporate and politic (“Commission”) which has continuously engaged in redevelopment activities and housing activities under the Community Redevelopment Law (Health and Safety Code sections 33000 et seq.); and

**WHEREAS**, by enactment of Part 1.85 of the Health and Safety Code, subject to all reservations herein stated, the Commission, was dissolved on February 1, 2012 such that the Commission is deemed as a former redevelopment agency under Health and Safety Code section 34173(a); and

**WHEREAS**, Health and Safety Code section 34176(a) authorizes a city that created a redevelopment agency to elect to retain the housing assets and functions previously performed by the redevelopment agency. Pursuant to Section 34176(a), if a city elects to retain the responsibility for performing housing functions previously performed by the redevelopment agency, all rights, powers, duties, and obligations, excluding any amounts on deposit in the Low and Moderate Income Housing Fund, shall be transferred to the City.

**WHEREAS**, the City Council of the City of Pasadena desires to confirm the City of Pasadena as the housing successor to retain the housing assets and functions previously performed by the Pasadena Community Development Commission as of the date of dissolution of the Commission, subject to all reservations herein stated; and

**WHEREAS**, the City Council does not intend, by adoption of this resolution, to waive any constitutional and/or legal rights under law and/or equity, including, without limitation, to challenge the effectiveness of AB 1x 26, by virtue of the adoption of this Resolution and, therefore, reserves all of its rights under Laws to challenge the applicability of AB 1x 26 to the Commission and/or the City of Pasadena in any administrative or judicial proceeding; and

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

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PASADENA AS FOLLOWS:**

1. Subject to all reservations herein stated, the City of Pasadena hereby confirms that it has elected to become the housing successor and to retain the housing assets and functions previously performed by the Pasadena Community Development Commission under Health and Safety Code section 34176(a) and implement all duties of housing successor under Part 1.85 of the Health and Safety Code.
2. The City Manager is hereby authorized to administer the responsibilities of the City of Pasadena under Part 1.85 of the Health and Safety Code.
3. This Resolution shall take effect immediately upon its adoption.

**ADOPTED** by the City Council of the City of Pasadena at a meeting held on the \_\_\_ day of \_\_\_\_\_, 2013, by the following vote:

AYES:

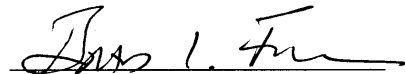
NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
MARK JOMSKY  
City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Brad L. Fuller  
Assistant City Attorney