

STAFF REPORT

SUCCESSOR AGENCY
CITY OF OCEANSIDE

DATE: September 24, 2013

TO: The Oversight Board of the City of Oceanside Successor Agency

FROM: Michael Blazenski, Interim Financial Services Director

SUBJECT: **ADOPTION OF A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY DIRECTING THE TRANSFER OF HOUSING ASSETS TO THE OCEANSIDE HOUSING AUTHORITY**

SYNOPSIS

Adoption of a resolution approving the transfer of housing assets from the Successor Agency to the Oceanside Housing Authority (the "Authority").

BACKGROUND

The California State Legislature enacted Assembly Bill x1 26 (the "Dissolution Act") in June of 2011 to dissolve redevelopment agencies formed under the Community Redevelopment Law. Under the Dissolution Act, all California redevelopment agencies, including the City of Oceanside Redevelopment Agency (the "Dissolved RDA") were dissolved effective February 1, 2012.

Pursuant to Health and Safety Code Section 34176(a)(1), the City Council of the City of Oceanside elected that the Housing Authority (the "Authority") will retain the housing assets and functions previously performed by the Dissolved RDA, and will serve as successor housing agency of the Dissolved RDA effective February 1, 2012.

ANALYSIS

In June 2012, the California legislature passed AB 1484 to amend the Dissolution Act. AB 1484 imposed some significant new requirements on successor agencies, housing successor agencies and oversight boards of dissolved redevelopment agencies. One of these requirements was for the City to create a Housing Asset List that identifies all housing assets of the Dissolved RDA intended for transfer to the Authority, as housing successor agency of the Dissolved RDA, under the Dissolution Act and AB 1484. Health and Safety Code Section 34176(e) defines "housing assets" as: all real and personal property interest acquired for low- and moderate-income housing purposes; encumbered funds; loan and grant receivables for assistance provided by the Authority, rents and payments from housing operations

and amounts owed to the Authority as a result of previously deferred or borrowed Authority funds.

On July 31, 2012, the City submitted its Housing Asset List to the Department of Finance (the "DOF"). The City received a letter from the DOF Dated August 30, 2012 (copy attached to the Resolution) approving all housing assets listed on the Housing List for transfer to the City as housing successor agency.

The City (and most housing successors in the State) believed that housing assets identified in the Housing Asset list were approved by the DOF and transferred to the Authority by operation of law; and therefore, did not require an Oversight Board action to direct this transfer.

The State Controller's Office (the "SCO") is conducting a review of the Dissolved RDA's assets, and has preliminarily indicated its view that the transfer of the Housing Assets to the Authority, as housing successor of the Dissolved RDA, requires Oversight Board action directing transfer of those Housing Assets (in addition to the previous DOF approval of the Housing Asset List described above), though it is not clear on which part of the Dissolution Act or AB 1484 this interpretation is based.

To accommodate this view of the SCO, the Successor Agency requests that the Oversight Board adopt the attached resolution acknowledging the DOF's previous review and approval of the Housing Asset List to the City in its capacity as housing successor of the Dissolved RDA.

FISCAL IMPACT

There is no foreseeable impact resulting from the adoption of the resolution approving the Housing Asset List and the transfer of the listed housing assets to the Authority. Transfer of the housing assets to the Authority does not create any new enforceable obligations of the Dissolved RDA, but rather facilitates the Authority's management of the housing assets of the Dissolved RDA consistent with the Dissolution Act and AB 1484.

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney, acting as counsel to the Successor Agency, and approved as to form.

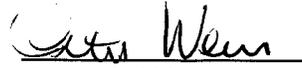
RECOMMENDATION

Adoption of a resolution approving the transfer of housing assets from the Successor Agency to the Oceanside Housing Authority (the "Authority").

PREPARED BY:


Michael Blazenski
Interim Financial Services Director

SUMBITTED BY:


Peter A. Weiss
City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager

John Helmer, Downtown Development Manager



Attachments:

Resolution
Housing Asset List
DOF Approval Letter

1 RESOLUTION NO. _____

2
3 A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY
4 DIRECTING THE TRANSFER OF HOUSING ASSETS TO THE OCEANSIDE
5 HOUSING AUTHORITY

6 WHEREAS, on February 1, 2012, in accordance with the provisions of California
7 Health and Safety Code section 34179(a)(1) the Oceanside Redevelopment Agency (the
8 "Agency") was dissolved; and

9 WHEREAS, the Oversight Board to the Successor Agency of the former Oceanside
10 Redevelopment Agency (Successor Agency) has been appointed pursuant to the provisions
11 of Health and Safety Code Section 34179; and

12
13 WHEREAS, on January 10, 2013, the City Council of the City of Oceanside (the "City")
14 elected to have the Oceanside Housing Authority (the "Authority") retain the housing assets
15 and functions previously performed by the Dissolved RDA, and to serve as the successor
16 housing agency of the Dissolved RDA effective February 1, 2012; and

17 WHEREAS, pursuant to Health and Safety Code Section 34176 (a)(2), on July 31,
18 2012, the City submitted the required housing asset transfer list (the "Housing Asset List") to
19 the California Department of Finance (the "DOF"); and

20
21 WHEREAS, a copy of the submitted Housing Asset List is attached to this Resolution
22 as Exhibit A; and

