



Agenda Report

April 30, 2018

TO: Honorable Mayor, City Council and Successor Agency Board

FROM: Housing and Career Services Department

SUBJECT: ADOPTION OF RESOLUTIONS APPROVING THE TRANSFER TO THE HOUSING SUCCESSOR CERTAIN HOUSING ASSETS FROM THE SUCCESSOR AGENCY TO THE PASADENA COMMUNITY DEVELOPMENT COMMISSION PURSUANT TO THE PROVISIONS OF THE DISSOLUTION LAW AND APPROVING THE AUTHORITY OF THE CITY MANAGER OF THE CITY OF PASADENA/EXECUTIVE DIRECTOR OF THE SUCCESSOR AGENCY TO EXECUTE RELATED AGREEMENTS.

RECOMMENDATION:

It is recommended that:

- a) The Successor Agency Board and the City of Pasadena, in its capacity as housing successor (the "Housing Successor"), each hereby determine that the activity approved by the attached resolutions is not a "project" for purposes of CEQA, because the activity approved by the attached resolutions is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines;
- b) The Successor Agency Board adopt a Resolution approving, and recommending to its Oversight Board that the Oversight Board approve the transfer of Housing Assets described and set forth in the body of this Agenda Report and authorizing the Executive Director of the Successor Agency to execute related agreements and to take related actions; and
- c) The City Council adopt a Resolution approving the transfer and acceptance of Housing Assets described and set forth in the body of this Agenda Report and authorizing the City Manager to execute related agreements and to take related actions.

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BACKGROUND:

On June 28, 2011, Assembly Bill No. X1 26 ("AB 26") was signed into law by the Governor of California which amended the California Health and Safety Code and called for the dissolution of redevelopment agencies throughout the State and wind down of their business and fiscal affairs, and also established the procedures by which this was to be accomplished. AB 26 has since been amended by various assembly and senate bills enacted by the California Legislature and signed by the Governor (AB 26 as amended is hereinafter referred to as the "Dissolution Law").

Pursuant to the Dissolution Law, the City of Pasadena ("City") accepted the role of housing successor ("Housing Successor") and agreed to assume the housing assets and functions of the Pasadena Community Development Commission ("PCDC").

Pursuant to Section 34176(a)(1) of the Dissolution Law, if a city that authorized the creation of a redevelopment agency elects to serve as a housing successor for that redevelopment agency, then all rights, powers, duties, obligations, and housing assets shall be transferred to the city as housing successor. The term housing asset is defined in Section 34176(e) of the Dissolution Law and includes, in part, loan documents that were acquired for low- and moderate-income housing purposes with any source of funds, any funds derived from rents or operation of properties acquired for low- and moderate-income housing purposes by other parties that were financed with any source of funds including proceeds from refinancing, and other payments from housing tenants or operators of low- and moderate-income housing financed with any source of funds that are used to maintain, operate, and enforce the affordability of housing or for enforceable obligations associated with low- and moderate-income housing.

Accordingly, pursuant to Section 34176 (a) (2) of the Dissolution Law, on August 30, 2012, the City submitted to the State Department of Finance for approval a list of Housing Assets (totaling 145 secured loans and/or real properties) to be transferred from the Successor Agency to the Housing Successor. Final approval was granted by the State on February 26, 2013. Subsequently, upon staff review of the City housing loans inventory, it has been determined that an additional forty-seven (47) housing loans originated by the former PCDC (or funded with monies controlled by the PCDC) qualify as Housing Assets and, therefore, should also be transferred to the Housing Successor. The following additional Housing Assets to be transferred from the Successor Agency to the Housing Successor qualify as housing assets under Section 34176(e) of the Dissolution Law:

1. The **Multifamily Rental Project Loan Documents** relating to multifamily rental project loans (total 7) on properties listed on Attachment No. 1 to this staff report;
2. The **Homebuyer Assistance Loan Documents** relating to homebuyer assistance loans (total 34) on properties listed on Attachment No. 2 to this staff report.
3. The **Homeowner Rehabilitation Loan Documents** relating to rehabilitation loans (total 6) on homeowner-occupied properties listed on Attachment No. 3 to this staff report.

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Upon the Successor Agency Board's and the City Council's adoption of the proposed respective resolutions, a separate resolution approving and directing the transfer of the Housing Assets from the Successor Agency to the Housing Successor would be submitted for consideration by the Successor Agency's Oversight Board on or about May 10, 2018, and subsequently to the California Department of Finance for consideration.

The agreements necessary to effectuate the disposition of the Housing Assets from the Successor Agency to the Housing Successor would be administratively executed as determined necessary by the City Manager of the City/Executive Director of the Successor Agency.

COUNCIL POLICY CONSIDERATION:

This proposed action supports the City Council strategic objective to maintain fiscal responsibility and stability.

ENVIRONMENTAL REVIEW:

The activity proposed herein is not a "project" for purposes of the California Environmental Quality Act (CEQA), as that term is defined by Guidelines Section 15378, because the proposed activity is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines.

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FISCAL IMPACT:

The transfer of the Housing Assets from the Successor Agency to the Housing Successor will have no direct fiscal impact as all loans are currently included in the City's housing loan inventory, accounted by the original funding sources of the loans, and reconciled with the City's General Ledger. Payments received on the associated loans would be accounted as Housing Successor program income.

Respectfully submitted,



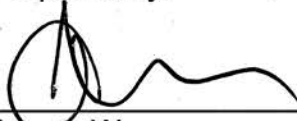
STEVE MERMELL
City Manager

Approved by:



WILLIAM K. HUANG
Director of Housing and Career Services

Prepared by:



James Wong
Senior Project Manager

Attachments:

Resolution of Successor Agency Board

Resolution of Pasadena City Council

Attachment No. 1: List of properties relating to Multifamily Rental Project Loans

Attachment No. 2: List of properties relating to Homebuyer Assistance Loans

Attachment No. 3: List of properties relating to Homeowner Rehabilitation Loans