

**City of Culver City, California
Agenda Item Report**

Meeting Date: 06/25/12		Item Number: J-1	
JOINT CITY COUNCIL/CULVER CITY HOUSING AUTHORITY/SUCCESSOR AGENCY TO THE CULVER CITY REDEVELOPMENT AGENCY AGENDA ITEM: (1) Adoption of a City Council Resolution Approving the Transfer of Housing Assets and Obligations From the City to the Culver City Housing Authority to Implement the Housing Projects and Programs Identified in the City-Culver City Housing Authority Cooperation Agreement; (2) Adoption of a Resolution by the Culver City Housing Authority Accepting the Transfer of Housing Assets and Obligations from the City; (3) Adoption of a Resolution of the Successor Agency to the Culver City Redevelopment Agency Effectuating the Transfer of Housing Assets and Obligations to the Culver City Housing Authority Pursuant to AB 1X 26; and (4) Adoption of a Culver City Housing Authority Resolution Accepting the Transfer of Housing Assets and Obligations from the Successor Agency to the Culver City Redevelopment Agency; and Housing Authority Approval of a Related Budget Amendment.			
Contact Person/Dept.: Tevis Barnes		Phone Number: (310) 253-5782	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Commission Action Required: Yes ☐ No ☒		Date:	
Public Notification: Meetings and Agendas – City Council (06/21/12)			
Department/Assistant Executive Director Approval: Sol Blumenfeld (05/08/12)		City Attorney/Authority and Successor Agency Counsel Approval: Carol Schwab (by H. Baker) (06/21/12) City/Authority/Successor Agency Special Counsel Approval: Murray O. Kane (by D. Rhodes) (6/21/12)	
Chief Financial Officer Approval: Jeff Muir (by N. Kimball)(05/10/12)		City Manager/Executive Director Approval: John M. Nachbar (06/21/12)	
<u>RECOMMENDATION:</u> Staff recommends the City Council: (1) Adopt a resolution approving actions related to the transfer of certain assets and obligations to the Culver City Housing Authority (Housing Authority) to meet existing obligations set forth in a Cooperation Agreement with the Housing Authority. (Attachment No. 1); AND			

City of Culver City, California
Agenda Item Report

Staff recommends the Housing Authority Board:

- (2) Adopt a resolution approving and accepting the transfer of certain assets and obligations from the City to meet existing obligations set forth in a Cooperation Agreement with the City to accomplish the public purposes of increasing, improving and preserving the community's supply of affordable housing. (Attachment No. 2); and,
- (3) Adopt a resolution approving and accepting the transfer of the housing function, assets and obligations from the Successor Agency. (Attachment No. 4); and,
- (4) Approve a budget amendment \$150,000 be appropriated in account 47697100.619800 to cover legal and financial analysis expenditures associated with the Tilden Terrace and Globe projects.

AND

Staff recommends the Successor Agency to the Culver City Redevelopment Agency (Successor Agency) Board:

- (5) Adopt a resolution approving actions to effectuate the transfer of housing functions, assets and obligations of the Successor Agency to the Housing Authority. (Attachment No.3).

BACKGROUND:

On January 15, 2011, the Culver City Redevelopment Agency and the City of Culver City entered into a Cooperation Agreement for Payment of Costs Associated With Certain RDA Funded Capital Improvement and Affordable Housing Projects ("Agency-City Cooperation Agreement"), which provides for the Redevelopment Agency's payment of costs incurred by the City to bring about the redevelopment of the Culver City Redevelopment Project Area, to accomplish various tasks set forth in the Redevelopment Plan and the Implementation Plan, and to increase, improve and preserve the community's supply of affordable housing.

Pursuant to the provision of Assembly Bill 26 (2011-2012 1st Ex. Sess.) and other applicable State Law, the City Council activated the Housing Authority at the City Council meeting of January 9, 2012. At that January 9, 2012 meeting, the City Council and Housing Authority Board adopted respective resolutions which transferred (the City Council) and accepted the transfer (the Housing Authority Board) of all housing assets, rights, powers, duties, obligations, liabilities, and function previously performed by the Culver City Redevelopment Agency under Part 1.85 of Division 24 of the Health and Safety Code subject to the reservations stated in the resolutions.

City of Culver City, California
Agenda Item Report

On January 30, 2012, pursuant to Sections 33220 and 33206 of the Community Redevelopment Law, Section 34312.5 of California's Housing Authorities Law and Section 34509 of California's Housing Cooperation Law, the City and Housing Authority entered into a Cooperation Agreement to provide for the Housing Authority's implementation of certain low and moderate income housing projects and programs set forth in the Agency-City Cooperation Agreement.