23
24 WHEREAS, the Housing Asset List constitutes a list of all "housing assets" of the
25 Dissolved RDA, as defined in Health and Safety Code Section 34176(e), including: real and
26 personal property interests acquired for low- and moderate-income housing purposes;
27 encumbered funds; loan and grant receivables for assistance provided by the Authority; rents
28 and payments from housing operations; and amounts owed to the Authority as a result of
previously deferred or borrowed Authority fund deposits; and

1 WHEREAS, the City received a letter from the DOF dated August 30, 2012, a copy of
2 which is attached to this Resolution as Exhibit B, approving all housing assets listed on the
3 Housing Asset List (the "DOF Approval Letter"); and

4
5 WHEREAS, as used in this Resolution, the term "Housing Assets" means all of the
6 assets set forth in the Housing Asset List approved by the DOF; and

7
8 WHEREAS, the State Controller's Office (the "SCO") is conducting a review of the
9 Dissolved RDA's assets, and has preliminarily indicated to the Successor Agency and the City
10 its view that the transfer of the Housing Assets to the Authority, as housing successor of the
11 Dissolved RDA, requires Oversight Board action directing the transfer of those Housing
12 Assets (in addition to the previous DOF approval of the Housing Asset List described above);
13 and

14 WHEREAS, to comply with the SOC's view, the Successor Agency requests that the
15 Oversight Board direct transfer of all of the Housing Assets set forth in the Housing Asset List
16 to the City as the housing successor for the Dissolved RDA, as authorized by Health and
17 Safety Code Section 34181(c); and

18
19 NOW, THEREFORE, BE IT RESOLVED that the Oversight Board hereby finds and
20 determines that the foregoing recitals are true and correct, and hereby approves the transfer
21 of all Housing Assets set forth in the Housing Asset List to the Authority; and

22 BE IT FURTHER RESOLVED that the Oversight Board hereby acknowledges and
23 confirms that, pursuant to Health and Safety Code Section 34176(a)(2) and as evidenced by
24 the DOF Approval Letter, the DOF has already fully approved all of the Housing Assets set
25 forth in the Housing Asset List to comprise housing assets as define in Health and Safety
26 Code Section 34176(e).

27
28 PASSED AND ADOPTED by the Oversight Board to the Successor Agency of the City
of Oceanside, California, this 24th day of September, 2013, by the following vote:

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AYES:

NAYS:

ABSENT:

ABSTAIN:

CHAIRMAN
Oversight Board of Successor Agency
City of Oceanside

ATTEST:

Secretary



DEPARTMENT OF
FINANCE

EDMUND G. BROWN JR. ■ GOVERNOR

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

August 30, 2012

Ms. Margery Pierce, Neighborhood Services Director
City of Oceanside
300 North Coast Highway
Oceanside, CA 92054

Dear Ms. Pierce:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the Oceanside Housing Authority submitted a Housing Assets Transfer Form (Form) to the California Department of Finance (Finance) on July 31, 2012 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. Kathy Brann, Development Manager, City of Oceanside
Ms. Tracy Sandoval, Assistant Chief Financial, San Diego County
Mr. Juan Perez, Senior Auditor and Controller, San Diego County
Ms. Nenita DeJesus, Senior Auditor and Controller Accountant, San Diego County
California State Controller's Office

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

Former Redevelopment Agency: Oceanside Redevelopment Agency

Successor Agency to the Former Redevelopment Agency: City of Oceanside

Entity Assuming the Housing Functions of the former Redevelopment Agency: Oceanside Housing Authority

Entity Assuming the Housing Functions Contact Name: Margery Pierce Title Neighborhood Services Director Phone (760)435-3377 E-Mail Address mpierce@ci.oceanside.ca.us

Entity Assuming the Housing Functions Contact Name: _____ Title _____ Phone _____ E-Mail Address _____

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	
Exhibit C - Low-Mod Encumbrances	
Exhibit D - Loans/Grants Receivables	X
Exhibit E - Rents/Operations	X
Exhibit F- Rents	
Exhibit G - Deferrals	X

Prepared By: David Manley, Neighborhood Services Division Manager

Date Prepared: 7/31/12

**City of Oceanside
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	Improved Land	APN: 158-330-15,16,17-00, 235-243 Via Pelicano	n/a	177,289	177,289	Yes	HOME	1/9/12	\$1,385,000	\$0	\$35,825	6/15/00	Fee title - land
2	Unimproved Land/SFD	APN: 160-27-12-00 and 146-061-03-00, Mission Avenue, 3206 Carolyn Circle	n/a	636,313	636,313	No	n/a	1/9/12	\$4,562,276	\$0	\$3,437,724	8/21/06	Fee title
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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.

City of Oceanside
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
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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.

City of Oceanside
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
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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.

City of Oceanside
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 payments 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)
1	Residual Receipts	Low-income housing	Community Housingworks	Community Housingworks	Oceanside CDC	Low-income housing	Yes	HOME	1
2	Residual Receipts	Low-income housing	USA Properties	USA Properties	City of Oceanside	Low-income housing	Yes	HOME	
3	Residual Receipts	Low-income housing	Wasatch Advantage	Wasatch Advantage	Oceanside CDC	Low-income housing	Yes	HOME	
4	Residual Receipts	Low-income housing	So Cal Presbyterian Homes	So Cal Presbyterian Homes	City of Oceanside	Low-income housing	Yes	HUD 202	
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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.

**City of Oceanside
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 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 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.

City of Oceanside
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
1	RDA Loan	2004	\$4,543,517	0	\$3,200,116	2017
2	SERAF	2010	\$1,116,968	0	\$1,116,968	2015
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