

Meeting Date: 1/24/12

AGENDA REPORT

City of Santa Clara, California

Agenda Item # 6C



Date: January 17, 2012

To: City Manager for Council Action

From: Director of Planning and Inspection

Subject: Adoption of Resolution to Elect the City of Santa Clara as Successor Housing Agency for the Redevelopment Agency of the City of Santa Clara

EXECUTIVE SUMMARY:

California Community Redevelopment Law required the Redevelopment Agency to use twenty percent of its tax increment revenue for the purpose of increasing, improving and preserving the community's supply of low and moderate income housing. The set-aside of these housing funds is referred to as the Low and Moderate Income Housing Fund.

By enactment of AB 1x 26, the Dissolution Act, the Redevelopment Agency is subject to dissolution on February 1, 2012. As a result of the Dissolution Act, the City is given the option to elect a Successor Housing Agency to retain all of the housing assets, rights, powers, duties, obligations and functions previously performed by the Agency in administering its Low and Moderate Income Housing Fund. By adopting the resolution included with this report, the City of Santa Clara will retain all of the aspect previously performed by the Redevelopment Agency upon its dissolution.

ADVANTAGES AND DISADVANTAGES OF ISSUE:

By becoming the Successor Housing Agency, the responsibility for administering the affordable housing assets will be vested with the City. If no action is taken to elect a successor agency, the local Housing Authority (Housing Authority of the County of Santa Clara) will become the Successor Housing Agency by default.

ECONOMIC/FISCAL IMPACT:

Fiscal impact resulting from the Dissolution Act and the election of the City as Successor Housing Agency is unknown at this time.

RECOMMENDATION:

That the Council adopt the Resolution of the City of Santa Clara, California, electing to retain the Housing Assets and Functions of the Santa Clara Redevelopment Agency Under Part 1.85 of Division 24 of the Health and Safety Code.

APPROVED:

Kevin L. Riley
Director of Planning and Inspection

Jennifer Sparacino
City Manager

Documents Related to this Report:

- 1) City Resolution

RESOLUTION NO. 12-7902

**A RESOLUTION OF THE CITY OF SANTA CLARA,
CALIFORNIA, ELECTING TO RETAIN THE HOUSING
ASSETS AND FUNCTIONS OF THE SANTA CLARA
REDEVELOPMENT AGENCY UNDER PART 1.85 OF
DIVISION 24 OF THE HEALTH AND SAFETY CODE
SUBJECT TO RESERVATIONS HEREIN STATED**

BE IT RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

WHEREAS, the City of Santa Clara formed the Redevelopment Agency of the City of Santa Clara ("**Agency**") which has continuously engaged in redevelopment activities under the Community Redevelopment Law (Health and Safety Code sections 33000 et seq.);

WHEREAS, Sections 33334.2 and 33334.3 of the Community Redevelopment Law require the Agency to use 20 percent of taxes allocated to the Agency pursuant to Section 33670 of the CRL for the purpose of increasing, improving, and preserving the community's supply of low and moderate income housing ("**Low and Moderate Income Housing Fund**");

WHEREAS, the Agency has continuously utilized its Low and Moderate Income Housing Fund for the purpose of increasing, improving and preserving the community's supply of low- and moderate-income housing available at affordable housing cost;

WHEREAS, by enactment of Part 1.85 of Division 24 of the Health and Safety Code, subject to all reservations herein stated, the Agency, is subject to dissolution on February 1, 2012 such that the Agency shall be deemed as a former redevelopment agency under Health and Safety Code section 34173(a);

WHEREAS, subject to all reservations herein stated and pursuant to Part 1.85 of Division 24 of the Health and Safety Code, the City Council of the City of Santa Clara ("**City**") desires to retain, without limitation, all of the housing assets, rights, powers, duties, obligations, liabilities and functions previously performed by the Agency upon the dissolution of the Agency, including

enforcement of affordability covenants and performance of related activities pursuant to applicable provisions of the Community Redevelopment Law (Part 1, commencing with Section 33000), including, but not limited to, Section 33418;

WHEREAS, the City Council of the City of Santa Clara ("**City Council**") hereby desires to adopt this Resolution, subject to the express reservation of rights of the City and Agency under law and/or equity, including without limitation the effectiveness of Assembly Bill No. 26 (2011-2012 1st Ex. Sess.) ("**AB 1x 26**") (collectively, "**Laws**");

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, 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 Agency and/or the City of in any administrative or judicial proceeding;

WHEREAS, All other legal prerequisites to the adoption of this Resolution have occurred; and,

WHEREAS, The City Council hereby finds and determines that the foregoing recitals are true and correct.

NOW THEREFORE, BE IT FURTHER RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

1. That subject to all reservations herein stated and pursuant to Part 1.85 of Division 24 of the Health and Safety Code, the City of Santa Clara hereby elects to retain, without limitation, all of the housing assets, rights, powers, duties, obligations, liabilities and functions previously performed by the Agency upon the dissolution of the Agency, including enforcement of affordability covenants and performance of related activities pursuant to applicable provisions of the Community Redevelopment Law (Part 1, commencing with Section 33000), including, but

not limited to, Section 33418 and hereby accepts the transfer to the City of Santa Clara of all of the housing assets, rights, powers, duties, obligations, liabilities and functions associated with the housing activities of the Agency.

2. That the City Manager is hereby authorized to make all notifications of such election as deemed necessary under Part 1.85 of Division 24 of the Health and Safety Code and to execute all documents and take all actions necessary and convenient to carry out and implement the transfer to the City of Santa Clara of, without limitation, all of the housing assets, rights, powers, duties, obligations, liabilities and functions previously performed by the Agency upon the dissolution of the Agency, including enforcement of affordability covenants and performance of related activities pursuant to applicable provisions of the Community Redevelopment Law (Part 1, commencing with Section 33000), including, but not limited to, Section 33418 and to administer the City's obligations, responsibilities and duties to be performed thereunder.

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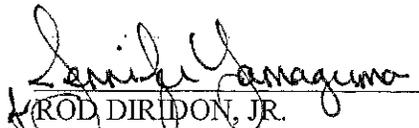
3. Constitutionality, severability. If any section, subsection, sentence, clause, phrase, or word of this resolution is for any reason held by a court of competent jurisdiction to be unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of the resolution. The City of Santa Clara, California, hereby declares that it would have passed this resolution and each section, subsection, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more section(s), subsection(s), sentence(s), clause(s), phrase(s), or word(s) be declared invalid.

4. Effective date. This resolution shall become effective immediately.

I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED AND ADOPTED BY THE CITY OF SANTA CLARA, CALIFORNIA, AT A REGULAR MEETING THEREOF HELD ON THE 24th DAY OF JANUARY, 2012, BY THE FOLLOWING VOTE:

AYES:	COUNCILORS:	Gillmor, Kennedy, Kolstad, Mahan, McLeod and Moore and Mayor Matthews
NOES:	COUNCILORS:	None
ABSENT:	COUNCILORS:	None
ABSTAINED:	COUNCILORS:	None

ATTEST:


ROD DIRDON, JR.
CITY CLERK
CITY OF SANTA CLARA

Attachments incorporated by reference:
None