The Agency-City Cooperation Agreement included funding for a number of affordable housing programs, including but not necessarily limited to the Rental Assistance Program, Homeless Outreach, and the Homeless Rental Assistance Program, and housing projects, including, but not necessarily limited to, the Tilden Terrace (11042-11058 West Washington Boulevard) and Globe (4044-4068 Globe Avenue) sites.

A Disposition and Development Agreement ("DDA") for the Tilden Terrace site was executed between the City, the Agency and Tilden Terrace, L.P. on March 31, 2011. Tilden Terrace is currently under construction and project completion is expected by September, 2013. A DDA between the Housing Authority and Habitat for Humanity of Greater Los Angeles for the development of the Globe site was approved by the Housing Authority Board at its January 30, 2012 meeting. The proposed City-Authority Cooperation Agreement authorized an administrative transfer of both projects from the City to the Housing Authority.

DISCUSSION:

The transfer of the real property and other assets and obligations of the City to the Authority will accomplish the public purposes of implementing the Redevelopment Plan for the Project Area and achieving the goals and purposes of such Plan, sustaining the redevelopment accomplished by the implementation of the Plan, increasing and improving and preserving the community's supply of affordable housing, obtaining the benefits for the Housing Authority for the housing uses to which the assets will be put, enforcing the existing covenants, contracts, and other obligations arising from said projects, and carrying out and achieving the goals and purposes of the Agency-City Cooperation Agreement and the City-Authority Cooperation Agreement. The transfer of the real property and assets of the City to the Authority is authorized by the Housing Cooperation Law, including but not limited to Section 34510.

The real property which is subject to the staff recommendation consists of interests held by the City and the Successor Agency in real property associated with the housing functions previously performed by the Agency (collectively, the "Real Property").

City of Culver City, California
Agenda Item Report

The assets and obligations are leases, promissory notes, agreements, and other rights of the Successor Agency to receive payment of funds and/or other consideration associated with the housing function previously performed by the Agency, all cash accounts, records, reports, files, furniture, fixtures, equipment and all other tangible and intangible personal property associated with the housing functions previously performed by the Agency (collectively, the "Other Assets").

The above recommended resolutions will address any housing assets and obligations that are currently held by the City as well as housing assets and obligations that were not previously transferred by the Agency to the City or that have since come into the possession of the Successor Agency.

FISCAL ANALYSIS:

On January 9, 2012, the City transferred certain low/moderate income housing assets and obligations to the Housing Authority, which included approximately \$1.1 million in Mortgage Assistance Program loan repayment obligations, \$7.3 million in real property assets, and \$1.3 million in cash. Additionally, the Housing Fund is currently owed approximately \$45.4 million by the former Redevelopment Agency (now an obligation of the Successor Agency) to repay ERAF/SERAF payments (\$10.5 million payable by June 2015) and repayment of housing set aside funds that were deferred pursuant to applicable law between 1985 and 1996 (\$34.9 million to be repaid in future years). These amounts are considered enforceable obligations of the Agency under ABx1 26 and will be repaid to the Housing Authority by the Successor Agency per the Recognized Obligations Payment Schedule. The above assets will support all affordable housing related administration, programs, and development.

With approval of the above resolutions, \$3.4 million in land proceeds from the sale of the Tilden Terrace site will be transferred from the City to the Housing Authority. From this amount, staff recommends \$150,000 be appropriated in account 47697100.619800 to cover legal and financial analysis expenditures associated with the Tilden Terrace and Globe projects.

ATTACHMENTS:

1. Proposed City Council Resolution transferring the housing assets and obligations from the City to the Housing Authority to implement the housing projects and programs identified in the City-Authority Cooperation Agreement;
2. Proposed Housing Authority Resolution accepting the transfer of housing assets and obligations from the City;
3. Proposed Successor Agency Resolution effectuating the transfer of housing assets and obligations to the Authority; and
4. Proposed Housing Authority Resolution accepting the transfer of housing assets and obligations from the Successor Agency

**City of Culver City, California
Agenda Item Report**

MOTION:

That the City Council:

1. Adopt a Resolution approving the transfer of the housing assets and obligations from the City to the Authority to implement the housing projects and programs identified in the City-Culver City Housing Authority Cooperation Agreement;

AND

That the Housing Authority Board:

2. Adopt a Resolution accepting the transfer of housing Assets and obligations from the City; and,
3. Adopt a Resolution accepting the transfer of housing assets and obligations from the Successor Agency.
4. Approve a budget amendment appropriating \$150,000 from available fund balance to account 4767100.619800 to cover existing legal and financial expenses (A Budget Amendment requires a Four-Fifths Vote).

AND

That the Successor Agency:

5. Adopt a Resolution effectuating the transfer of housing assets and obligations from the Successor Agency to the Authority Pursuant to AB 1X 26.